

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS DOCUMENT IS A CIRCULAR FOR THE PURPOSES OF LISTING RULE 13. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN PERSONAL FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.

If you have sold or otherwise transferred all of your LSEG Ordinary Shares, please send this document and the accompanying documents (other than documents or forms personalised for you) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holding of LSEG Ordinary Shares you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security, including any LSEG Shares to be issued in connection with the Transaction. LSEG plc intends to publish a prospectus, once approved by the FCA, in connection with the Transaction in due course.

This document (including any documents incorporated into it by reference) should be read as a whole and in conjunction with the accompanying Form of Proxy.

The distribution of this document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.



London
Stock Exchange Group

London Stock Exchange Group plc

(registered in England and Wales under the Companies Act 1985 with registered number 5369106)

Proposed Acquisition of Refinitiv by London Stock Exchange Group plc

Circular to Shareholders

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of LSEG plc in Part I (*Letter From the Chairman of LSEG plc*), of this document, which contains the unanimous recommendation of the Board that you vote in favour of the Resolutions to be proposed at the LSEG General Meeting. You should read the whole of this document and, in particular, the risk factors in Part II (*Risk Factors*), of this document.

Notice of the LSEG General Meeting, which will be held at 10.30 a.m. (London time) on 26 November 2019 at Butchers' Hall, 87 Bartholomew Close, London EC1A 7EB, is set out in Part XII (*Notice of General Meeting*), of this document.

The action to be taken by LSEG Shareholders in relation to the LSEG General Meeting is set out on pages 7 and 8 of this document. LSEG Shareholders will find enclosed with this document a Form of Proxy for use in connection with the LSEG General Meeting. Whether or not you intend to be present at the LSEG General Meeting in person, please complete and sign the enclosed Form of Proxy (or appoint a proxy electronically, as referred to below) in accordance with the instructions printed on it and return it to LSEG plc's registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 8LU as soon as possible and, in any event, so as to be received by 10.30 a.m. on 22 November 2019. Unless the Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy will not prevent any LSEG Shareholder from attending and voting in person at the LSEG General Meeting, or any adjournment thereof, if you so wish and are so entitled.

Electronic Proxy Appointment ("EPA") is available for the LSEG General Meeting. To use this facility, you must visit www.sharevote.co.uk where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on the Form of Proxy will be required to complete the procedure. EPA will not be valid if received later than 10.30 a.m. on 22 November 2019, or, in the case of any adjournment, later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned meeting and will not be accepted if found to contain a computer virus.

Applications will be made to the FCA for the LSEG Ordinary Shares to be re-admitted to listing on the premium listing segment of the Official List, and to London Stock Exchange for the LSEG Ordinary Shares to be admitted to trading on its Main Market for listed securities. Shareholders are also advised to read the Prospectus, once published, which will contain information relating to the LSEG Ordinary Shares.

If you have any questions about this document, the LSEG General Meeting or the completion and return of the Form of Proxy, please call the Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays) on 0371 384 2544 (from within the UK) or +44 (0) 121 415 7047 (from outside the UK (international rates apply)). Please note that calls may be monitored or recorded and the Shareholder Helpline cannot provide financial, legal or tax advice or advice on the merits of the Transaction.

Certain terms used in this document are defined in Part XI (*Definitions*), of this document.

Goldman Sachs International (“**Goldman Sachs**”), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as lead financial adviser to LSEG plc and no one else in connection with the Transaction and the matters set out in this document. In connection with such matters, Goldman Sachs, its affiliates, and its or their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Transaction or the contents of this document or any other matter referred to herein.

Morgan Stanley & Co. International plc (“**Morgan Stanley**”), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as lead financial adviser to LSEG plc and no one else in connection with the matters set out in this document. In connection with such matters, Morgan Stanley, its affiliates, and its or their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this document or any other matter referred to herein.

Robey Warshaw LLP (“**Robey Warshaw**”), which is authorised and regulated by the Financial Conduct Authority is acting as lead financial adviser to LSEG plc and no one else in connection with the matters set out in this document and will not be responsible to anyone other than LSEG plc for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or any other matter referred to herein.

Barclays Bank PLC, acting through its Investment Bank (“**Barclays**”), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as sponsor, corporate broker and financial adviser to LSEG plc and no one else in connection with the matters set out in this document. Apart from the responsibilities and liabilities which may be imposed on Barclays under FSMA or the regulatory regime established thereunder, Barclays will not be responsible to anyone other than LSEG plc for providing the protections afforded to clients of Barclays nor for providing advice in relation to the contents of this document or any other matter referred to herein.

RBC Europe Limited (trading as “**RBC Capital Markets**”), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting for LSEG plc and no one else in connection with the matters referred to in this document and will not be responsible to anyone other than LSEG plc for providing the protections afforded to clients of RBC Capital Markets, or for providing advice in connection with the matters referred to in this document.

The date of publication of this document is 6 November 2019.

IMPORTANT NOTICES

Forward-looking statements

This document (including information incorporated by reference in this document), oral statements made regarding the Transaction, and other information published in connection with the Transaction contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this document include statements relating to the expected effects of the Transaction on LSEG, the expected timing and scope of the Transaction and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved.

Although LSEG plc believes that the expectations reflected in such forward-looking statements are reasonable, LSEG plc can give no assurance that such expectations will prove to be correct. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, any matter referred to in Part II (*Risk Factors*), of this document, as well as factors such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as changes in the political, social and regulatory framework in which the Combined Business will operate or in economic or technological trends or conditions. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors.

None of LSEG plc or any of its associates or directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA, and the Prospectus Regulation Rules), LSEG plc is under no obligation, and LSEG plc expressly disclaims any intention or obligation, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Nothing in this paragraph or anywhere else in this document should be construed as qualifying the statement in respect of the Combined Business’ working capital set out in paragraph 22 of Part IX (*Additional Information*), of this document.

No offer of securities

This document does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security, including any LSEG Shares to be issued in connection with the Transaction. In particular, the LSEG Shares to be issued in connection with the Transaction have not been and will not be registered under the Securities Act and may not be offered or sold in the US absent registration or an applicable exemption from the registration requirements of the Securities Act.

No profit forecasts or estimates

No statement in this document, or incorporated by reference into this document, is intended to be or is to be construed as a profit forecast or estimate for any period and no other statement in this document should be interpreted to mean that earnings or earnings per share for LSEG plc for the current or future financial years, or those of the Combined Business, would necessarily match or exceed the historical published earnings or earnings per share for LSEG plc.

Quantified synergy benefits

Statements of identified synergies and estimated cost savings relate to future actions and circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated cost savings referred to in this document may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Publication on website and availability of hard copies

A copy of this document and all information incorporated into this document by reference to another source, will be made available on LSEG's website at: <https://www.lseg.com/investor-relations/financial-reports-and-key-documents/ma-documents/acquisition-refinitiv>. For the avoidance of doubt, the contents of any websites referred to in this document are not incorporated into and do not form part of this document.

If you have received this document in electronic form, you may request a hard copy of this document, and/or any information incorporated into this document by reference to another source, by writing to LSEG plc's registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or by calling Equiniti between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays), on 0371 384 2544 from within the UK, or on +44 (0) 121 415 7047, if calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Calls will be recorded and monitored for training and security purposes. You will need to provide your full name and the full address to which the hard copy or copies should be sent. You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form.

Rounding

Certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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TO VOTE ON THE TRANSACTION

This page should be read in conjunction with the section entitled “*Action to be Taken*”, set out on pages 7 and 8 of this document, and the rest of the document, in particular, the notice of the LSEG General Meeting included in Part XII (*Notice of General Meeting*), of this document.

Whether or not you plan to attend the LSEG General Meeting, you should complete, sign and return the accompanying Form of Proxy for use at the LSEG General Meeting, so as to be received by no later than 10.30 a.m. on 22 November 2019, or, in the case of adjournment, by no later than 48 hours (excluding non-Business Days) before the time fixed for holding the adjourned meeting.

Electronic Proxy Appointment (“EPA”) is also available for the LSEG General Meeting. To use this facility, you must visit www.sharevote.co.uk, where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on the Form of Proxy will be required to complete the procedure. EPA will not be valid if received later than 10.30 a.m. on 22 November 2019 or, in the case of any adjournment, later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned meeting, and will not be accepted if found to contain a computer virus.

If you require assistance, please telephone Equiniti on 0371 384 2544 (from within the UK) or +44 (0) 121 415 7047 (from outside the UK) between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at applicable international rates. Calls will be recorded and monitored for security and training purposes.

Please note that, for legal reasons, Equiniti cannot provide advice on the merits of the Transaction or give any legal, tax or financial advice.

Hard copies of this document or any information incorporated into this document by reference to another source, sent to persons in electronic form, or by means of being published on LSEG’s website, and all future documents, announcements and information required to be sent to persons in relation to the Transaction may be requested to be received by LSEG Shareholders in hard copy form by writing to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or by calling Equiniti at the numbers provided above. You will need to provide your full name and the full address to which the hard copy or copies should be sent. A hard copy of any such documents will not be sent unless so requested.

The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the LSEG General Meeting, or any adjournments thereof, if you so wish and are so entitled.

ACTION TO BE TAKEN

For the reasons set out in this document, the Board unanimously recommends that LSEG Shareholders vote in favour of the Resolutions relating to the Transaction to be proposed at the LSEG General Meeting, as the Directors intend to do in respect of their own beneficial holdings of LSEG Ordinary Shares, and that you take the action described below.

The LSEG General Meeting will be held at 10.30 a.m. (London time) on 26 November 2019 at Butchers' Hall, 87 Bartholomew Close, London EC1A 7EB. The Transaction requires approval of LSEG Shareholders at the LSEG General Meeting.

1. The Documents

Please check that you have received the following with this document, a:

- Form of Proxy for use in respect of the LSEG General Meeting; and
- Shareholder Admission Card.

If you have not received any of these documents, please contact the Shareholder Helpline on the number indicated below.

2. Voting at the LSEG General Meeting

The Transaction will require approval by LSEG Shareholders at the LSEG General Meeting to be held at 10.30 a.m. (London time) on 26 November 2019 at Butchers' Hall, 87 Bartholomew Close, London EC1A 7EB. The Transaction constitutes a Reverse Takeover for LSEG plc under the Listing Rules and will require the passing by LSEG Shareholders of the Resolutions to be proposed at the LSEG General Meeting.

LSEG Shareholders entitled to attend and vote at the LSEG General Meeting are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the LSEG General Meeting. A proxy need not be an LSEG Shareholder.

Sending Forms of Proxy by post or by hand

Please complete and sign the enclosed Form of Proxy in accordance with the instructions printed on it and return it either: (i) by post; or (ii) during normal business hours only, by hand, to LSEG plc's registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 8LU, so as to be received as soon as possible and in any event no later than 10.30 a.m. on 22 November 2019, or, if the LSEG General Meeting is adjourned, the Form of Proxy should be received not later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned LSEG General Meeting.

The Form of Proxy must be returned by the time mentioned above, or it will be invalid.

LSEG Shareholders are entitled to appoint a proxy in respect of some or all of their LSEG Ordinary Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. LSEG Shareholders who wish to appoint more than one proxy in respect of their holding of LSEG Ordinary Shares should contact Equiniti for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at the LSEG General Meeting, or any adjournment thereof, if you so wish and are so entitled.

Electronic voting and appointment of proxies

LSEG Shareholders entitled to attend and vote at the LSEG General Meeting may appoint a proxy electronically by logging on to the following website: www.sharevote.co.uk and entering the Voting ID, Task ID and Shareholder Reference Number shown on their Form of Proxy. For an EPA to be valid, the appointment must be received by LSEG plc's registrar, Equiniti, no later than 10.30 a.m. on 22 November 2019, or, in the case of any adjournment, no later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned meeting.

Electronic appointment of proxies through CREST

If you hold LSEG Ordinary Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the LSEG General Meeting (or any adjourned LSEG General Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The CREST Proxy Instruction (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy), must, in order to be valid, be transmitted so as to be received by LSEG plc’s registrar, Equiniti, no later than 10.30 a.m. on 22 November 2019, or, in the case of any adjournment, no later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee by other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

LSEG plc may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

3. Shareholder Helpline

If you have any questions about this document or the LSEG General Meeting, or are in any doubt as to how to complete the Form of Proxy, please contact LSEG plc’s registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or by calling Equiniti on 0371 384 2544 or, if telephoning from outside the UK, on +44 (0) 121 415 7047, between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at applicable international rates. Calls will be recorded and monitored for security and training purposes. Please note that, for legal reasons, the Shareholder Helpline cannot provide advice on the merits of the Transaction or give any legal, tax or financial advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times unless otherwise stated. All dates and times are based on the current expectations of LSEG plc and are subject to change, which will depend, among other things, on the date on which the Conditions to the Transaction are satisfied or, where applicable, waived. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to LSEG Shareholders by announcement through a Regulatory Information Service.

Event	Expected time/date
Publication of this document	6 November 2019
Latest time and date for lodging Forms of Proxy/CREST Proxy Instructions for the LSEG General Meeting	10.30 a.m. on 22 November 2019⁽¹⁾
Voting Record Time	6.30 p.m. on 22 November 2019 ⁽²⁾
LSEG General Meeting	10.30 a.m. on 26 November 2019⁽³⁾
Publication of the Prospectus	Second half of 2020
Completion of the Transaction	Second half of 2020
Long Stop Date	31 May 2021

Notes

- (1) In order to be valid, the Form of Proxy must be lodged no later than 10.30 a.m. (London time) on 22 November 2019 (or, if the LSEG General Meeting is adjourned, no later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned meeting). Please see the section entitled “*Action to be taken*”, on pages 7 and 8 of this document.
- (2) If the LSEG General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 6.30 p.m. on the date which is two Business Days before the date set for such adjourned meeting.
- (3) The LSEG General Meeting will be held at Butchers’ Hall, 87 Bartholomew Close, London EC1A 7EB.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors of the Company:	Don Robert David Schwimmer David Warren Raffaele Jerusalmi Paul Heiden Jacques Aigrain Marshall Bailey OBE Professor Kathleen DeRose Cressida Hogg CBE Stephen O'Connor Dr. Val Rahmani Professor Andrea Sironi Dr. Ruth Wandhöfer	Chairman Chief Executive Officer Chief Financial Officer Executive Director Senior Independent Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Company Secretary of the Company:	Lisa Condron	
Registered Office of the Company:	10 Paternoster Square London EC4M 7LS	
Lead Financial Adviser to the Company:	Goldman Sachs International Plumtree Court 25 Shoe Lane London EC4A 4AU	
Lead Financial Adviser to the Company:	Morgan Stanley & Co. International plc 25 Cabot Square Canary Wharf London E14 4QA	
Lead Financial Adviser to the Company:	Robey Warshaw LLP 9 Grosvenor Square London W1K 5AE	
Financial Adviser, Corporate Broker and Sponsor to the Company:	Barclays Bank PLC, acting through its Investment Bank 5 The North Colonnade Canary Wharf London E14 4BB	
Corporate Broker to the Company:	RBC Europe Limited, trading as RBC Capital Markets Thames Court One Queenhithe London EC4V 3DQ	
Legal Advisers to the Company as to English and US law:	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS	
Legal Advisers to the Sponsor as to English and US law:	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG	

Reporting Accountants to the Company:

KPMG LLP
15 Canada Square
London E14 5GL

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Auditors to the Company:

Ernst & Young LLP
1 More London Place
London SE1 2AF

Reporting Accountants to Refinitiv:

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Auditors to Refinitiv:

Deloitte LLP
30 Rockefeller Plaza
New York
NY 10112-0015
United States

Company Registrar:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

GENERAL INFORMATION

Presentation of financial information

Unless otherwise stated:

- financial information relating to LSEG has been extracted without material adjustment from the audited consolidated financial statements of LSEG for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, or from the unaudited, interim, consolidated management statements of LSEG for the six month period ended 30 June 2019, each of which have been incorporated by reference into this document as described in Part X (*Documentation Incorporated by Reference*), of this document;
- financial information relating to Refinitiv has been extracted without material adjustment from the audited combined financial statements relating to Refinitiv for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, or from the unaudited, interim, combined financial statements in relation to Refinitiv for the six month period ended 30 June 2019, each of which is included in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document; and
- all prices quoted for LSEG Ordinary Shares are closing prices in sterling as at the date specified, as provided by London Stock Exchange.

Where information has been extracted from the audited consolidated financial statements in relation to LSEG or the audited combined financial statements in relation to Refinitiv, the information is audited unless otherwise stated. Where information has been extracted from the unaudited, interim financial statements in relation to LSEG or Refinitiv, the information is unaudited.

Unless otherwise indicated, financial information in this document relating to LSEG and Refinitiv has been prepared in accordance with IFRS.

Pro Forma Financial Information

In this document, any reference to “pro forma” financial information is to information which has been extracted without material adjustments from the unaudited pro forma financial information contained in Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*), of this document. The unaudited pro forma information contained in Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*), of this document is based on the historical financial information of Refinitiv and LSEG contained in Part VI (*Historical Financial Information relating to Refinitiv*) and Part VII (*Historical Financial Information relating to LSEG*), of this document, respectively. The pro forma income statement and statement of net assets are presented in sterling, the proposed functional currency of the Combined Business. The unaudited pro forma income statement has been prepared to illustrate the effect on the earnings of the Combined Business as if the proposed Transaction had taken place on 1 January 2018. The unaudited pro forma statement of net assets has been prepared to illustrate the effect on the net assets of the Combined Business as if the proposed Transaction had taken place on 31 December 2018.

The unaudited pro forma income statement and statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent LSEG plc’s or the Combined Business’ actual financial position or results. The pro forma financial information has been prepared under IFRS as adopted by the EU and on the basis set out in Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*), of this document and in accordance with Annex 20 of the PR Regulation. The pro forma financial information is stated on the basis of the accounting policies of LSEG plc.

In addition to the matters noted above, the unaudited pro forma financial information does not reflect the effect of anticipated synergies and efficiencies associated with the Transaction.

Currencies

Unless otherwise indicated, all references in this document to “sterling”, “GBP”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom; references to “EUR”, “Euro” or “€” are to the official currency of the Eurozone; and references to “US Dollars”, “USD” or “\$” are to the lawful currency of the US.

Market and Industry Information

Market data and certain industry forecasts used in this document were obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry

publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy or completeness of such information is not guaranteed. Similarly, internal surveys, reports and studies and market research, while believed by LSEG plc to be reliable and accurately extracted by LSEG plc for the purposes of this document, have not been independently verified and LSEG plc makes no representation as to the accuracy of such information. See the paragraph headed “*Forward-looking statements*” in the “*Important Notices*” section on page 3.

Time of day

Unless otherwise indicated, all references in this document to time of day are references to London time.

Enforceability of Judgments

LSEG plc is a public limited company incorporated under the laws of England and Wales and a substantial portion of the assets of LSEG plc are located outside the US. Furthermore, most of the Directors are residents of countries other than the US and there can be no assurance that they will have substantial assets in the US. As a result, it may not be possible for investors to effect service of process within the US upon LSEG plc or such persons or to enforce judgments obtained outside the US against LSEG plc or such persons in the US courts, including, without limitation, judgments based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the US. In addition, awards of punitive damages in actions brought in the US or elsewhere may be unenforceable in the United Kingdom. Investors may also have difficulties enforcing, in original actions brought in courts in jurisdictions outside the US, liabilities under US securities laws.

PART I
LETTER FROM THE CHAIRMAN OF LSEG PLC

Directors:

Don Robert (*Chairman*)
David Schwimmer (*Chief Executive Officer*)
David Warren (*Chief Financial Officer*)
Raffaele Jerusalmi (*Executive Director*)
Paul Heiden (*Senior Independent Director*)
Jacques Aigrain (*Non-Executive Director*)
Marshall Bailey OBE (*Non-Executive Director*)
Professor Kathleen DeRose (*Non-Executive Director*)
Cressida Hogg CBE (*Non-Executive Director*)
Stephen O'Connor (*Non-Executive Director*)
Dr. Val Rahmani (*Non-Executive Director*)
Professor Andrea Sironi (*Non-Executive Director*)
Dr. Ruth Wandhöfer (*Non-Executive Director*)

Registered Office:

10 Paternoster Square
London EC4M 7LS

6 November 2019

To all LSEG Shareholders, and, for information only, to participants in the LSEG Share Plans and persons with information rights

Dear Shareholder

**PROPOSED ALL SHARE ACQUISITION OF REFINITIV
BY LONDON STOCK EXCHANGE GROUP PLC**

1. Introduction

On 1 August 2019, LSEG announced (the “**Announcement**”) that it had agreed definitive terms with a consortium including certain investment funds affiliated with Blackstone, as well as Thomson Reuters (together, the “**Refinitiv Shareholders**”), to acquire Refinitiv in an all share transaction for a total enterprise value of US\$27 billion (as at 1 August) (the “**Transaction**”). Blackstone’s consortium includes an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC Special Investments Pte. Ltd., and certain co-investors (the “**Blackstone Consortium**”). The Transaction is expected to result in the Refinitiv Shareholders ultimately holding an approximate 37 per cent. economic interest in LSEG plc and less than 30 per cent. of the total voting rights in LSEG plc.

Refinitiv is a leading global provider of market and financial data, analytics, and workflow solutions that serve as important infrastructure for the trading and investment markets. The Directors believe that combining Refinitiv’s highly attractive data capabilities and multi-asset class capital markets functionality with LSEG will be strategically and financially transformational and create a financial markets infrastructure leader of the future.

In assessing the Transaction, the Board has considered the future needs of customers and identified potential growth opportunities. The digital transformation of the financial markets infrastructure landscape, and the increased potential for innovation this brings, is driving customer demand for sophisticated data content and analytics, provided on flexible and open platforms and across multiple asset classes. Against this backdrop, the Board is convinced that a leading financial markets infrastructure provider must operate globally and across asset classes, with strong data management, analytics and distribution capabilities as part of its customer offering.

The combination of LSEG and Refinitiv (the “**Combined Business**”) will be well positioned in all key geographies and will offer significant customer benefits across the full range of LSEG’s businesses by: extending its trading capabilities across asset classes; expanding its data content, management and distribution capabilities; increasing its global footprint and range of customer offerings; and enabling LSEG, Refinitiv and their customers to benefit from future data and technology-enabled innovation and growth opportunities. Together, LSEG and Refinitiv will form a leading global financial markets infrastructure provider by revenue, with combined pro forma 2018 revenues of over £6 billion exceeding those of any other listed global financial markets infrastructure provider.

Accordingly, the Board believes that the Transaction represents a compelling strategic opportunity for LSEG and Refinitiv to deliver significant benefits for customers, and in particular to:

- Transform LSEG's position and create a global financial markets infrastructure leader of the future.
- Strengthen LSEG's global footprint and accelerate its successful growth strategy across multiple key financial centres and jurisdictions, including in North America (the world's largest financial market), Asia and fast-growing emerging markets.
- Significantly enhance LSEG's customer proposition in data and analytics, utilising the Combined Business' intellectual property to offer innovative new services.
- Complement LSEG's existing multi-asset class growth strategy to create a global multi-asset class capital markets business with the addition of high-growth foreign exchange and fixed income venues.
- Deepen and expand LSEG's and Refinitiv's shared core principles of open access and customer partnership.

The combination of LSEG and Refinitiv is also expected to deliver a highly attractive financial profile for the Combined Business and create significant value for LSEG Shareholders, offering:

Enhanced revenue mix with attractive growth

- The Combined Business is targeting a revenue compound annual growth rate, excluding recoveries, of 5 to 7 per cent. over the first three years following completion of the Transaction ("**Completion**").
- Improved business mix with recurring revenue expected to increase from 40 per cent. for LSEG standalone to around 70 per cent. for the Combined Business (based on combined pro forma annual revenue for 2018).

Significant synergies

- Targeted annual run-rate revenue synergy benefits in excess of £225 million by the end of year five following Completion.
- Targeted annual run-rate cost synergies in excess of £350 million by the end of year five following Completion.
- Separate and additional benefits from Refinitiv's existing transformation programme, expected to deliver Refinitiv revenue growth plus annual run-rate cost savings of US\$650 million by the end of 2020.

Attractive returns

- Targeted combined adjusted EBITDA margin of around 50 per cent. in the medium term following Completion.
- Returns on invested capital in excess of LSEG's stated investment criteria from the third year following Completion.
- Targeted adjusted earnings per share accretion of over 30 per cent. in the first full year following Completion, increasing further in years two and three.

Maintenance of current capital management framework, including:

- Maintenance of LSEG's current progressive dividend policy.
- Expected to return to LSEG's target range of 1.0–2.0x net debt to adjusted EBITDA in the 24–30 months following Completion, from around 3.5x at Completion.

Following Completion, I will continue to chair the Combined Business, David Schwimmer will lead the Combined Business as Chief Executive Officer and, until his retirement, David Warren will be Chief Financial Officer. David Craig will join LSEG's Executive Committee and continue as Chief Executive Officer of Refinitiv. LSEG's global business will continue to be headquartered in London and LSEG plc will retain its premium listing on the Official List of the FCA and will continue to be traded on London Stock Exchange's Main Market for listed securities as London Stock Exchange Group plc. Following Completion, LSEG will remain in compliance with the UK Corporate Governance Code. For further details in respect of the Combined Business' management and governance, please refer to paragraph 8 (*Management and governance*), of this letter.

The Transaction is conditional, among other things, upon there having been no event that has had a material adverse effect on LSEG or Refinitiv between 31 December 2018 and Completion, receipt of antitrust and regulatory clearances and, given the Transaction is classified as a Reverse Takeover of LSEG plc under the Listing Rules of the FCA, upon the approval of LSEG Shareholders and the re-admission of LSEG plc's enlarged voting ordinary share capital to the premium listing segment of the Official List and to trading on London Stock Exchange's Main Market for listed securities. Further details in respect of the conditions to the Transaction are set out in paragraphs 7 (*Summary of the terms of the Transaction*) and 11 (*Regulatory and merger control approvals*) of this letter, and in Part III (*Summary of the Key Transaction Terms*), of this document. The expected Transaction timetable is set out in the section entitled "*Expected Timetable of Principal Events*" on page 9 of this document, with Completion currently expected to occur during the second half of 2020.

The Board believes that LSEG and Refinitiv are and will continue to be highly complementary businesses. Market sentiment in respect of the Transaction has been positive. Since LSEG announced on 27 July 2019 that advanced discussions in relation to the Transaction were taking place, the value of LSEG Ordinary Shares has increased by approximately 25 per cent., representing an increase in LSEG plc's market capitalisation of approximately £4.9 billion. The Board believes that further value creation can be achieved and that the Transaction will create substantial value for LSEG Shareholders and important benefits for LSEG's customers, employees and other stakeholders.

I am therefore pleased to present this significant, value creating opportunity and recommend the Transaction to LSEG Shareholders. The purpose of this letter is to: (i) explain the background to and reasons for the Transaction; (ii) explain why the Directors believe that the Transaction is in the best interests of LSEG and LSEG Shareholders taken as a whole; and (iii) recommend that, as an LSEG Shareholder, you vote in favour of the Resolutions to be proposed at the LSEG General Meeting.

A notice of the LSEG General Meeting, at which your approval will be sought for the Transaction, is set out at the end of this document. In order to approve the Transaction, the Resolutions must be approved by LSEG Shareholders who together represent a simple majority of the LSEG Ordinary Shares being voted (whether in person or by proxy) at the LSEG General Meeting. The Resolutions are described in further detail in paragraph 14 (*LSEG General Meeting*) of this letter, and are set out in Part XII (*Notice of General Meeting*), of this document. Details of the action you should take in order to cast your votes at the LSEG General Meeting are set out in the section entitled "*Action to be Taken*", on pages 7 and 8 of this document. The recommendation of the Directors is set out in paragraph 18 (*Recommendation*), of this letter.

2. Background to and Reasons for the Transaction

LSEG strategy

LSEG is a global financial markets infrastructure business that sits at the centre of the world's financial community. Operating on an open access basis and in partnership with customers, LSEG focuses on three core strategic areas: Information Services, Post Trade and Capital Markets.

LSEG has successfully responded to evolving customer needs and macroeconomic, regulatory and technology trends as it has diversified from a domestic exchange group into a global, multi-asset class financial markets infrastructure provider. As a result of this diversification, LSEG's income has risen from £546 million during the financial year ended 31 March 2008, to £1,911 million during the financial year ended 31 December 2018. While pursuing the many growth opportunities in each of its core business areas, LSEG is also pursuing group-wide opportunities to deliver new and enhanced value and solutions to customers. It is also growing its global footprint, with a focus on North America, Asia and emerging markets, in addition to maintaining its well-established presence in the UK and Europe.

LSEG has a strong track record of creating shareholder value by anticipating and creating opportunities from structural trends in the fast-evolving financial markets infrastructure landscape, and delivering innovative solutions for customers. This is evidenced by its successful inorganic initiatives, including the acquisitions of FTSE and Russell to create a leading global index provider, allowing customers and shareholders to benefit from the shift to passive investment strategies, and the acquisition of a majority stake in LCH, a multi-asset class global CCP operator, which continues to be well positioned for growth in response to the regulatory focus on post-trade. The continuing organic growth of these businesses under LSEG's management, outperforming on original synergy targets and reflecting successful delivery of integration plans, reinforces this track record.

Reasons for the Transaction

The Board monitors global trends and the evolving landscape to anticipate the future needs of customers and identify potential growth opportunities. The Board is convinced that to be a financial markets infrastructure leader of the future, LSEG must operate globally with data management, analytics and distribution capabilities that can serve customers across asset classes and geographies.

The Transaction represents a compelling opportunity to acquire Refinitiv, one of the leading global providers of market and financial data and analytics, with leading trading venues across asset classes. It will combine Refinitiv's best-in-class data management capabilities with LSEG's deep market infrastructure expertise to create a global financial markets infrastructure leader of the future, together with our shared values of open access and customer partnership.

The Transaction:

Transforms LSEG's position as a global financial markets infrastructure leader of the future, strengthening its global footprint and accelerating its strategy

The Transaction is expected to create the largest publicly-listed financial markets infrastructure company by revenue globally, and brings together two highly complementary businesses, providing LSEG with significant additional capabilities across asset classes, enabling it to respond to emerging financial markets infrastructure trends. The Combined Business will have a balanced global footprint with a significant presence in key financial centres, in particular in North America, Asia and fast-growing emerging markets, as well as in Europe. Refinitiv has an extensive footprint in the US with strong relationships across sell side and buy-side customers, as well as the corporate market. The US is the world's largest financial market with the largest equities and fixed income markets by volume of listings, and the second largest foreign exchange ("FX") market by trading volume. The Transaction also provides deeper access to Asia through Refinitiv's presence in 30 countries in the region, with approximately 9,800 employees in Asia and over 1,000 in China. Refinitiv's businesses will provide access to over 40,000 customers and 400,000 end users across approximately 190 countries, expanding and diversifying LSEG's overall geographic footprint and customer reach.

The Transaction will materially increase LSEG's presence as a data, analytics and workflow solutions provider to the corporate, wealth and risk markets, providing access to new groups of customers which the Combined Business will be well placed to serve, and will position LSEG as a leading multi-asset class trading venue, presenting customers with optionality and the ability to deploy multi-asset class investment strategies.

Significantly enhances LSEG's customer proposition in data and analytics, accelerating opportunities in valuable intellectual property ("IP") and innovative new services

Refinitiv's leading data content, management and solutions capabilities are highly complementary to LSEG's global index and analytics businesses. They will expand LSEG's ability to support customers in relation to the growth of passive investment and development of multi-asset class investment strategies. This includes the ability to create new indexes and analytics products in emerging areas such as environmental, social and governance ("ESG") benchmarks by utilising Refinitiv's data sets and LSEG's best-in-class analytics capabilities.

The Transaction will significantly enhance LSEG's product innovation capabilities and complement its recent acquisitions in data and analytics, including The Yield Book, Mergent and Beyond Ratings. Refinitiv's expertise in data management and enrichment will allow LSEG to create significant value for customers from its existing data sets, in particular from Post Trade services, including regulatory reporting. These capabilities will allow LSEG to deliver a wider suite of solutions to meet the fast-evolving needs of the investment community.

In addition to increased IP and new products, the Combined Business will benefit from enhanced distribution capabilities, utilising Refinitiv's open platform model, its 400,000 end users, and global salesforce. These combined open platforms with multi-channel distribution capabilities will facilitate access to an expanded range of content by a broader group of customers.

Creates a global multi-asset class capital markets business with the addition of high-growth foreign exchange and fixed income venues

The Transaction is expected to create a global multi-asset class capital markets business through the addition of FX and fixed income venues. FX and fixed income are the two largest traded asset classes globally and benefit from multiple growth trends including the electronification of markets, the shift from active to passive

investment and the increased direct role played by buy-side firms in the market. Refinitiv benefits from leading execution venues in OTC markets, including Tradeweb (in which Refinitiv has an approximate 54 per cent. economic interest), Matching and FXall, with average daily trading volume of over US\$400 billion in FX and over US\$500 billion in fixed income. This is highly complementary to LSEG's existing position as an operator of leading listing and trading venues across equities, ETFs, fixed income and derivatives. Opportunities exist for technology-driven product innovations across asset classes and the Combined Business will be well-positioned to support customers as they seek opportunities in respect of these trends on a global basis.

Deepens and expands LSEG's and Refinitiv's shared core principles of open access and customer partnership

The Combined Business will offer customers enhanced choice and access to products and services, providing both proprietary and third-party content across a wide range of applications and platforms on an open access basis.

LSEG and Refinitiv share a long-standing commitment to open access and a customer partnership approach that delivers innovation and choice to their respective customers. LSEG operates on an open access basis across its Information Services, Post Trade and Capital Markets businesses, as well as providing its technology products globally to more than 40 exchanges and trading platforms. LSEG also operates a number of its businesses in partnership with its customers, including LCH, Turquoise, MTS and CurveGlobal, creating greater innovation, efficiency and choice. Refinitiv operates an open data platform and has over 40,000 customers and 400,000 end users globally. Refinitiv's open platform provides it with multi-point access to a broad array of data drawn from its customers and third-parties, enabling access to cutting edge content and analytics, and Refinitiv's partnerships with its customers play a key role in re-distributing its content to end users. Refinitiv's open platform also allows customers to engage with other users through offerings such as App Studio and Side-by-Side Integration API.

LSEG and Refinitiv have each sought to create long-term value through aligning their products and services with the interests of customers, and the Combined Business will maintain this partnership approach. This open access approach will be a strength for the Combined Business, to the benefit of its customers and LSEG Shareholders.

Improves LSEG business mix and generates attractive revenue growth

The combination of LSEG and Refinitiv is expected to create an attractive revenue profile for the Combined Business, with strong revenue growth and a high level of recurring, diversified revenue streams. Excluding recoveries, 2018 pro forma revenue for the Combined Business would have comprised around 70 per cent. recurring subscription-based revenue, a significant increase compared to LSEG standalone (40 per cent.) and would have been well-diversified across products and geographies.

The Combined Business is targeting a revenue compound annual growth rate ("CAGR"), excluding recoveries, of 5 to 7 per cent. over the first three years following Completion. This is expected to be achieved through the: (i) continued performance of LSEG's current businesses, where total income CAGR has been 15 per cent. over the last 3 years, and where Information Services (including FTSE Russell) and Post Trade (including LCH), are expected to form the basis of strong organic growth going forward; (ii) accelerating revenue growth of Refinitiv's Data, Distribution, Analytics and Workflow businesses resulting from its ongoing transformation programme (including the expansion of its data content sets, enhancement of its platform capabilities, continued expansion in emerging and frontier markets, and salesforce initiatives); (iii) continued strong growth of Refinitiv's FX trading platforms, Tradeweb and Risk; and (iv) realisation of target revenue synergies as a Combined Business. A summary of LSEG's recent financial performance is included in paragraph 6 (*Current trading and prospects*), of this letter, and further detail in respect of Refinitiv's transformation programme and existing revenue initiatives is set out in paragraph 3 (*Summary information on Refinitiv*) of this letter.

The Board, having reviewed and analysed the potential benefits of the Transaction, believes that the Combined Business will be able to achieve incremental and recurring pre-tax gross revenue synergies in excess of £225 million per annum by the end of year five following Completion. The Board expects that these revenue synergies will originate from:

- **Cross-selling opportunities**, accounting for approximately 60 per cent. of the identified benefits. These opportunities include the distribution of LSEG's index products and The Yield Book analytics via Refinitiv's data platforms and the distribution of Refinitiv's pricing and reference data to LSEG's index customers.

- **Enhancing existing products**, accounting for approximately 30 per cent. of the identified benefits. These opportunities include providing enhanced services to LSEG's issuer customers, through the addition of Refinitiv's data, and LCH valuation, margin and capital optimisation tools, as well as extending LSEG's suite of fixed income indexes, and improving and increasing the number of Refinitiv's indexes by utilising LSEG's index expertise.
- **Developing and launching new products**, accounting for approximately 10 per cent. of the identified benefits. This includes developing new fixed income and ESG index and analytics services using Refinitiv's extensive data and content sets.

These revenue synergy assumptions have been risk adjusted, and LSEG has exercised a degree of prudence in their calculation. The total quantified revenue synergies in excess of £225 million per annum are equivalent to approximately 3 per cent. of the Combined Business' pro forma total income from continuing operations for the 12 months ended 31 December 2018, of approximately £6.8 billion.

The Board expects that revenue synergy realisation will take place progressively, whereby approximately 60 per cent. of the total benefits will be realised by year three following Completion, rising to 100 per cent. by the end of year five following Completion. Revenue synergies are anticipated to drive additional growth in later years and LSEG believes that significant potential upsides exist in addition to the quantified revenue synergies, to be derived from innovations in Capital Markets and Post Trade, where market and regulatory-driven change will create further opportunities for growth.

The Board expects that realisation of these revenue synergies would result in non-recurring costs of approximately £180 million in aggregate. LSEG considered revenue dis-synergies that could arise from the Transaction and, whilst not significant, these were taken into account in deriving a net synergy position. These costs will mainly consist of development capex and investment in the distribution capabilities of the Combined Business. The phasing will be assessed further and refined as part of the detailed integration planning, in due course.

These revenue synergies are separate from and in addition to Refinitiv's existing revenue initiatives referred to in paragraph 3 (*Summary information on Refinitiv*), of this letter, they reflect both the beneficial element and relevant costs to achieve them, are expected to arise as a direct result of the Transaction, and could not be achieved independently of the Transaction.

Generates significant value creation through cost synergies and reducing interest expense

LSEG and Refinitiv have strong track records of delivering shareholder value from complex transactions. The Board, having reviewed and analysed the potential benefits of the Transaction, believes that the Combined Business will be able to achieve incremental and recurring pre-tax cost synergies in excess of £350 million per annum by the end of year five following Completion. The Board expects that these cost synergies will originate from:

- **Corporate and employee related efficiencies**, accounting for approximately 50 per cent. of the identified benefits. These efficiencies include removing duplication of corporate functions, delaying management and leveraging the Combined Business' wider geographic footprint, while continuing to invest in growth.
- **Technology efficiencies**, accounting for approximately 30 per cent. of the identified benefits. These efficiencies include streamlining data, infrastructure and information technology capabilities across the Combined Business.
- **Property and other efficiencies**, accounting for approximately 20 per cent. of the identified benefits. These efficiencies are expected to arise from consolidating the property footprint of the Combined Business in common locations, rationalising supplier contracts, and depreciation benefits from technology and property de-duplication.

The total anticipated cost synergies in excess of £350 million per annum are equivalent to approximately 11 per cent. of the Combined Business' 2018 pro forma adjusted operating expenses (before amortisation of purchased intangible assets and non-recurring items) from continuing operations, of approximately £3.3 billion.

The Board expects that cost synergy realisation will take place progressively, whereby approximately 25 per cent. of the total benefits will be realised in year one following Completion, rising to 70 per cent. effective in year three and 100 per cent. by the end of year five following Completion.

The Board expects that realisation of these cost synergies would result in non-recurring costs of approximately £550 million in aggregate, the majority of which will be incurred in the first two years following Completion. The phasing will be assessed further and refined as part of the detailed integration planning in due course.

These cost synergies are expected to arise as a direct result of the Transaction, and could not be achieved independently of the Transaction. They reflect both the beneficial element and the relevant costs to achieve them. The benefits are separate from and in addition to Refinitiv's previously announced and ongoing US\$650 million cost savings programme (described in further detail in paragraph 3 (*Summary information on Refinitiv*), of this letter).

In addition, the refinancing at lower costs of the existing Refinitiv debt, which was contracted at the time of the investment in Refinitiv by the Blackstone Consortium, is expected to materially reduce the future pre-tax interest expense of the Combined Business compared with the aggregated standalone interest costs of LSEG and Refinitiv. LSEG has arranged underwritten bridge financing of approximately US\$13.5 billion to refinance Refinitiv's notes and term loans in full at Completion, as further described under the heading "*Transaction financing*" in paragraph 7 (*Summary of the terms of the Transaction*), of this letter.

LSEG is targeting a combined adjusted EBITDA margin of around 50 per cent. in the medium term following Completion, driven by the significant cost synergies from the Transaction, completion of Refinitiv's existing cost savings programme, as well as the strong expected revenue growth for the Combined Business.

Delivers attractive returns for shareholders, with strong expected returns on invested capital and adjusted earnings per share accretion

The Board expects the Transaction to deliver attractive financial returns to shareholders. The Transaction is expected to be accretive to adjusted earnings per share by over 30 per cent. in the first year after Completion, with further accretion in years two and three. The Transaction is also expected to deliver returns on invested capital in excess of LSEG's stated investment criteria from the third year following Completion.

Delivers high cash generation which supports deleveraging and future dividend policy

The Board has considered the future capital management policy for the Combined Business. At Completion it is expected that the leverage of the Combined Business will be around 3.5x net debt to adjusted EBITDA. The high cash generating profile of the Combined Business is expected to result in rapid deleveraging with leverage reducing to within LSEG's current 1.0–2.0x net debt to adjusted EBITDA target range in the 24 to 30 months following Completion, consistent with LSEG's existing capital management policy. Supported by a high level of recurring revenue and strong cash generation, LSEG will maintain its progressive dividend per share policy, balanced by a focus on returning LSEG's leverage to its target range whilst continuing to invest in its core businesses. The Combined Business will maintain LSEG's current capital management framework and target a strong investment grade credit rating.

3. Summary information on Refinitiv

Refinitiv is a leading global provider of market and financial data and infrastructure, delivering data, insight and analytics tailored to strategic workflows across its four core customer communities: trading professionals, investment and advisory, wealth and risk and compliance management. Refinitiv serves over 40,000 customer institutions and 400,000 end users across approximately 190 countries, including buy and sell-side firms, market infrastructure companies, governments, financial technology firms and corporations:

- The Refinitiv Data Platform and Workspace segment provides multi-point access to data and content feeds, data management solutions and analytics across clients' end-to-end business processes, from pre trade through to post trade.
- Refinitiv's Venues and Transactions segment includes the Matching and FXall trading platforms and the Tradeweb fixed income trading platform (in which Refinitiv owns a majority interest), among others. It also includes trading workflow solutions including cross-asset class execution management systems ("**EMS**"), order management systems ("**OMS**"), and portfolio analytics, covering 65 million instruments. With average daily trading volume of over US\$400 billion in FX and over US\$500 billion in fixed income, Refinitiv provides access to leading sources of liquidity in FX trading markets and fixed income, enabling clients to transact electronically in an efficient manner across asset classes and end markets.
- Refinitiv's Risk segment includes the World-Check suite of products containing over four million records, serving the compliance and regulatory needs of customers, in particular screening and KYC compliance, client on-boarding and other financial crime risk management programs.

The 2018 Transaction

On 30 January 2018, the Blackstone Consortium announced the acquisition of an approximate 55 per cent. interest in Thomson Reuters' financial and risk business (the "**2018 Transaction**" and the "**Thomson Reuters Financial & Risk Business**", respectively), which was renamed Refinitiv after the 2018 Transaction closed on 1 October 2018 (the "**2018 Transaction Closing Date**"). As part of the 2018 Transaction, Thomson Reuters retained an approximate 45 per cent. interest in Refinitiv and agreed to provide financial and general news content to Refinitiv for 30 years pursuant to the Thomson Reuters News Agreement, a long-term news content and relationship agreement which is described in detail in paragraph 18.2.3 of Part IX (*Additional Information*), of this document.

Refinitiv transformation programme - efficiency initiatives

Since the 2018 Transaction Closing Date, Refinitiv has been implementing efficiency initiatives that are expected to generate annual run-rate cost savings of US\$650 million (the "**Target Cost Savings**") by the end of 2020. It is intended that the Target Cost Savings will be achieved by, among other things, Refinitiv employee initiatives, the off-shoring and automation of business processes, rationalising data centres and other technology infrastructure, consolidating supplier expenditure and reducing Refinitiv's real estate footprint. Refinitiv's efficiency initiatives are well progressed and ahead of schedule. As at 30 September 2019, Refinitiv had achieved US\$440 million (or approximately 68 per cent.) of the Target Cost Savings.

Refinitiv transformation programme - revenue enhancing initiatives

Refinitiv has also been pursuing a number of revenue-enhancing, operating efficiency and strategic initiatives designed to support the future growth of the business, with a particular focus on its Data Platform and Workspace segment (which contributed 69 per cent. of Refinitiv's gross revenue during the financial year ended 31 December 2018). The Data Platform and Workspace segment is well positioned to respond to industry trends including global trading driven by the growth and redistribution of global wealth, increasing demand for multi-asset class solutions and coverage across the investment value chain (in each case resulting in customer demand for new data sets), and digitisation, artificial intelligence ("**AI**") and automation driving demand for data-driven solutions (including the need to better source and manage data).

Significant capital expenditure of US\$500 million was implemented during the financial year ended 31 December 2018, together with improvements in the business' operating expenditure programme, driving innovation and revenue growth. Refinitiv's investment and expenditure programme seeks to enhance the business' customer offering in financial information and data, where global, industry-wide revenues grew by approximately 14.6 per cent. between 2015 and 2019, from US\$26.6 billion to US\$30.5 billion. Refinitiv has four key initiatives which are supported by the strength and breadth of its distribution channels:

- **Expansion of data content:** A number of initiatives are underway to further expand Refinitiv's content and analytics capabilities. These include entering into agreements with MarketAxess and Tradeweb to distribute fixed income data, as well as developing products in growth areas such as alternative data platforms and Asian and emerging markets data and analytics (including, for example, the provision of private company data on Chinese companies).
- **Enhanced platform capabilities:** Refinitiv Workspace is undergoing significant change in response to challenging market conditions and lower levels of historic growth in certain product areas. Over US\$75 million has been invested since the 2018 Transaction Closing Date to develop a significantly upgraded Workspace, delivering a high performance, web-based platform which, in response to shifting customer needs, operates seamlessly across operating systems, web browsers and mobile devices. This proposition, alongside expanded data capabilities and existing cloud distribution, seeks to improve customer access and speed to market across Refinitiv's offering. The improvements to Refinitiv Workspace seek to respond to customers' evolving preferences for data consumption, away from the traditional terminal-based model to agile data platforms and feeds, and Beta testing of the new platform has been met with positive user feedback.
- **Expansion into emerging and frontier markets:** During the financial year ended 31 December 2018, a significant proportion of Refinitiv's revenues were in emerging and frontier markets. Refinitiv has a presence in 30 countries in Asia and has approximately 7,000 customers in the region. Emerging and frontier markets are expected to continue to be an important growth driver for Refinitiv's business, with initiatives in place to invest in content sets, workflow solutions and partnerships in the region. Refinitiv has launched cloud-based delivery for Asian and Central and South American clients, auctions functionality for open market operations and fixed income auctions (which has facilitated over

US\$1 trillion of trades to date for central banks and corporates), and BRI Connect, a suite of data tools for analysing investment opportunities from China's Belt and Road initiative.

- **Salesforce initiatives:** Refinitiv currently has approximately 2,500 sales FTEs, operating globally. Strategic initiatives are underway to enhance the effectiveness of these FTEs by reducing organisational layers, building specialist teams better able to support and meet the needs of customers and improving customer retention. Sales tools and client relationship management initiatives are also in place to improve flexibility in the way clients are able to purchase the data they use. For instance, for certain products Refinitiv has started to move to a model that is based on customers' actual use of data and the Refinitiv Data Platform and Workspace, rather than the traditional per-terminal model, in order to better serve the needs of individual customers.

Refinitiv also anticipates continued strong growth in its Risk segment, which experienced 10.5 per cent. revenue growth during the financial year ended 31 December 2018. This has been driven by increased customer demand for financial-cyber crime, AML, KYC and counterparty due diligence services, and Refinitiv has responded with investments in digital identification, service content, cloud delivery and automation, with the intention of improving customer rollout and supporting future growth.

Since the 2018 Transaction Closing Date, as a result of technological, commercial and operational changes and these initiatives, Refinitiv has seen high customer retention rates, leading to improved revenue performance.

4. Summary Financial Information on Refinitiv

US GAAP to IFRS conversion

As noted in the Announcement, for the purposes of this document, Refinitiv's historical financial information has been converted from US GAAP to IFRS in a form consistent with the accounting policies adopted by LSEG in its own annual consolidated accounts. As anticipated, the IFRS financial results of Refinitiv differ in some areas from the summary US GAAP financials of Refinitiv set out in the Announcement. A comparison of selected Refinitiv summary audited and unaudited financial information for the financial year ended 31 December 2018 under US GAAP and IFRS is set out below:

US\$ million	Twelve months ended 31 December 2018	
	US GAAP	IFRS
Revenue	6,287	6,205 ⁽¹⁾
EBITDA	1,635	1,596 ⁽²⁾
Underlying EBITDA	2,054	2,066 ⁽³⁾
Operating Profit	501	441 ⁽⁴⁾
Underlying Operating Profit	1,404	1,396 ⁽⁴⁾
Total assets	23,482	23,492 ⁽⁵⁾⁽⁷⁾
Net debt	11,807	11,825 ⁽⁶⁾

Notes:

- (1) Under IFRS, revenue is US\$82 million lower than under US GAAP, primarily due to the treatment of the businesses not transferred to Refinitiv as part of the 2018 Transaction, and revenue adjustments in relation to a contract with a former business of Thomson Reuters. For the businesses that were not transferred as part of the 2018 Transaction, the associated revenues, costs and assets were included in Refinitiv's 2018 audited US GAAP accounts for the periods prior to the 2018 Transaction Closing Date, but have been excluded from Refinitiv's IFRS accounts set out in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document, because they were not part of the 2018 Transaction perimeter.
- (2) Under IFRS, EBITDA is US\$39 million lower than under US GAAP, primarily due to the revenue adjustments discussed in (1) above. The US\$82 million decrease in revenue was partially offset by US\$20 million, due to the treatment under IFRS of defined benefit pension plan adjustments in relation to Refinitiv's 2018 plan amendments, and by a further US\$28 million due to the recognition under IFRS of amortisation charges associated with capitalised commissions, which were previously recognised within EBITDA as commission expenses under US GAAP.
- (3) Under IFRS, underlying EBITDA is US\$12 million higher than under US GAAP, reflecting the adjustments discussed in (1) and (2) above.
- (4) Under IFRS, operating profit is US\$60 million lower than under US GAAP, and underlying operating profit is US\$8 million lower. This is primarily due to the matters discussed in (1), (2) and (3) above.
- (5) Under IFRS, total assets are US\$10 million higher than under US GAAP, primarily due to the reclassification under IFRS of the deferred financing fee, described in (6) below.

- (6) Under IFRS, net debt is US\$18 million higher than under US GAAP. This is primarily due to deferred financing fees associated with an undrawn Refinitiv revolving credit facility, treated as an asset under IFRS, as opposed to a reduction of debt under US GAAP. The Announcement quoted US\$12,225 million, due to the inclusion of unamortised debt issuance costs of US\$428 million.
- (7) US GAAP does not restrict the recognition of pension surpluses for funded plans. Under IFRS, however, surpluses can only be recognised to the extent that they are considered recoverable. In its historical IFRS reporting, Refinitiv made a judgement that the surpluses in its two material UK plans were not recoverable. LSEG and Refinitiv have taken legal advice on Refinitiv's right to a refund of a surplus on gradual settlement, and whether Refinitiv has an unconditional right to it in accordance with IFRIC 14. This advice, together with common market practice and LSEG's treatment of one of its own schemes, has led LSEG to consider that from an accounting perspective, the surpluses of Refinitiv's two material UK plans are recoverable. They have therefore been recognised in the balance sheet in each year of Refinitiv's IFRS accounts set out in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document. Further details on this accounting judgement are set out in Note 4, "Significant judgements and estimates" of Part VI (*Historical Financial Information Relating to Refinitiv*), of this document.

Historical revenue information relating to Refinitiv

The following unaudited Refinitiv revenue information for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016 has been extracted from Refinitiv's accounting records. It is intended to provide detail on the historic revenue performance of Refinitiv's businesses, including headline growth rates. The following financial information has been prepared in accordance with IFRS and LSEG's accounting policies.

	Revenue US\$m			Revenue Growth per cent.	
	2018	2017	2016	2018	2017
Trading	2,412	2,377	2,414	1	(2)
Investment and advisory	1,453	1,399	1,377	4	2
Indexes & analytics	59	49	30	20	63
Wealth	364	356	347	2	3
Risk	315	285	257	11	11
Venues – FX	242	219	230	11	(5)
Venues – Fixed income	612	512	468	20	9
Venues – Other	282	275	249	3	10
Recoveries	466	474	507	(2)	(7)
Total	6,205	5,946	5,879	4	1

Further detailed information on Refinitiv is provided in subsequent parts of this document, in particular in Section B of Part IV (*Information on the Combined Business*), and Part VI (*Historical Financial Information Relating to Refinitiv*), of this document.

5. Summary of Unaudited Pro Forma Financial Information for the Combined Business

	Year ended 31 December 2018 IFRS (£m)
Income	6,766
Adjusted EBITDA	2,609
Operating Profit	800
Net Profit	465
Adjusted earnings per share	220.2 ⁽¹⁾
Total net assets	17,877

Notes:

(1) Adjusted earnings per share is shown in pence not £m.

Further detailed information on the unaudited pro forma financial information for the Combined Business is provided in Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*), of this document.

6. Current Trading and Prospects

LSEG

Audited consolidated financial statements for LSEG for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, and unaudited, interim, consolidated management statements for LSEG for the six month period ended 30 June 2019 have been incorporated by reference into this document, as described in Part X (*Documentation Incorporated by Reference*), of this document.

Since 30 June 2019, LSEG has continued to perform well and has delivered a strong performance for the three month period ended 30 September 2019. Total income for the quarter increased by 12 per cent. to £587 million, with Information Services revenues up 9 per cent. (to £230 million), Post Trade (LCH) income up 19 per cent. (to £197 million), Post Trade (Italy) income up 8 per cent. (to £39 million), Capital Markets revenues up 14 per cent. (to £102 million), and Technology revenues up 2 per cent. (to £16 million). LCH's OTC clearing services saw continued strong volumes during the period with growth in both member and client clearing. In Information Services, FTSE Russell reported 10 per cent. revenue growth as subscription revenues remained strong. Capital Markets also produced a good overall performance against a backdrop of continued challenging market conditions.

Developments in the period included: (i) FTSE Russell launching the first climate risk government bond index, the FTSE Climate Risk-Adjusted World Government Bond Index; (ii) FTSE Russell successfully implementing inclusion of the second tranche of China A Shares in the FTSE GEIS (in September 2019); (iii) an expanded ForexClear offering by linking ForexClear with FX Connect TradeNeXus, enabling simpler buy-side access to clearing; and (iv) LSEG announcing plans to launch clearing of products referencing €STR, the new reference rate, and plans to transition to €STR discounting.

LSEG's financial position remains strong and it has a good level of funding flexibility in place. As at 30 September 2019, LSEG had available committed facility headroom of £750 million, having paid an interim dividend to LSEG Shareholders and met other ordinary course payment obligations. LSEG has therefore been able to fund repayment of its £250 million 2009 notes due 19 October 2019 from existing resources. For information regarding LSEG plc's credit ratings and credit ratings outlook, please refer to paragraph 7 (*Summary of the terms of the Transaction*), of this letter, under the heading "*Transaction financing*".

Refinitiv

Audited combined financial statements relating to Refinitiv for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, and unaudited, interim, combined financial statements in relation to Refinitiv for the six month period ended 30 June 2019 are included in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document.

Since 30 June 2019, Refinitiv has continued to perform well and has delivered a positive performance for the three month period ended 30 September 2019. Refinitiv's revenues increased by 4 per cent. driven by positive Tradeweb volumes and growth in recurring subscription revenues, against a backdrop of continued challenging market conditions for some of its transaction related revenues. As described in paragraph 3 (*Summary information on Refinitiv*), of this letter, Refinitiv's transformation programme is progressing well. As at 30 September 2019, Refinitiv had achieved US\$440 million (or approximately 68 per cent.) of its Target Cost Savings, and has confirmed it is on track to achieve the full amount of the Target Cost Savings by the end of 2020.

7. Summary of the terms of the Transaction

Consideration structure

Under the terms of the Stock Purchase Agreement entered into by LSEG plc and Refinitiv Holdings, LSEG plc will (directly and through certain wholly owned subsidiaries) acquire the entire issued and to be issued share capital of Refinitiv Parent from certain subsidiaries of Refinitiv Holdings (the "**Refinitiv Sellers**") and, in exchange, LSEG plc has agreed to issue 204,366,585 Consideration Shares, such Consideration Shares to be comprised of: (i) LSEG Ordinary Shares and (ii) limited-voting ordinary LSEG plc shares ("**LSEG Limited-voting Ordinary Shares**").

Of the total number of Consideration Shares to be issued, it is expected that 179,750,740 LSEG Shares will be issued to the Refinitiv Sellers at Completion. In addition, 24,615,845 LSEG Ordinary Shares will be issued 30 days after Completion (the "**PIK Redemption Date**") to BCP York Holdings (Delaware) L.P. ("**ConsortiumCo**"), a company owned by the Blackstone Consortium (such shares, the "**Deferred Issue**").

Shares”). The issue of the Deferred Issue Shares to ConsortiumCo is in connection with the settlement of certain existing payment-in-kind shares in Refinitiv Holdings’ capital structure.

As a consequence, at the PIK Redemption Date, the Refinitiv Sellers and ConsortiumCo are expected to hold in aggregate 204,366,585 Consideration Shares. Based on LSEG plc’s issued share capital (excluding shares held in treasury) as at the date immediately preceding the date of the Announcement, this would amount to: (i) an economic interest in LSEG plc equal to approximately 37 per cent.; and (ii) less than 30 per cent. of the total voting rights in LSEG plc.

Based on the LSEG Ordinary Share volume weighted average price (“**VWAP**”) of US\$71.1154 (£56.8570 at daily US\$/£ FX rate) for the period from 1 July to 26 July 2019, the value of the Consideration Shares as at Announcement was approximately US\$14.5 billion and the Transaction valued the whole of Refinitiv (inclusive of Refinitiv’s net debt of approximately US\$12.5 billion, and other adjustments as at 30 June 2019) at approximately US\$27 billion.

The Stock Purchase Agreement provides that LSEG plc will acquire Refinitiv from the Refinitiv Sellers in an all share Transaction, but LSEG plc may, at its option, settle up to US\$2.5 billion of the consideration for Refinitiv in cash. If this option is exercised then the number of Consideration Shares to be issued, and the overall economic interest of the Refinitiv Sellers and ConsortiumCo in LSEG plc as at the PIK Redemption Date, would reduce accordingly.

Whilst the Refinitiv Sellers and ConsortiumCo will not be entitled at any time to hold more than 30 per cent. of the total voting rights in LSEG plc, the Consideration Shares will, once all LSEG Limited-voting Ordinary Shares have been converted (and based on LSEG plc’s issued share capital (excluding shares held in treasury) as at the date immediately preceding the date of the Announcement and assuming 204,366,585 Consideration Shares in aggregate are issued), carry approximately 37 per cent. of the voting rights in LSEG plc.

As set out in the Announcement, it was originally envisaged that the consideration for the Transaction would comprise, in addition to LSEG Ordinary Shares, exchangeable shares issued by a subsidiary of LSEG plc (and, to the extent that any exchange of those shares into LSEG Ordinary Shares exceeded 29 per cent. of the total voting rights in LSEG plc, non-voting ordinary shares). In connection with certain revisions to the closing steps that the parties have agreed to implement, and in order to simplify LSEG’s capital structure, the parties have instead agreed that the consideration for the Transaction will comprise a combination of LSEG Ordinary Shares and LSEG Limited-voting Ordinary Shares (with the Consideration Shares carrying, in aggregate, less than 30 per cent. of the total voting rights in LSEG plc). There is no change to the economic terms of the Transaction as a consequence of the change from exchangeable shares to LSEG Limited-voting Ordinary Shares. Further information on the rights attaching to the LSEG Limited-voting Ordinary Shares is set out in this paragraph 7 (*Summary of the terms of the Transaction*), of this letter, under the heading “*Rights attaching to the Consideration Shares*”.

Stock Purchase Agreement and Conditions to Completion

The Transaction is not conditional on investor or shareholder approvals of Refinitiv Holdings but is subject to, among other matters: (i) approval of the Transaction by LSEG Shareholders (by ordinary resolution) at a general meeting of the LSEG Shareholders; (ii) there having been no event that has had a material adverse effect on LSEG or Refinitiv between 31 December 2018 and Completion; (iii) the representations and warranties in the Stock Purchase Agreement being true and correct, subject to exceptions for certain of the warranties based on certain materiality standards; (iv) relevant competition and foreign investment approvals being obtained, including in the EU, the US, France, Germany, Italy and Australia; (v) relevant financial regulatory approvals being obtained, including in the UK, France, Italy, the US, Ireland, the Netherlands and Singapore; and (vi) the FCA and London Stock Exchange agreeing to re-admit the LSEG Ordinary Shares to the premium listing segment of the Official List and to trading on London Stock Exchange’s Main Market for listed securities (“**Admission**”).

In view of its size, the Transaction is classified as a Reverse Takeover under the Listing Rules of the FCA, and therefore requires the approval of LSEG Shareholders and for LSEG plc to re-apply for Admission. Should the Transaction proceed, LSEG plc will publish a prospectus (the “**Prospectus**”) in relation to Admission. The Prospectus will be published closer to the date of Completion, which is expected to be in the second half of 2020.

LSEG plc has agreed that it will use reasonable best efforts to hold a general meeting of the LSEG Shareholders to approve the Transaction by: (i) 30 November 2019; or (ii) 31 December 2019, if LSEG plc has convened and adjourned a general meeting that was due to be held prior to such date. If the

Board changes its recommendation that LSEG Shareholders vote in favour of the Transaction and either Refinitiv Holdings or LSEG plc exercises its right to terminate the Stock Purchase Agreement, LSEG plc will pay a termination fee of £198.3 million to Refinitiv Holdings. This fee is also payable if LSEG plc adjourns a general meeting of the LSEG Shareholders to approve the Transaction beyond 31 December 2019 (except in certain limited circumstances), and if Refinitiv Holdings terminates the Stock Purchase Agreement as a result. LSEG plc has agreed to pay Refinitiv Holdings a £25 million termination fee if the Stock Purchase Agreement is terminated as a result of the LSEG Shareholders voting against the Transaction. In no event will LSEG plc be required to pay more than one termination fee.

For further detail on the regulatory and merger control approval process in respect of the Transaction, including the termination fee that will be payable by LSEG plc in certain circumstances if merger clearances are not obtained for the Transaction, please refer to paragraph 11 (*Regulatory and merger control approvals*) of this letter.

The Stock Purchase Agreement contains representations and warranties, covenants and undertakings given by, and termination rights in favour of, each of Refinitiv Holdings and LSEG plc that are customary for a transaction of this nature. LSEG plc has obtained representation and warranty insurance cover in respect of the representations and warranties given by Refinitiv Holdings in the Stock Purchase Agreement, subject to certain exclusions.

Non-solicitation restrictions

The Stock Purchase Agreement contains non-solicitation restrictions that prevent LSEG plc from soliciting, encouraging or taking any other action designed to facilitate takeover transactions for LSEG plc, unless a majority of the Board determines that it should do so. This carve-out only applies prior to a general meeting of LSEG Shareholders at which the Transaction is approved. If the Transaction is approved by LSEG Shareholders at the LSEG General Meeting, LSEG plc will therefore be prevented from soliciting, encouraging or taking any other action designed to facilitate a takeover transaction for LSEG plc until Completion or termination of the Transaction. These restrictions will not apply so as to prevent LSEG plc from complying with its obligations under the City Code. For further detail in respect of the implications of these non-solicitation provisions for LSEG and LSEG Shareholders, attention is drawn to Part II (*Risk Factors*), of this document, and the risk factor headed “*If LSEG Shareholders approve the Transaction at the LSEG General Meeting, LSEG will be prevented from soliciting or encouraging a takeover transaction for LSEG plc until Completion or termination of the Transaction*”.

For further details on the terms of these non-solicitation restrictions and the other terms of the Stock Purchase Agreement, please refer to Part III (*Summary of the Key Transaction Terms*), of this document.

Rights attaching to the Consideration Shares

The LSEG Ordinary Shares to be issued in connection with the Transaction will rank *pari passu* with the other LSEG Ordinary Shares then in issue. The LSEG Limited-voting Ordinary Shares will rank *pari passu* with the LSEG Ordinary Shares in all respects, except that a holder of LSEG Limited-voting Ordinary Shares will only have, on a poll vote, one-tenth of a vote for every LSEG Limited-voting Ordinary Share of which it is the holder, with the total number of votes exercisable by the holder rounded down to the nearest whole number (except where the holder holds fewer than ten Limited-voting Ordinary Shares, in which case the number of votes exercisable by the holder shall be rounded up to one vote). On a show of hands, a holder of LSEG Limited-voting Ordinary Shares will have one vote. This will not apply to certain resolutions referred to in Listing Rule 9.2.21, which can only be voted on by holders of listed shares, and on which any holder of LSEG Limited-voting Ordinary Shares will therefore, in respect of their LSEG Limited-voting Ordinary Shares, not be entitled to vote.

The LSEG Limited-voting Ordinary Shares will be convertible by the holder at any time into LSEG Ordinary Shares provided that the conversion does not result in: (i) the holder or any person acting in concert with it being required to make a mandatory offer for LSEG plc under Rule 9 of the City Code; or (ii) the holder and any persons acting in concert with it (other than any Company Director Concert Party) holding LSEG Shares carrying more than 29 per cent. of the total voting rights in LSEG plc (or, where the Company Director Concert Parties are no longer deemed to be concert parties of the holder or their concert parties, 29.9 per cent. of the total voting rights in LSEG plc) (the “**Maximum Voting Threshold**”). When an LSEG Limited-voting Ordinary Share is converted into an LSEG Ordinary Share, the total voting rights in LSEG plc will increase accordingly.

The LSEG Limited-voting Ordinary Shares will not be admitted to listing or trading but any LSEG Ordinary Shares arising on conversion of the LSEG Limited-voting Ordinary Shares will be admitted to listing and to trading on or shortly after conversion.

Relationship Agreement

At Completion, LSEG plc, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will enter into a relationship agreement governing the relationship between them following Completion. This will contain Refinitiv Holdings' Board appointment rights in respect of the Transaction, as detailed in paragraph 8 (*Management and governance*), of this letter, as well as certain lock-up, standstill and voting commitments, as described below.

Lock-up

The Refinitiv Shareholders will, through their interests in Refinitiv Holdings (and therefore the Refinitiv Sellers) and ConsortiumCo, have an important investment in the Combined Business. Accordingly, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo have agreed to be subject to certain lock-up provisions pursuant to which they are prevented from: (i) disposing of any Consideration Shares for the first two years following Completion; and (ii) disposing of more than one-third of the Consideration Shares during each of years three and four following Completion (in year four, together with any Consideration Shares not sold pursuant to this entitlement in the previous year).

There are certain exceptions to the lock-up arrangements, including an entitlement for the Refinitiv Sellers to dispose of LSEG Shares if certain events occur that result in particular tax liabilities for Thomson Reuters or its affiliates. As certain of the steps required to implement Completion will give rise to a tax liability for Thomson Reuters, the Refinitiv Sellers will be entitled to dispose of such number of LSEG Shares following Completion as will be sufficient to result in Thomson Reuters receiving minimum total net proceeds of US\$750 million, less a certain proportion of any cash that may be received by Thomson Reuters in connection with the Transaction.

The lock-up arrangements will not apply to 5,781,285 of the LSEG Ordinary Shares issued to ConsortiumCo on the PIK Redemption Date, which will be free to be sold at any time.

The lock-up arrangements will terminate on the fourth anniversary of Completion. Any disposals of shares will be subject to orderly marketing restrictions, including certain restrictions on the frequency of disposals.

Standstill and voting commitments

A standstill restriction will also apply to Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo and each of the Indirect Shareholders, under which they will agree not to, among other matters, acquire further shares in, or make a takeover offer for, LSEG plc, until the third anniversary of Completion and thereafter for so long as the Refinitiv Sellers and ConsortiumCo hold, in aggregate, 10 per cent. or more of the issued share capital of LSEG plc, or Refinitiv Holdings has at least one non-executive Board member appointed to the Board.

The Refinitiv Sellers and ConsortiumCo have also agreed that, during the Voting Commitment Period, which applies at least for so long as Refinitiv Holdings has a Director appointed to the Board, they will vote all of the LSEG Shares held by them in line with the Board's recommendation on any resolution proposed at a general meeting (including an annual general meeting), other than: (i) a resolution required by Chapter 10 of the Listing Rules of the FCA (in respect of significant transactions); (ii) a resolution relating to a non-pre-emptive share issue outside of the customary approvals given at each annual general meeting; or (iii) a resolution to approve or implement a takeover offer (subject to separate restrictions that apply for the same period as the standstill restrictions on voting any Consideration Shares in favour of a takeover of LSEG plc). On account of this voting commitment, the UK Panel on Takeovers and Mergers has confirmed that, as a technical matter, it will treat the Directors as acting in concert with the Refinitiv Sellers and ConsortiumCo for so long as the voting commitment is in place.

For further details on the terms of the Relationship Agreement, please refer to Part III (*Summary of the Key Transaction Terms*), of this document.

City Code

A Rule 9 waiver will not be sought for the Transaction, reflecting the fact that the LSEG Limited-voting Ordinary Shares cannot be converted into LSEG Ordinary Shares if: (i) such conversion would result in the Refinitiv Sellers, ConsortiumCo and their concert parties (other than any Company Director Concert Party)

being interested in LSEG Shares exceeding the Maximum Voting Threshold; or (ii) to do so would result in the Refinitiv Sellers, ConsortiumCo or their concert parties being required to make a mandatory offer for LSEG plc under Rule 9 of the City Code. Accordingly, the Transaction is not subject to the City Code and consequently the provisions of the City Code applicable to a “whitewash transaction” will not apply.

Transaction financing

To obtain financing sufficient to refinance Refinitiv’s third-party debt on Completion, LSEG plc entered into a US\$9,325 million and EUR3,580 million bridge term facilities agreement, arranged by Barclays Bank PLC, Goldman Sachs International and Morgan Stanley Bank International Limited, on 1 August 2019 (the “**2019 Bridge Facilities**”). It is intended that LSEG will use the proceeds of the 2019 Bridge Facilities to refinance Refinitiv’s Dollar Loan Facility, Euro Loan Facility, Indentures and Unsecured Notes, in each case as further described in paragraph 18.2 of Part IX (*Additional Information*), of this document. If the Transaction proceeds, it is expected that drawdown under the 2019 Bridge Facilities (or any longer-term financing that replaces the 2019 Bridge Facilities) will occur on or around the date of Completion. A summary of the 2019 Bridge Facilities is set out in the paragraph headed “*The 2019 Bridge Facilities*” in Part III (*Summary of the Key Transaction Terms*), of this document.

While LSEG plc’s credit ratings with Moody’s (A3) and S&P (A) are currently unchanged, they have moved their ratings outlooks for LSEG plc to “review for possible downgrade” and “credit-watch negative”, respectively, in light of LSEG plc’s entry into the 2019 Bridge Facilities. S&P has stated that on Completion its long-term rating for LSEG plc may be reduced by up to two notches, and LSEG plc expects a ratings downgrade by Moody’s of one notch. Attention is drawn to the risk factor under the heading “*Completion of the Transaction is likely to result in a reduction in LSEG plc’s credit rating. A reduction in LSEG plc’s credit rating could lead to an increased cost of funding for the Combined Business (in particular if it is combined with a deterioration in financial market conditions), impact its ability to refinance its debts, and affect its relationships with customers and investors*” in Part II (*Risk Factors*), of this document. Both Moody’s and S&P were otherwise positive about the strategic rationale for the Transaction, and the Board expects LSEG plc to retain good, investment grade credit ratings.

For further details on the terms of the Transaction, please refer to Part III (*Summary of the Key Transaction Terms*), of this document.

8. Management and governance

I will chair the Combined Business, with David Schwimmer as Chief Executive Officer and, until his retirement, David Warren as Chief Financial Officer. David Craig will join LSEG’s Executive Committee and continue as Chief Executive Officer of Refinitiv. As announced on 18 October 2019, David Warren intends to retire from LSEG and step down as LSEG Chief Financial Officer by the end of 2020, but will continue in his role until after Completion, to ensure a smooth transition to his successor. LSEG will conduct a global search for David’s successor, led by the Board’s Nomination Committee.

Following Completion, Refinitiv Holdings will be entitled to nominate for appointment to the Board, subject to, among other considerations, certain regulators not having objected to the proposed nominees:

- three non-executive Board members for as long as the Refinitiv Sellers and ConsortiumCo hold in aggregate at least 25 per cent. of the LSEG Shares;
- two non-executive Board members for as long as the Refinitiv Sellers and ConsortiumCo hold in aggregate at least 17.5 per cent. but less than 25 per cent. of the LSEG Shares; and
- one non-executive Board member for as long as the Refinitiv Sellers and ConsortiumCo hold in aggregate at least 10 per cent. but less than 17.5 per cent. of the LSEG Shares.

For so long as Refinitiv Holdings is entitled to nominate three non-executive Board members for appointment to the Board, one such nominee will be a representative of Thomson Reuters. The other nominees will be representatives of Blackstone.

LSEG will remain in compliance with the UK Corporate Governance Code following Completion, including as regards the composition of the Board. Committees of the Board will continue to include its audit, nomination, remuneration and risk committees.

LSEG’s global business will continue to be headquartered in London with a premium listing on the Official List and traded on London Stock Exchange’s Main Market for listed securities as London Stock Exchange Group plc under ticker symbol LSE.L.

9. Management and employee incentive arrangements

The Board attaches great importance to the skills and experience of the Combined Business' management and employees and believes that they will be an important factor in the success of the Combined Business.

Refinitiv's high-quality management and employees will be essential to maintain Refinitiv's existing focus on and expertise in financial data and infrastructure. Refinitiv's CEO, David Craig, will join LSEG's Executive Committee on Completion and continue as Chief Executive Officer of Refinitiv. He will continue to be incentivised under an existing Refinitiv management incentive arrangement and a mix of other short-term and long-term incentives that will be subject to the approval of LSEG's Remuneration Committee in due course.

The incentive packages and retention arrangements in respect of other key managers and employees of Refinitiv will be an important aspect of ensuring that the Transaction is successful and, in addition to the continuation of Refinitiv's existing incentive arrangements, LSEG is considering the most appropriate method of retaining key managers and employees through cash and share based arrangements that will apply from or following Completion. Such arrangements, including arrangements which will be put in place in respect of David Craig, will be designed to ensure the full alignment of Refinitiv's management and employees with the strategic focus of the Combined Business.

Further details in respect of a pre-existing management incentive arrangement, which was set up by Refinitiv Holdings, can be found under the paragraph headed "*Management incentive plan for Refinitiv's management team*" in Part III (*Summary of the Key Transaction Terms*), of this document.

Certain details in respect of LSEG's existing management and employee incentive arrangements can be found in the paragraph headed "*Employee Share Plans*", in Section A (*Information on LSEG's Business and Operations*), of Part IV (*Information on the Combined Business*), of this document. LSEG expects that it will propose certain changes to its shareholder-approved remuneration policy to ensure that it appropriately reflects the size and complexity of the Combined Business. Any proposed changes to LSEG's remuneration policy will be consulted upon in a manner consistent with LSEG's usual approach and will be voted upon by LSEG Shareholders at LSEG plc's annual general meeting in 2020.

10. Integration

The success of the Combined Business and the ability to realise the anticipated benefits of the Transaction is dependent on the Combined Business' ability to integrate LSEG and Refinitiv. LSEG and Refinitiv are organisations with strong track records of delivering large-scale transformation through successful integration programmes. This is evidenced by the acquisitions by LSEG of LCH, FTSE, Frank Russell Company and The Yield Book, the acquisitions by Refinitiv of FXall, Avox and Clariant and REDI Technologies, the acquisition by Tradeweb of BondDesk, and the carve-out of Refinitiv from the remaining Thomson Reuters group by Blackstone.

Good progress has been made in planning the integration of LSEG and Refinitiv. An Integration Management Office (the "**IMO**") has been established which will be headed by David Shalders, who joins LSEG in November 2019 as Chief Integration Officer and a member of the LSEG Executive Committee. David brings over thirty years of experience to LSEG in integration, technology and operations in the financial services sector, where he has successfully led a number of global integration programmes, as further described in paragraph 11 of Part IX (*Additional Information*), of this document. He will report to LSEG's Chief Executive Officer, David Schwimmer. The IMO is responsible for managing the overall integration planning process and will be responsible for ensuring that the synergies expected to result from the Transaction are properly monitored, reported on and delivered. The IMO comprises senior leaders from both LSEG and Refinitiv and will build upon the strong working relationship already established between the two organisations. LSEG has also engaged a leading global external consulting firm, which is a specialist in planning and delivering large-scale and complex business integration projects for global institutions, to support the integration.

The integration will be managed in two phases, integration planning (prior to Completion) and integration implementation (following Completion). Each phase will be overseen by an integration committee of senior executives, led by David Schwimmer, with representation from LSEG, Refinitiv and each of the Indirect Shareholders, and will report to the Board on a regular basis (but will not be a Board committee).

The integration of LSEG and Refinitiv will adhere to several overarching integration principles, including to:

- Safeguard customers' interests and minimise disruption during the integration process.
- Adopt a customer centric mindset, focusing on enhancing value for customers in existing and new areas.

- Maintain focus on delivering announced value creation for stakeholders whilst being mindful of existing business as usual plans.
- Focus on attracting and retaining world class talent.
- Follow a ‘one team’ approach to the integration, taking the best from LSEG and Refinitiv in developing new practices for the Combined Business.

The Board is confident in the ability of the Combined Business to complete a successful and timely integration of LSEG and Refinitiv without undue disruption to the businesses and operations of the Combined Business and its clients.

11. Regulatory and merger control approvals

Background

The Transaction is conditional on, amongst other things, receiving merger control clearances, approvals from certain government entities in accordance with foreign investment laws, and regulatory approvals from relevant financial services and markets regulators in a number of jurisdictions. Although not conditions to the Transaction, a number of other merger control and regulatory clearances and approvals will also be sought by LSEG and Refinitiv in connection with the Transaction.

It is anticipated that it will take several months to obtain such clearances and approvals, and that Completion will occur during the second half of 2020. The Stock Purchase Agreement will be capable of termination if Completion has not occurred on or before 31 May 2021 (the “**Long Stop Date**”).

Merger control clearances

The Transaction will be subject to reviews by a number of antitrust authorities, including the EC and the US Department of Justice Antitrust Division (the “**US DoJ**”) and, if the UK leaves the EU without a withdrawal agreement, the Competition and Markets Authority in the UK. These reviews could be lengthy and the outcomes of such reviews are not known, but they could require one or more divestments, which could be material, in order for the relevant clearances and approvals to be obtained. The Board believes that even if such divestments or other remedies are required the overall strategic rationale for, and financial benefits of, the Transaction would remain compelling, and the Board notes that LSEG plc will have flexibility to pay part of the consideration in cash (as noted in paragraph 7 (*Summary of the terms of the Transaction*), of this letter, under the heading “*Consideration Structure*”). A number of further merger control clearances will also be sought by LSEG and Refinitiv in connection with the Transaction. LSEG plc does not currently expect these reviews to take longer to conclude than the reviews by the EC and the US DoJ.

As described above, under the Stock Purchase Agreement, Completion of the Transaction requires the approval of the LSEG Shareholders by ordinary resolution at the LSEG General Meeting, which is being convened on 26 November 2019. LSEG Shareholders will therefore vote on the Transaction at the LSEG General Meeting several months prior to Completion and before the outcome of the merger control processes are known.

If the Stock Purchase Agreement is terminated because merger clearances are not obtained for the Transaction, or there is material delay in reaching agreement on remedies to facilitate the Transaction, LSEG plc will pay a termination fee of £198.3 million to Refinitiv Holdings. The payment of this termination fee will be the sole remedy of Refinitiv Holdings if the necessary divestments are not made in order to obtain merger control clearances. Further details in relation to the termination fee arrangements are set out in the paragraph headed “*Termination*” in Part III (*Summary of the Key Transaction Terms*), of this document.

Foreign investment review

In addition to merger control clearances, the Transaction will also be reviewed by and require approval from government bodies in certain jurisdictions on the basis of foreign investment laws, including in the US, France, Germany, Italy and Australia. The Board is confident that the necessary approvals will be obtained.

Regulatory approvals

The provision of financial markets infrastructure is a heavily regulated industry. Accordingly, the Combined Business’ operations will be subject to regulation by a significant number of national financial services and markets regulators. The Transaction will require approval from certain regulators, including in the UK, the US, France, Italy, Ireland, the Netherlands and Singapore, who will review the terms of the Transaction, including the future governance and organisational structure of the Combined Business. Consequently, LSEG cannot rule

out that the financial services and market regulators from whom the Combined Business is seeking approvals may impose or seek undertakings or conditions as a condition of approving the Transaction. The parties may need to offer such undertakings or conditions in order to obtain such approvals. LSEG, Refinitiv, Blackstone and Thomson Reuters are in discussions and correspondence with a number of their key financial supervisory regulators in relation to the regulatory approvals required as part of the Transaction. The Board is confident that the necessary approvals will be obtained.

Further information

Attention is drawn to the risk factor under the heading “*Completion is subject to a number of conditions which may not be satisfied or waived*” in Part II (*Risk Factors*), of this document, and to the section entitled “*The Stock Purchase Agreement*” in Part III (*Summary of the Key Terms of the Transaction*), of this document.

12. Dividends and dividend policy

Supported by a high level of revenues and strong cash generation, the Board intends to continue with its current policy of paying dividends on a progressive basis following Completion, balanced by a focus on returning LSEG to its target range of 1-2x net debt to adjusted EBITDA in the 24 to 30 months following Completion, consistent with LSEG’s existing capital management policy.

13. Taxation

The Transaction does not involve existing LSEG Shareholders disposing of their LSEG Ordinary Shares or acquiring additional LSEG Shares. As such, the Transaction is not expected to have any UK or US tax implications for existing LSEG Shareholders. The contents of this document are not to be construed as tax advice and each LSEG Shareholder should consult its own tax adviser for tax advice in relation to its holding of LSEG Shares.

14. LSEG General Meeting

The LSEG General Meeting has been convened for 10.30 a.m. (London time) on 26 November 2019 at Butchers’ Hall, 87 Bartholomew Close, London EC1A 7EB, for LSEG Shareholders to consider and, if thought fit, pass the Transaction Resolution and the Allotment Resolution.

The Transaction Resolution, set out as Resolution 1 in the Notice of General Meeting in Part XII (*Notice of General Meeting*), of this document, proposes that: (i) the Transaction be approved and (ii) the Directors be authorised to take all steps as may be necessary, expedient or desirable to implement the Transaction.

The Allotment Resolution, set out as Resolution 2 in the Notice of General Meeting in Part XII (*Notice of General Meeting*), of this document, is conditional on the Transaction Resolution being passed and proposes that the Directors be given authority to allot LSEG Shares up to an aggregate nominal amount of £15 million in connection with the Transaction, so as to enable the Directors to allot the Consideration Shares.

The Transaction will not complete unless both Resolutions are passed. A notice of the LSEG General Meeting is set out at the end of this document. The Board unanimously considers that the Resolutions are in the best interests of LSEG plc and LSEG Shareholders and recommends that LSEG Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their own legal and beneficial holdings of LSEG Ordinary Shares.

15. Action to be taken

Your attention is drawn to the section entitled “*Action to be taken*”, on pages 7 and 8 of this document, which explains the actions you should take in relation to the LSEG General Meeting.

16. Further information

Your attention is drawn to the additional information set out in Part IX (*Additional Information*), of this document, and to the notice of the LSEG General Meeting set out in Part XII (*Notice of General Meeting*), of this document. **You should read the whole of this document and the accompanying Form of Proxy and not rely solely on the information summarised in this letter.**

A copy of this document, all information incorporated into this document by reference to another source and the Form of Proxy, are and will be available for inspection on LSEG’s website at

<https://www.lseg.com/investor-relations/financial-reports-and-key-documents/ma-documents/acquisition-refinitiv>. In addition, the Prospectus, when published, will also be made available on LSEG's website.

17. Financial advice

The Board has received financial advice in relation to the Transaction from Goldman Sachs (as lead financial adviser), Morgan Stanley (as lead financial adviser), Robey Warshaw (as lead financial adviser) and Barclays (as sponsor and financial adviser). In providing their financial advice, Goldman Sachs, Morgan Stanley, Robey Warshaw and Barclays have relied upon the Directors' commercial assessments of the Transaction.

18. Recommendation

The Board considers the Transaction to be in the best interests of LSEG plc and LSEG Shareholders taken as a whole. Accordingly, the Board unanimously recommends that LSEG Shareholders vote or procure votes in favour of the Resolutions at the LSEG General Meeting, as the Directors intend to do in respect of their own legal and beneficial holdings of 189,889 LSEG Ordinary Shares representing, in aggregate, approximately 0.05 per cent. of LSEG plc's issued share capital as at close of business on 1 November 2019, being the latest practicable date prior to publication of this document.

Yours faithfully,



Don Robert
Chairman

PART II RISK FACTORS

LSEG Shareholders should consider the following risks and uncertainties together with all the other information set out in, or incorporated by reference into, this document prior to making any decision as to whether or not to vote in favour of the Transaction.

LSEG plc considers the following to be the material risks related to the Transaction, existing material risks to LSEG which may be impacted by the Transaction, or material new risks to LSEG as a result of the Transaction. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

The risks described below are based on information known as at the date of this document, but may not be the only risks to which LSEG, Refinitiv or, following Completion, the Combined Business is or might be exposed to. In particular, they do not include risks which LSEG plc considers, as at the date of this document, to be ordinary course risks which may impact LSEG, Refinitiv or, following Completion, the Combined Business, and which are unconnected with the Transaction. Additional risks and uncertainties, which are currently unknown to LSEG plc or that LSEG plc does not currently consider to be material, may materially affect the business of LSEG, Refinitiv or, following Completion, the Combined Business, and could have a material adverse effects on the business, financial condition, results of operations and prospects of LSEG, Refinitiv or, following Completion, the Combined Business. If any of the following risks were to occur, the business, financial condition, results of operations or prospects of LSEG, Refinitiv or, following Completion, the Combined Business could be materially adversely affected and the value of the LSEG Shares could decline and LSEG Shareholders could lose all or part of the value of their investment in LSEG Shares.

Risks related to the Transaction

Completion is subject to a number of conditions which may not be satisfied or waived, or which may not be capable of satisfaction without the imposition of undertakings, conditions or divestments, which could be material.

Completion of the Transaction is subject to the fulfilment or waiver of various Conditions, as described in more detail in the paragraph headed “Conditions” in Part III (*Summary of the Key Transaction Terms*), of this document, including the receipt of all required or advisable merger control, regulatory and shareholder approvals.

The Transaction is conditional on, amongst other things, receiving merger control clearance in a number of jurisdictions including the EU and the US, approvals from certain governmental entities in accordance with foreign investment laws, including in the US, France, Germany, Italy and Australia, and regulatory approvals from relevant financial services and markets regulators in a number of jurisdictions including in the UK, Italy, France, the US, Ireland, the Netherlands and Singapore. Although not conditions to the Transaction, a number of other merger control and regulatory clearances and approvals will also be sought by LSEG and Refinitiv in connection with the Transaction. In this context, competition authorities, financial services and markets regulators and certain other governmental entities with jurisdiction to review the Transaction may impose or seek undertakings, conditions or divestments, which could be material, as a condition of clearing the Transaction or, in certain cases, following Completion. The terms on which any divestment may be effected are unknown and could be impacted by the circumstances in which the divestments are being made. Any such undertakings, conditions or divestments could jeopardise or delay Completion, materially limit the revenues of either LSEG or Refinitiv, increase the costs of LSEG or Refinitiv or reduce the anticipated benefits of the Transaction to the Combined Business.

As described more fully in Part III (*Summary of the Key Transaction Terms*), of this document, if merger clearances are not obtained for the Transaction or there is material delay in reaching agreement on remedies to facilitate the Transaction, LSEG plc will in certain circumstances pay a termination fee of £198.3 million to Refinitiv Holdings.

In addition, the regulatory approval processes and/or the merger control clearance processes may take a lengthy period of time to complete and may be delayed or otherwise adversely impacted by the United Kingdom failing to leave the EU with a withdrawal agreement (a “**Hard Brexit**”). There is no guarantee that the Conditions will be satisfied in the necessary time frame before the Long Stop Date, or waived, if applicable, and the Transaction may, therefore, not complete as contemplated or at all.

The Transaction is also conditional on approval of the Transaction by LSEG Shareholders (by ordinary resolution) at a general meeting of LSEG Shareholders. If the LSEG Shareholders vote against the Transaction

at the LSEG General Meeting, LSEG plc will in certain circumstances pay a termination fee of £25 million to Refinitiv Holdings. If the Board changes its recommendation that LSEG Shareholders vote in favour of the Transaction or the general meeting of the LSEG Shareholders to approve the Transaction is adjourned beyond 31 December 2019 (except in certain limited circumstances), and the Stock Purchase Agreement is terminated as a result, then LSEG plc will pay a termination fee of £198.3 million to Refinitiv Holdings. In no circumstances will LSEG plc be required to pay more than one termination fee.

Delay in completing the Transaction will prolong the period of uncertainty for LSEG and Refinitiv, and both delay and failure to complete may result in the accrual of additional and, in the case of a failure to complete, wasted costs to their businesses, without any of the potential benefits of the Transaction having been achieved. For example, there may be an increase in costs or, in the case of a failure to complete, waste of costs already incurred in relation to the agreement, preparation or issue of documentation or other elements of the planning and implementation of the Transaction. Failure to complete or delay in completing the Transaction could result in adverse sentiment among investors and potential investors in LSEG plc, and may result in a reduction in the price of LSEG Ordinary Shares (including but not limited to a reversal of the increase in the price of LSEG Ordinary Shares achieved in the period following LSEG plc's announcement on 27 July 2019 that advanced discussions in relation to the Transaction were taking place). In addition, LSEG's and Refinitiv's management would have spent time in connection with the Transaction which could otherwise have been spent more productively in connection with the other activities of LSEG and Refinitiv, as applicable. Customers may delay or decide against entering into agreements with LSEG or Refinitiv during any periods prior to Completion, which could lead to a loss of revenue. Therefore, the aggregate consequences of a material delay in completing or a failure to complete the Transaction may have a material adverse effect on the business, results of operations and financial condition of LSEG, Refinitiv, or the Combined Business.

The Combined Business' success will be dependent upon its ability to integrate the businesses of LSEG and Refinitiv; there will be challenges associated with the integration and the delivery of synergies, the benefits and/or business performance expected as a result of the Transaction may not be achieved as anticipated or at all, and the costs to achieve the synergies and benefits may be higher than anticipated.

The success of the Combined Business will depend, in part, on the effectiveness of the integration process and the ability of the Combined Business to realise the anticipated benefits from combining the respective businesses of LSEG and Refinitiv. To the extent that the Combined Business is unable to efficiently integrate the operations of LSEG and Refinitiv, realise anticipated revenue synergies or cost reductions, retain qualified personnel, customers or suppliers and avoid unforeseen costs or delay, there may be an adverse effect on the business, results of operations, the financial condition and/or prospects of the Combined Business.

In particular, some of the key integration challenges associated with combining LSEG and Refinitiv include: coordinating and consolidating services and operations, particularly across different countries, regulatory regimes (including in relation to different business lines) and cultures; consolidating infrastructure, procedures, systems, facilities, accounting functions and policies, and managing a significant increase in the number of employees across geographically dispersed locations (from approximately 4,900 to approximately 24,400, with a material increase in the number of employees in certain locations including India, the Philippines and Poland), which may have challenges for compensation structures and other employee policies, oversight and management of employees and corporate culture. Challenges may also include operating and integrating a large number of different technology platforms and systems, including maintaining the operational resilience and security of legacy platforms. Unanticipated events or liabilities may arise which result in a delay or reduction in the benefits anticipated to be derived from the Transaction, or in costs significantly in excess of those estimated. Such events or liabilities may be as a result of, for example, a decision or action taken by a regulator with jurisdiction over the Combined Business, a Hard Brexit, or any change in the regulatory or legislative framework applicable to the Combined Business which has an adverse impact on the Combined Business and its operations or otherwise. While the Directors believe that the Transaction and integration costs and the revenue synergies or cost reductions anticipated to arise from the Transaction have been reasonably estimated, no assurance can be given that the integration process will deliver all or substantially all of the anticipated benefits or realise any or all of such benefits.

LSEG's, Refinitiv's and, following Completion, the Combined Business' management and resources may be distracted during the integration planning and implementation process. This may reduce the capacity to pursue other business opportunities, cause a delay in other projects currently contemplated by LSEG or Refinitiv (and which are intended to be continued by the Combined Business following Completion) or lead to an increase in the number of operational risk events such as the level of administrative errors. A decline in service standards or a fault or interruption in services during the integration process may result in an increase in customer

complaints and customer and/or regulatory actions, which may lead to reputational damage and the loss of customers or business by the Combined Business and ultimately have an adverse impact on financial performance and financial condition.

In addition, prior to the Announcement, Refinitiv had announced a US\$650 million cost savings programme. While Refinitiv has already started to achieve some of these cost savings, no assurance can be given that the programme will result in the realisation of such cost savings, either within the expected time frame or in full, or that the costs to achieve such cost savings will not be materially higher than anticipated. To the extent that Refinitiv is unable to realise the benefits of its cost savings programme, there may be an adverse effect on the business, results of operations, the financial condition and/or prospects of Refinitiv and, after Completion, the Combined Business.

Under any of these circumstances, the business growth opportunities, overhead cost reductions and other synergies anticipated by the Board to result from the Transaction may not be achieved as expected, or at all, or may be materially delayed. To the extent that the Combined Business incurs higher integration costs or achieves lower synergy benefits than expected, its business, results of operations, financial condition and/or prospects, and the price of LSEG Shares, may be adversely affected.

Completion of the Transaction is likely to result in a reduction in LSEG plc's credit rating. A reduction in LSEG plc's credit rating could lead to an increased cost of funding for the Combined Business (in particular if it is combined with a deterioration in financial market conditions), impact its ability to refinance its debts, and affect its relationships with customers and investors.

In connection with the Transaction and in order to obtain financing sufficient to refinance Refinitiv's third-party debt on Completion, LSEG plc entered into the 2019 Bridge Facilities on 1 August 2019. A summary of the 2019 Bridge Facilities is set out in the section headed "*The 2019 Bridge Facilities*" in Part III (*Summary of the Key Transaction Terms*), of this document. On drawdown of the 2019 Bridge Facilities (or any longer term financing that replaces the 2019 Bridge Facilities), it is expected that LSEG's leverage ratio will increase from within its current target range of 1.0–2.0x net debt to adjusted EBITDA, to around 3.5x net debt to adjusted EBITDA.

LSEG plc currently has long-term credit ratings of A by S&P Global Ratings (a division of S&P Global Inc.) and A3 by Moody's Investors Service Limited, both of whom are registered or certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. These credit ratings are based on a number of factors, including financial strength (including leverage ratio) as well as factors not entirely within the Combined Business' control, such as conditions affecting the macroeconomic environment and financial services industry generally. As a result of LSEG plc's entry into the 2019 Bridge Facilities, S&P Global Ratings has moved its ratings outlook for LSEG plc to "credit watch negative" and has stated that on Completion its long-term rating of LSEG plc may be reduced by up to two notches, and Moody's Investors Service Limited has placed its long-term rating of LSEG plc on "review for possible downgrade", with LSEG plc anticipating a ratings downgrade of one notch, although the Board expects LSEG plc to retain good, investment grade credit ratings. There can however be no assurance that LSEG plc will obtain the investment grade credit ratings it expects to achieve on Completion, or that it will maintain its investment grade credit ratings in the future.

A failure to maintain a good credit rating by LSEG plc could lead to more onerous funding terms (including higher costs of funding) for the Combined Business, in particular if it is combined with a deterioration in financial market conditions. This could adversely impact the Combined Business' ability to refinance its debts, including the 2019 Bridge Facility, and ability to return to its target leverage range of 1.0-2.0x net debt to adjusted EBITDA within a desirable timeframe or at all (although nothing in this risk factor should be construed as qualifying the statement in respect of the Combined Business' working capital set out in paragraph 22 of Part IX (*Additional Information*), of this document). Other possible impacts include a reduction in the credit rating of the Combined Business' rated subsidiary, LCH, which currently has a long-term rating of AA– by S&P Global Ratings, a potential reduction in the competitiveness of the Combined Business including its CSD and CCP businesses, and a broader perception among customers and investors that the Combined Business has a weaker credit profile. Any of the foregoing could have an adverse impact on the Combined Business' financial condition and operating results.

Refinitiv may perform below expectations in the period prior to Completion and/or the LSEG Ordinary Shares may outperform, which could result in the value of Refinitiv at Completion being less than the value of the Consideration Shares to be issued by LSEG plc.

Under the terms of the Transaction, the Refinitiv Sellers and ConsortiumCo will receive 204,366,585 Consideration Shares (subject to the option for LSEG to settle up to US\$2.5 billion of the consideration in cash, in which case the number of Consideration Shares issued will reduce accordingly). These Transaction terms were agreed on the basis of assumptions regarding, among other things, the respective financial and operational performances of Refinitiv and LSEG, including in the period prior to Completion, and the number of Consideration Shares to be issued will not be adjusted to reflect either changes in the price of the LSEG Ordinary Shares or changes affecting the operations, financial condition or prospects of Refinitiv in the period between signing of the Stock Purchase Agreement and Completion. Until Completion, it is possible that adverse events could affect Refinitiv that would not give rise to a right for LSEG to terminate the Transaction and/or it is possible that the price of the LSEG Ordinary Shares could outperform LSEG's pre-signing assumptions which, in either case, could result in the value of Refinitiv at Completion being less than the value of the Consideration Shares to be issued by LSEG plc. This could have an adverse impact on the market value of the LSEG Ordinary Shares.

If LSEG Shareholders approve the Transaction at the LSEG General Meeting, LSEG will be prevented from soliciting or encouraging a takeover transaction for LSEG plc until Completion or termination of the Transaction.

If the LSEG Shareholders approve the Resolutions at the LSEG General Meeting, under the terms of the Stock Purchase Agreement LSEG plc will be committed to proceed with the Transaction, comprising the acquisition of Refinitiv in exchange for the issue of the Consideration Shares to the Refinitiv Sellers and ConsortiumCo, subject to the remaining conditions to Completion contained in the Stock Purchase Agreement. The long stop date for Completion as set out in the Stock Purchase Agreement is 31 May 2021. The Stock Purchase Agreement is summarised in Part III (*Summary of the Key Transaction Terms*), of this document.

Pursuant to the Stock Purchase Agreement, LSEG plc is subject to a commitment preventing it from soliciting, encouraging or taking any other action designed to facilitate a takeover transaction for LSEG plc, unless a majority of the Board determines that it should do so. This carve-out only applies prior to a general meeting of LSEG Shareholders at which the Transaction is approved. Accordingly, if the Transaction is approved by LSEG Shareholders, in the period following the LSEG General Meeting until Completion (or termination of the Transaction in accordance with the terms of the Stock Purchase Agreement), LSEG plc will be subject to a provision preventing it from soliciting, encouraging or taking any other action designed to facilitate a takeover transaction for LSEG plc and as a consequence, third-parties may be unwilling to make a takeover offer for LSEG plc during this period. Accordingly, as a consequence of pursuing Completion of the Transaction, LSEG may miss out on the opportunity to pursue potential alternative transactions, and this may adversely affect the market price of the LSEG Ordinary Shares.

For further detail in respect of the possible impact of the Transaction on the willingness of third-parties to make a takeover offer for LSEG plc in the period following Completion, please refer to the risk factor in this Part II (*Risk Factors*), headed "*The Transaction and the shareholdings of the Refinitiv Shareholders may negatively influence the willingness of third-parties to make a takeover offer for LSEG plc in the period following Completion*".

Existing risks to LSEG which will be impacted by the Transaction

Economic, political and social factors that influence the level of activity in global financial and data markets are beyond LSEG's and Refinitiv's, and therefore the Combined Business', control, and may adversely affect its financial condition.

The operating results of LSEG and Refinitiv are, and the operating results of the Combined Business will be, highly dependent upon the level of activity in global financial and data markets. Many of the factors that influence the levels of primary market issuances, together with issuers' market capitalisations, secondary market trading volumes, and consequently demand for post-trade and information services (including data, analytics, risk management and index services), are economic, political and social factors that are beyond the control of LSEG and Refinitiv, but have the potential to adversely affect the business, revenues, financial condition and operating results of LSEG and Refinitiv or, following Completion, the Combined Business.

Such factors include: (i) inflation or deflation; (ii) general trends in the corporate financial markets, including in the broad investment strategies adopted by large financial institutions, investment houses and other fund

managers across different asset classes; (iii) macro-economic changes in global or regional demand or supply shifts for equity, derivatives, fixed income, over-the-counter (“OTC”) products, commodities, financial data and other capital markets products and services; (iv) changes in the financial standing of customers of LSEG’s and Refinitiv’s respective businesses; (v) technological change; (vi) the liquidity of financial markets and individual asset classes within the financial markets; (vii) changes in government, fiscal and monetary policies; (viii) legislative and regulatory changes, including any direct or indirect restrictions on (or increased costs associated with) trading and clearing in, and participant access to, relevant markets and the provision of information services or investment management, including those impacting LSEG, Refinitiv and/or the Combined Business’ customers and clients; (ix) exposure to possibly adverse governmental or regulatory actions in countries where the Combined Business operates or conducts business; (x) changes in market infrastructure and practice; (xi) levels of volatility in global markets; (xii) increased exposure to economic sanctions or other restrictive economic measures as a result of the Combined Business’ increased size and geographic reach; and (xiii) any change or development in global, national or regional political conditions, external events such as acts of terrorism, cyber-crime or any outbreak of hostilities or war and natural disasters.

Whilst the Combined Business’ increasingly diversified geographic presence, product and service offering and customer profile may mitigate its overall exposure to localised, product or service specific, or customer group specific risks, there can be no assurance that these risks would arise in such a way, and the Combined Business’ diversification could expose it to elements of these risks which LSEG may not both have experienced as a standalone business. The Combined Business will also have exposure to more economies, political and social systems and regulators than LSEG is on a standalone basis. Such risks could adversely affect the business, revenues, financial condition and operating results of the Combined Business.

LSEG and Refinitiv, and therefore the Combined Business, may be adversely affected by uncertainty, downturns and changes in the markets that it serves, in particular in the financial services industry.

Each of LSEG and Refinitiv are currently highly dependent on the financial services industry, and as a result the Combined Business will derive a significant proportion of its revenues from a number of large financial institutions. The financial services industry remains challenged with heightened regulatory scrutiny, consolidation among firms, increasing capital requirements, lower transaction volumes in certain markets and asset classes, and relatively low overall anticipated market growth. Since the 2008 financial crisis, banks and other firms across the financial services industry have continued to implement structural and technological changes designed to reduce costs, including job cuts and reducing supplier spending. The combination of these factors continues to put intense pressure on financial institutions’ profitability and returns. Whilst increased and more complex regulatory requirements could create opportunities for LSEG and Refinitiv, and therefore the Combined Business, these factors, together with the continued global economic uncertainty and future downturns in the financial services industry in one or more of the countries in which the Combined Business will operate, and changes in the market that the Combined Business serves or significant trading market disruptions, could adversely affect the Combined Business and its revenues, financial condition and results of operations.

Uncertainty regarding Brexit and the outcome of future arrangements between the EU and the United Kingdom could have a material adverse effect on LSEG and Refinitiv, and therefore the Combined Business.

The United Kingdom is scheduled to withdraw from the EU on 31 January 2020. It is not yet known what the United Kingdom’s future relationship with the EU will be and it is difficult to predict the effect of Brexit on the business and operations of LSEG and Refinitiv, and therefore the Combined Business, and what the effect will be on the UK, European and global economies. Uncertainty regarding new or modified arrangements between the United Kingdom and the EU could have a material adverse effect on the business activity of the Combined Business and on the political stability and economic conditions in the United Kingdom, the EU and elsewhere.

Lack of clarity about future UK laws and regulations, as the UK determines which EU laws and regulations to keep or replace in the UK in the event of a withdrawal, or how such laws and regulations may be changed, may adversely impact the buying behaviour of commercial and individual customers of LSEG and Refinitiv, and increase costs and disruption to the Combined Business operating in the UK, the EU and elsewhere.

Any of the above-mentioned developments, or the perception that any of these developments are likely to occur, could have a material adverse effect on economic growth or business activity in the United Kingdom, the EU and elsewhere. LSEG and Refinitiv have contingency plans in place to mitigate the risk of a Hard Brexit across their diversified businesses; however, there remains a risk that political decisions could result in the relocation of businesses and people, cause business interruptions, lead to trade restrictions and increases in or the imposition of trade tariffs, lead to economic recession or depression, and impact the stability of the

financial markets, the availability of credit, political systems, financial institutions and the financial and monetary system. By extension, this could impact LSEG's and Refinitiv's, and therefore the Combined Business' current business arrangements, licences and contingency plans, thereby damaging the reputation, operations and financial position of the Combined Business and leading to increased costs to retain current revenues, any of which could have a material adverse effect on the Combined Business.

LSEG, Refinitiv and the Combined Business will face significant competition in each of their main business areas, respectively, including Information Services (indexes data, risk and analytics); Post Trade and Risk Management (clearing, settlement, central securities depository services and risk management services); and Capital Markets (primary and secondary capital markets trading).

The areas of the financial markets infrastructure ("FMI") and information services industries in which LSEG and Refinitiv operate, and in which the Combined Business will operate, are highly competitive, and therefore the Combined Business will face significant competition from a number of competitors for the products and services that it offers. Competition has been intensified by trends including: (i) technological innovation, affecting Refinitiv in particular given its reliance on complex information systems; (ii) the globalisation of world capital markets, which has resulted in greater mobility of capital, greater international participation in local regions and more competition among different geographical areas; and (iii) consolidation in the industry through transactions and business combinations having created stronger global competitors.

LSEG, Refinitiv and the Combined Business will compete with other market participants in a variety of ways, including in relation to the: (i) quality and speed of trade execution, functionality, data, risk and index services; (ii) ease of use and performance of trading systems, data distribution platforms, and analytics and risk management services; (iii) range of products and services offered to customers, including trading participants and listed companies, including through the development of new and enhanced propositions; (iv) adoption of technological advancements including meeting customer data needs in relation to cloud capabilities; (v) increased customer demand for local language market data as more geographic markets become electronified; and (vi) increased customer interest in and demand for non-traditional "alternative data sets" (such as satellite imagery, location data, parking lot usage and credit card data, as well as other alternative data sets), which may require significant investment and innovation to meet, and which has intensified competition from smaller and less traditional market data providers. Further, competitors continue to compete aggressively on price across each of listings, trade execution, post-trade services, index, analytics, risk management, data services and technology, as market conditions evolve and become ever more competitive. This trend is expected to continue in the future.

If the Combined Business is unable to adapt to continued changing market pressures and evolving customer demands or maintain market share given the intense competition, or is forced to reduce pricing in response to competition, revenues and profit margins could decline. In addition, a decrease in customer demand for the Combined Business' listing, trading, index, analytics, risk management and data or technology services could adversely impact other business segments, which may be seen by current and prospective customers as less valuable, any of which could have a material adverse effect on the Combined Business, its cash flows, financial condition and results of operations.

LSEG and Refinitiv do, and therefore the Combined Business will, operate in highly regulated markets which may restrict the operations of the Combined Business.

A substantial part of LSEG's, Refinitiv's and, following Completion, the Combined Business', activities involve operations in, and the provision of services into, highly regulated markets. Following Completion, the Combined Business' regulated entities will be subject to extensive oversight by national and supranational governmental and regulatory bodies, and the Combined Business will be regulated in more jurisdictions and by more regulators than LSEG is currently. Such regulation and oversight:

- may limit the ability of the Combined Business and its group entities to provide certain of their current or planned services, or to build an efficient, competitive organisation;
- may limit the ability of the Combined Business and its group entities to outsource certain of its activities;
- may place financial and corporate governance restrictions on the Combined Business and its group entities;
- may make it difficult for the exchanges, MTFs, ATSS, SEFs and other trading venues, CCPs and/or CSDs of the Combined Business to compete with other competitors in different jurisdictions, including outside the EU;

- may impose restrictions such as capital requirements, clearing or trading requirements and proprietary trading restraints on market participants or otherwise cause market participants to change their behaviour in a manner that requires or incentivises such market participants to reduce their use of the exchanges, MTFs, ATSSs, SEFs and other trading venues, CCPs and/or CSDs operated by the Combined Business;
- may impose limitations or restrictions on pricing in relation to market data or in relation to the provision of market data inside or outside the EU;
- may significantly increase compliance and associated costs of the Combined Business, for instance by requiring businesses to devote substantial time and cost to the implementation of new rules and related changes in their operations; and
- may materially increase the costs of, and restrictions associated with, trading and clearing which could decrease trading and clearing volumes and profits.

Such restrictions, restraints, constraints and costs could materially adversely affect the Combined Business, its financial condition and operating results.

Following Completion, the Combined Business will operate exchanges, MTFs, ATSSs, SEFs and other trading venues, CCPs, CSDs, benchmark administrators, information services providers, data reporting service providers, trade repositories, market intermediaries, investment advisers and other regulated entities in multiple jurisdictions, in particular in the United Kingdom, the US, Italy, France, Ireland, the Netherlands and Singapore. The Combined Business' regulated activities in these jurisdictions will generally need to be approved by the relevant regulatory authorities in each of these countries. The Combined Business may from time to time seek to engage in new business activities, some of which may require changes to the rules pertaining to the relevant regulated entity and may also require changes to the relevant entity's regulatory status, such as obtaining new licences, exemptions or approvals by the relevant regulatory authority. In addition, the Combined Business may wish to expand its current activities or commence new activities which may require further licences or approvals.

Any delay or failure to obtain the requisite regulatory approvals or any conditions attached to such approvals could cause LSEG or Refinitiv, and therefore the Combined Business, to lose strategic business opportunities, slow its ability to integrate its different markets or slow or impede its ability to change its governance practices. The Combined Business' competitive position could be significantly weakened if its competitors are able to obtain regulatory approval for new functionalities faster, or with less cost or difficulty, or if approval is not required for such competitors.

Any of these risks could have a material adverse effect on the Combined Business and its cash flows, financial condition and operating results. Similarly, future changes in the legal and regulatory environment in jurisdictions in which the Combined Business operates, including changes to the implementing rules and corresponding guidance for any relevant legislative or regulatory regimes, may impose additional and/or more onerous requirements on the Combined Business in areas that are currently subject to regulation, or may extend the scope of the regulatory regime to areas of the Combined Business that to date have not been regulated.

Non-compliance with legal and regulatory requirements may result in LSEG's and Refinitiv's group entities, and therefore the Combined Business and its group entities, becoming subject to regulatory sanctions, fines, censures and other regulatory, administrative or judicial proceedings, including, in extreme circumstances, the withdrawal of authorisations, regulatory approvals, licences or exemptions required to operate the Combined Business.

The Combined Business will be subject to an increased number of legal and regulatory requirements than LSEG and Refinitiv are on a standalone basis, as a result of its enhanced product and service offering and its expanded presence in multiple jurisdictions. The regulatory regimes that apply to the Combined Business' products and services may conflict in different jurisdictions. Actual, suspected or alleged failure to comply with legal or regulatory requirements could result in an entity of the Combined Business becoming subject to investigations and regulatory, administrative or judicial proceedings. These investigations and proceedings may result in substantial criminal and/or civil sanctions, fines and penalties, including the restriction or revocation of an authorisation, regulatory approval, licence, recognition, exemption or registration that the Combined Business or its entities rely on in order to conduct their business.

Any such investigation or proceeding, whether successful or unsuccessful, could result in substantial costs and diversions of resources, and could negatively impact the Combined Business' reputation.

Any of these risks could have a material adverse effect on the Combined Business and its cash flows, financial condition and operating results.

LSEG and Refinitiv's regulated entities are, and following Completion the Combined Business' regulated entities will be subject to ongoing requirements to maintain their regulatory status.

LSEG's and Refinitiv's, and following Completion the Combined Business', regulated entities, including those referred to below, must meet initial and ongoing requirements to obtain and maintain their regulated status. These requirements will generally include requirements for a regulated entity to have adequate financial and other resources available to it to operate its business.

For example, London Stock Exchange, as a recognised investment exchange, must satisfy the recognition criteria in the Financial Services & Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001 (as amended), as further expanded by the guidance in the FCA's Recognised Investment Exchanges Sourcebook. The recognition criteria include the requirement that the recognised investment exchange has "financial resources sufficient for the proper performance of its functions as a recognised investment exchange". Further, Turquoise, EuroMTS, Tradeweb Europe Limited and Refinitiv Transaction Services Limited, as UK investment firms operating MTFs and OTFs, are subject to the capital requirements established by CRD IV and the UK Threshold Conditions for authorisation set out in Part 1B of Schedule 6 of the FSMA which include a requirement for the firm to have financial and other resources which are appropriate for the regulated activities which the firm carries on. In the US, DW SEF LLC, Refinitiv US SEF LLC and TW SEF LLC, each being registered SEFs with the CFTC, are required to maintain sufficient financial resources to cover their operating costs for a one-year period, calculated on a rolling basis. LCH Limited and LCH SA, as CFTC-registered DCOs, are subject to similar requirements, including the requirement to maintain sufficient financial resources to meet their obligations to their clearing members and participants, in the event that both such parties' default in respect of a trade being cleared.

Regulatory requirements are also imposed on other regulated entities within LSEG and Refinitiv, and therefore the Combined Business, in other jurisdictions. By way of example, Borsa Italiana and MTS as operators of, *inter alia*, Italian regulated markets must satisfy the financial and organisational requirements set forth under the Italian Financial Consolidated Act (*Testo unico delle disposizioni in materia di intermediazione finanziaria*) ("IFCA"). Similarly, EuroTLX, as an Italian investment firm operating MTFs, is subject to the capital requirements established by CRD IV and also to the conditions for authorisation set out under article 19 of IFCA, which include a requirement for the firm to have financial and other resources which are appropriate for the regulated activities which the firm carries on. In addition, Financial & Risk Transaction Services Ireland Limited, an entity within the Refinitiv business and which is regulated by the Central Bank of Ireland as an investment firm operating an MTF, is subject to the capital requirements established by CRD IV and the conditions for authorisation set out in the EU (*Markets in Financial Instruments*) Regulations 2017 which include a similar requirement for the firm to have financial and other resources which are appropriate for the regulated activities it provides. Further, Tradeweb EU B.V. is authorised by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) as a Dutch investment firm operating an MTF and OTF and is therefore subject to the capital requirements established by CRD IV and also to the conditions for authorisation set out in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), which are based on MiFID II.

Failure of LSEG's, Refinitiv's and the Combined Business' regulated entities to maintain sufficient financial and other resources could result in the restriction or removal of the regulated entity's licence to operate its business, and therefore could have a material adverse effect on the Combined Business, its financial condition and operating results.

Regulatory capital requirements may negatively affect LSEG and Refinitiv, and consequently the Combined Business, and such requirements are subject to change.

In order to maintain their regulatory status, certain regulated entities within LSEG and Refinitiv, and therefore within the Combined Business, are subject to minimum capital requirements. The regulatory capital regimes vary by jurisdiction and form of regulatory status. Some entities within the Combined Business are subject to customised regulatory capital regimes which differ from those of credit institutions or other investment firms, while other entities are subject to the regulatory capital requirements applicable to investment firms and credit institutions established by CRD IV. Regulated entities within the Combined Business may also be subject to the revised Capital Requirements Directive 2019/878/EU, or CRD V, which may result in requirements to hold additional capital or to restructure certain EU entities under an intermediate EU parent undertaking. Regulatory

capital requirements may require relevant entities to retain surplus capital, leading to capital inefficiencies within the Combined Business.

Any changes to the capital requirements applicable to the Combined Business or its group entities may result in increased capital for one or more entities within the Combined Business, or any sub-group within the Combined Business or for the Combined Business as a whole, which may have a materially adverse effect on the Combined Business' ability to deliver its strategy, its business and cash flows, financial condition and operating results.

In particular, the relevant entity, sub-group or the Combined Business may be required to raise further capital by equity issuance or other appropriate financing in order to ensure compliance with applicable regulatory capital requirements. There is a risk that future economic and market conditions may prevent the Combined Business or any of its group entities from completing such financing and/or from allocating suitable capital within the timeframe required, although nothing in this risk factor should be construed as qualifying the statement in respect of the Combined Business' working capital set out in paragraph 22 of Part IX (*Additional Information*), of this document. Any failure to do so may lead to the relevant entity, sub-group or Combined Business being subject to regulatory sanctions or other restrictive measures, including the revocation of operating licences, and may adversely affect the Combined Business' reputation, its businesses and cash flows, financial condition and operating results. A failure by a relevant entity, sub-group or the Combined Business to meet capital requirements or obligations that apply in relation to capital requirements may lead to regulatory action of the type described above and may negatively affect the business of the Combined Business.

Data privacy breaches, misuse of personal data or failure to protect confidential information could adversely affect LSEG's, Refinitiv's or, following Completion, the Combined Business', reputation and expose LSEG, Refinitiv or the Combined Business to litigation or other legal or regulatory actions.

LSEG and Refinitiv are, and following Completion the Combined Business will be, subject to a number of laws and regulations relating to privacy, security and data protection, including the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), the UK's Data Protection Act 2018, US federal and applicable state privacy laws (including the recently passed California Privacy Act of 2018, which will become effective in 2020) and certain other relevant non-EEA data protection and privacy laws. Such laws govern, or will govern, LSEG's, Refinitiv's and the Combined Business' ability to collect, use and transfer personal data including in relation to actual and potential customers, suppliers, employees and third-parties. In addition, new laws or regulations governing privacy, security and data protection may be introduced which apply to LSEG, Refinitiv and, following Completion, the Combined Business, in any of the jurisdictions in which LSEG and Refinitiv do, and the Combined Business will, operate. The nature and extent of any such new and/or changes in laws or regulations, and the impact they may have on LSEG, Refinitiv and the Combined Business, is uncertain.

Each of LSEG and in particular, Refinitiv, relies, and following Completion the Combined Business will rely, on third-party service providers and its own employees and systems to collect and process personal data and to maintain its databases. Refinitiv's business also includes subscription screening products (such as World-Check) which it sells to customers (including government entities, central banks, FIUs or other authorities) who need access for counterparty risk screening for legitimate purposes, to enable them to satisfy their legal, regulatory, compliance or similar obligations, including anti-money laundering reviews, KYC checks, sanctions screening, politically exposed person screening, anti-bribery and corruption screening, counter-terrorist financing screening and the prevention of financial crimes. Such screening products contain and process large amounts of personal data, including sensitive personal data. Therefore, LSEG and in particular, Refinitiv, are exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy, security or data protection laws, and following Completion the Combined Business will be more exposed to this risk than LSEG is on a standalone basis. Please also refer to the risk factor headed "*Unauthorised data access or privacy breaches may cause some of LSEG's and Refinitiv's, and therefore the Combined Business' customers to lose confidence in its security measures and could result in increased costs for the Combined Business*" in this Part II (*Risk Factors*), of this document.

While LSEG and Refinitiv endeavour (and, following Completion, the Combined Business will endeavour) to comply with all applicable laws and regulations relating to privacy, security and data protection, it is possible that such requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other laws or LSEG's, Refinitiv's or the Combined Business' practices. That concern is particularly relevant for the GDPR, given that it recently came into force and that different Member State regulators may differ as to their interpretation of it and the approach they may take to breaches, enforcement, complaints or the exercise of rights to access personal data by individuals.

Any perceived or actual failure by LSEG, Refinitiv or the Combined Business to protect confidential data, personal data or any material non-compliance with privacy, security or data protection laws or regulations may harm each of their reputation and credibility, adversely affect their revenues, reduce their ability to attract or retain customers, result in litigation or other actions being brought against them and the imposition of significant fines and, as a result, could have a material adverse effect on their business, results of operations, financial condition or prospects.

Unauthorised data access or privacy breaches may cause some of LSEG's and Refinitiv's, and therefore the Combined Business', customers to lose confidence in its security measures and could result in increased costs for the Combined Business.

LSEG and in particular, Refinitiv, collect, store, use and transmit sensitive data, including the proprietary business information and personal data of their employees, partners, vendors, customers and third-parties on their networks; the Combined Business will engage in such activities much more so than LSEG does as a standalone business. A number of LSEG's and Refinitiv's, and therefore the Combined Business', customers and suppliers will also entrust it with storing and securing their own confidential data and information. The Combined Business will also have certain subscription-based screening products (such as World-Check) which contain large amounts of personal data, including sensitive personal data. Any malicious or accidental breach of data security could result in unintentional loss, disclosure of, or unauthorised access to, third-party, customer, vendor, employee or other confidential or sensitive data or information, which could potentially result in damage to the LSEG's, Refinitiv's and therefore the Combined Business' brands and reputation, costs to the Combined Business to enhance security or to respond to occurrences, lost sales, violations of privacy or other laws, penalties, fines, regulatory actions, investigations, sanctions, or litigation, and/or loss of confidence in its security measures, which could harm its ability to retain and attract customers. In addition, media or other reports of perceived security vulnerabilities to the Combined Business' systems or those of its third-party suppliers, whether or not accurate, could adversely impact the Combined Business' brand and reputation and materially adversely affect its business, financial condition and results of operations.

The Transaction may make it more difficult for LSEG and Refinitiv, and therefore the Combined Business, to attract and/or retain senior management and other key employees, and failure to do so could have adverse consequences for the operations of the Combined Business.

The Combined Business' success will be dependent upon the experience and industry knowledge of its senior management and key employees. The ability of LSEG, Refinitiv and, following Completion, the Combined Business to attract and retain key personnel is dependent on a number of factors, including (without limitation), prevailing market conditions, compensation packages offered by previous or competing employers, any regulatory impact thereon and the ability of the Combined Business to continue to have appropriate variable remuneration and retention arrangements in place that drive strong business performance and results.

For example, 35 members of Refinitiv's senior management team participate in a pre-existing management incentive plan set up by Refinitiv Holdings that is expected to give rise to material payments to participants (although participants will only be able to start to realise value under their awards with effect from the expiry of certain lock-up provisions). While in the short term this management incentive plan may benefit the Combined Business' ability to retain these employees, following expiry of the lock-up it may affect the ability of the Combined Business to retain them in employment. Further details in respect of these arrangements are described in Part III (*Summary of the Key Transaction Terms*), of this document.

Consequently, there can be no assurance that the Combined Business will be successful in attracting and retaining the personnel it requires, which may adversely affect its ability to execute business operations and strategies effectively. If a significant number of Refinitiv's senior managers leave, the Combined Business may need to recruit to ensure it has sufficient depth and experience to operate the relevant Refinitiv businesses. Before Completion, during the integration planning and implementation processes and following Completion, there is also a risk that some current and prospective employees of the Combined Business may experience uncertainty about their future roles within the Combined Business, which may adversely affect the Combined Business' ability to retain or recruit key managers and other employees. Attrition may take place either before the Transaction is completed or during the Combined Business' integration process following Completion. Any of the aforementioned could have a material adverse effect on the Combined Business and its operations, cash flows, financial condition and results of operations.

A number of large global financial institutions are customers of LSEG and Refinitiv, and in some cases, of both LSEG and Refinitiv. Such customers' bargaining power may increase as a result of the Transaction and they may seek to or successfully improve the terms on which they contract with the Combined Business.

A number of large global financial institutions (such as investment banks, asset management firms and large institutional investors) use LSEG's and Refinitiv's products and services and may use multiple products and services provided by each of them. Across their respective business lines, LSEG and Refinitiv both conduct business with a number of the same clients. As a result of the Transaction, the bargaining power of those clients may be increased. Such clients may use their increased bargaining power to seek to amend or renegotiate existing contracts to include terms less favourable to the Combined Business than may historically have been the case with LSEG and Refinitiv, respectively. In addition, some clients (including those who may also compete with LSEG or Refinitiv as standalone businesses) may use the Transaction as a basis for exercising rights to cancel or re-negotiate existing contracts, whether arising as a result of the Transaction or otherwise, use the threat of such cancellation to improve their bargaining position with, or may otherwise decide to reduce their economic exposure to, the Combined Business. Loss of all or a substantial portion of the business of the Combined Business' large customers, for whatever reason, could have a material adverse effect on the Combined Business and its cash flows, financial condition and results of operations.

LSEG and in particular, Refinitiv, generate a significant percentage of their revenues from recurring, subscription-based arrangements, and the Combined Business' ability to maintain existing revenues and to generate higher revenues is dependent in part on maintaining a high subscription renewal rate.

Refinitiv is, and therefore the Combined Business will be, more reliant on recurring revenue streams derived from subscription or similar contractual arrangements, than LSEG is on a standalone basis. For the financial year ended 31 December 2018, 40 per cent. of LSEG's total income was recurring in nature and derived from subscriptions and similar contractual arrangements. For the financial year ended 31 December 2018, 83 per cent. of Refinitiv's total revenues (excluding recoveries) were recurring in nature and derived from subscriptions or similar contractual arrangements. The Combined Business' revenues will be supported by a relatively fixed cost base that is generally not impacted by fluctuations in revenues. The majority of the Combined Business' subscription arrangements will have an initial term of one year and the remaining portion will largely have two or three year initial terms. These arrangements will typically have renewal provisions and the standard renewal term will be one year. Renewal dates will be spread over the course of the year.

While the Combined Business' increased reliance on subscription-like arrangements may mitigate its reliance on other, less predictable sources of revenue, in order to maintain its existing revenues and to generate higher revenues, the Combined Business will be dependent on a significant number of its subscription customers renewing their contractual arrangements with it.

Subscription customers may be more likely to view the products and services they source as fixed business costs than other groups of customers, and consequently the Combined Business may face pricing pressure in obtaining and retaining its customers. Customers may be able to seek price reductions from the Combined Business when they renew a contract, when a contract is extended, or when the customer's business has significant volume changes, and may be more reluctant to accept any increases in price. Customers may also reduce their use of the Combined Business' services if they decide to procure services in-house, or if they switch to another supplier. Further, the Combined Business' smaller and mid-sized customers may also exert pricing pressure, particularly on renewal, due to pricing competition or other economic needs or pressures being experienced by the customer. On some occasions, this pricing pressure may result in lower revenue from a customer than the Combined Business had anticipated, based on a previous agreement with that customer. The Combined Business' revenues could be lower if a significant number of its customers renewed their arrangements with it, but reduced the amount of their spending. This reduction in revenue could result in an adverse effect on the Combined Business' business, financial condition and results of operations.

LSEG and Refinitiv, and consequently the Combined Business, may not be successful in offering new products, identifying opportunities, entering into or increasing their presence in new markets or attracting new customers.

LSEG, Refinitiv and the Combined Business intend to continue to explore and pursue opportunities to strengthen and grow their businesses following Completion, among other things, to realise the anticipated benefits of the Transaction. In order to meet or exceed the anticipated benefits of the Transaction, the Combined Business intends to develop or add to existing products of LSEG or Refinitiv, launch new products, and enter into new markets or increase its presence in existing markets that already possess established competitors, including newly developing areas of competition, where competitors may be subject to less

regulation, and where demand for such services is subject to uncertainty. As a result of the Transaction and these expansions, LSEG, Refinitiv and the Combined Business may spend substantial time and money developing new products or improving current product offerings and, if not successful, the Combined Business may not fully realise the anticipated benefits of the Transaction, may miss potential market opportunities, and may not be able to offset the cost of such initiatives. If the Combined Business is unable to expand its business to successfully launch new products, identify and pursue opportunities and therefore effectively compete with its competitors, this could have a material adverse effect on the Combined Business and its cash flows, financial condition and results of operations.

Future new business initiatives of LSEG, Refinitiv and the Combined Business following Completion, including acquisitions, partnerships and joint ventures, may require significant resources and/or result in significant unanticipated costs or liabilities or fail to deliver anticipated benefits.

Each of LSEG's and Refinitiv's, and following Completion the Combined Business', strategy for future growth includes the identification and implementation of new business initiatives such as acquisitions, partnerships and joint ventures with third-parties, which involves various risks. Following Completion, the Combined Business will be reliant on doing so in relation to more markets, products and services, and jurisdictions, and with more counterparties, than LSEG is on a standalone basis. The Combined Business' ability to successfully implement any such new business initiatives is subject to, among other things, availability of internal resources (which may be reduced as a result of efforts directed towards integration of the LSEG and Refinitiv businesses) and execution risks, and the success of such initiatives may be adversely impacted by a number of factors, including the Combined Business' financial profile (including leverage ratio), regulation, anti-trust, assumed existing or pending litigation and political considerations. In addition, some of the Combined Business' activities are subject to minimum regulatory capital requirements which may constrain its ability to use its available capital resources to finance future business initiatives such as potential acquisitions.

The implementation of future business initiatives may not achieve the revenue or profitability that justify the original investment made by LSEG, Refinitiv or the Combined Business or support the goodwill recorded for the acquisition. Furthermore, such activities will require significant time and resources from management and may require the diversion of resources from other activities of the Combined Business. Failure to implement future business initiatives due to any of the foregoing factors could have a material adverse effect on the Combined Business, its financial condition and operating results.

LSEG and Refinitiv rely, and the Combined Business will rely, on third-party providers and other suppliers for a number of products (including data and content) and services that are important to its business, including through certain outsourcing arrangements. An interruption or cessation of an important product or service supplied by any third-party, or the loss of an exclusive licence, could adversely affect the Combined Business, its financial condition, operating results and reputation.

LSEG and Refinitiv do, and the Combined Business will increasingly, rely on access to certain data used in its business through licences with third-parties, and depend on third-party suppliers for data and content, including data received from certain competitors, clients, various government and public record services venues and financial institutions, that will be used in its products and services. Some of this data will be provided exclusively from particular suppliers and may not be obtained from other suppliers. LSEG and Refinitiv also depend, and the Combined Business will depend, on a number of other suppliers, such as online service providers, hosting service and software providers, data processors, software and hardware vendors, banks, local and regional utility providers, and telecommunications companies, for elements of their trading, clearing, settlement, data or risk management services and other systems. If these third-parties were to discontinue providing products or services to the Combined Business for any reason or fail to provide the type of service agreed to, the Combined Business may experience significant disruption to its business and may be subject to litigation by its customers or increased regulatory scrutiny or regulatory fines. The general trend toward consolidation in the information services industry may increase the risk that such products or services, insofar as they relate to information services, may not be available to the Combined Business in the future. In addition, in the future, the Combined Business' data suppliers could enter into exclusive contracts with competitors of the Combined Business without its knowledge. The Combined Business' third-party data suppliers will perform audits on it from time to time in the ordinary course of business to determine if data licences for redistribution have been properly accounted for in accordance with the terms of the applicable licence agreement and, as a result of these audits, the Combined Business may incur additional expenses.

LSEG, Refinitiv and the Combined Business will also, on and following Completion, have outsourced certain functions to third-party service providers, including for telecommunications, certain finance and human

resources administrative functions, and facilities management and IT services, in order to leverage leading specialised capabilities and achieve cost efficiencies. Outsourcing these functions involves the risk that the third-party service providers may not perform to the Combined Business' standards or legal requirements, may not produce reliable results, may not perform in a timely manner, may not maintain the confidentiality of the Combined Business' proprietary information, or may fail to perform at all. Failure of these third-parties to meet their contractual, regulatory, confidentiality, or other obligations to the Combined Business could result in material financial loss, higher costs, regulatory actions and reputational harm. Outsourcing these functions also involves the risk that the third-party service providers may not maintain adequate physical, technical and administrative safeguards to protect the security of the Combined Business' confidential information and data. Failure of these third-parties to maintain these safeguards could result in unauthorised access to the Combined Business' systems or a system or network disruption that could lead to improper disclosure of confidential information or data, regulatory penalties and remedial costs. Any of the aforementioned could have a material adverse effect on LSEG's, Refinitiv's and the Combined Business' business, financial condition, operating results and reputation.

LSEG and Refinitiv are, and therefore the Combined Business will be, highly dependent on the development and operation of its sophisticated technology and advanced information systems and those of its third-party service providers; and any failure of, or disruption to, any of these systems and related development projects could adversely affect the Combined Business.

LSEG's, Refinitiv's and therefore the Combined Business', collection, aggregation and distribution of financial data, indexes, trade and price information, provision of analytics and risk management services, and provision of markets infrastructure, including platforms for the execution, clearing and settlement, as applicable, of trades on markets, depends on technology that is secure, stable and performs at high levels of availability and throughput at low latency. Each of LSEG and Refinitiv operate, and following Completion the Combined Business will operate, sophisticated technology platforms and service management processes in conjunction with external suppliers (although their products and services will not be reliant upon third-party suppliers for all of their IT development). While such IT development insourcing will provide the Combined Business with a significant degree of control, there remains a risk of resource over-stretch to meet both the requirements of the Combined Business and those of third-parties.

To compete effectively, the Combined Business must be able to anticipate and respond, in a timely and effective manner, to the need for new and enhanced technology. The markets in which LSEG, Refinitiv and the Combined Business compete are characterised by rapidly changing technology, evolving industry standards and regulatory requirements, frequent enhancements to existing products and services, the introduction of new services and products and changing customer demands. If LSEG's, Refinitiv's and the Combined Business' systems are unable to expand to meet increased demand, are disrupted or otherwise fail to perform, the Combined Business' reputation, business and operating results could be impacted. New major IT projects and IT integrations have risks associated with them as well, particularly with regards to migrating products and services to new technological platforms in a safe, resilient and regulatory-compliant manner. New major IT projects and technology migrations (such as data centre relocations and cloud migrations) require significant capital investment and there can be no assurance that such migrations will be completed successfully or in line with allocated budgets. New or upgraded platforms also may not perform as intended or deliver the expected benefits, including, where relevant, increased transaction volumes and lower operating costs. There cannot, therefore, be any assurance that such projects will prove cost-effective and, in such circumstances, the profitability and reputation of the Combined Business, its products and services and its technology brands could be damaged. The flexibility of the Combined Business and its ability to respond to customer needs for services could consequently be disrupted.

Additionally, LSEG's, Refinitiv's and the Combined Business' ability to provide uninterrupted services is dependent on systems where failure, disruption or capacity limitations could adversely affect their business and reputation. These systems have experienced failures in the past, and it is possible that systems failures will occur in the future. Such failures may arise for a wide variety of reasons, such as software malfunctions, insufficient capacity, including network bandwidth in particular during peak trading times or periods of unusual market volatility, as well as hardware and software malfunctions or defects, or complications experienced in connection with the operation of such systems, including system upgrades. If the Combined Business' (or those of its third-party service providers) technology and/or information systems suffer from major or repeated failures, this could interrupt or disrupt its trading, clearing, settlement, index, analytics, data information or risk management services and undermine confidence in the Combined Business' platforms and services, cause reputational damage, impact operating results, cause delays to the integration of the LSEG and Refinitiv businesses, and lead to customer claims, litigation and regulatory action including investigations and sanctions.

While each of LSEG and Refinitiv currently have, and the Combined Business will have, incident and disaster recovery plans, business contingency plans and back-up procedures in place to minimise, mitigate, manage and recover from the risk of an interruption of, or failure to, its critical IT operations, it cannot entirely eliminate the risk of a system failure, interruption or data breach occurring. Further, to the extent that IT systems, cloud-based services or other networks are managed or hosted by third-parties, coordination with such third-parties will be required to resolve any issues, which may mean they take longer to resolve than if they were managed or hosted by the Combined Business alone.

Following Completion, certain IT systems and supporting functions of LSEG and Refinitiv may be integrated in due course, which will expand the scope and therefore the exposure of the Combined Business' IT systems. If the Combined Business' IT systems suffer from major or repeated failures, this could interrupt or disrupt and/or undermine confidence in the Combined Business' products and services, may cause reputational damage, impact operating results and lead to customer claims, litigation and regulatory action including investigations and sanctions.

LSEG's and Refinitiv's, and therefore the Combined Business' data, IT systems and networks, and those of its third-party service providers, may be vulnerable to security risks, such as cyber attacks, data breach or other leakage of sensitive data, which could adversely affect the Combined Business.

Each of LSEG and Refinitiv, and therefore the Combined Business, accumulates, stores and uses certain data in its operating business that is sensitive, commercially valuable and/or subject to data protection laws in the countries in which it operates. Additionally, as with all IT dependent companies, each of LSEG's, Refinitiv's and the Combined Business' IT systems and networks, and those of its third-party service providers, may also be vulnerable to cyber attacks, data breaches, unauthorised access, computer viruses and other security issues (despite regular testing, security reviews and training and awareness campaigns), and such attacks, breaches, access, viruses and other issues may not be detected before or following Completion. In addition, following Completion, the Combined Business may be a more attractive target to persons seeking to circumvent security measures to wrongfully access and use the Combined Business', its suppliers' or its customers', networks, information and IT systems (including hardware and software), or cause interruptions or malfunctions in their operations. Each of LSEG and Refinitiv could also be subject to attempts to wrongfully access and use its information and systems, or cause interruptions or malfunctions to their operations, prior to Completion. Although each of LSEG and Refinitiv have policies and procedures in place and take measures to protect data and IT systems in accordance with applicable laws, the security measures taken by LSEG, Refinitiv and/or the Combined Business may ultimately prove inadequate, and it is possible that there may be unauthorised access, loss or leakages in the future. Unauthorised access to, loss or leakage of sensitive data, fraud in relation to sensitive data or violation of data protection laws, whether due to cyber attack or otherwise, and cyber attacks more generally, may result in reputational damage, regulatory sanctions, fines, litigation, loss of market share, loss of transaction volumes, loss of customers, loss of revenues or financial losses, any of which could also have a material adverse effect on LSEG, Refinitiv and/or the Combined Business and its cash flows, financial condition and results of operations.

Design defects, errors, failures or delays associated with new, modified or upgraded technology, products or services introduced by LSEG and Refinitiv, and therefore the Combined Business, could negatively impact its business.

LSEG and, in particular, Refinitiv, are heavily reliant on complex technology systems (not least as a result of Refinitiv's technology footprint, which is bigger than LSEG's); the Combined Business will rely on such systems much more so than LSEG does as a standalone business. Despite testing, software, hardware, products and services that LSEG and Refinitiv, and therefore the Combined Business, provides, develops, licenses or distributes, may contain errors or defects when first released/launched or when new updates or enhancements are released that cause the software, hardware, products or services to operate incorrectly or less effectively. Many of LSEG's, Refinitiv's and the Combined Business' technologies, products and services also rely on data and services provided by third-party providers over which LSEG, Refinitiv and the Combined Business will have no control and may be provided to the Combined Business with defects, errors, failures or delay. LSEG, Refinitiv and the Combined Business may also experience delays while developing and introducing new products and services for various reasons, such as difficulties in licensing data inputs or adapting to particular operating environments. Defects, errors, failures or delays in LSEG's, Refinitiv's and the Combined Business' technology, products or services that are significant, or are perceived to be significant, could result in rejection or delay in market acceptance, damage to the Combined Business' reputation, loss of revenue, a lower rate of licence renewals or upgrades, diversion of development resources, liability claims or regulatory actions, or increases in service and support costs. The Combined Business may also need to expend significant capital

resources to eliminate or work around defects, errors, failures or delays. In each of these ways, the Combined Business' business, financial condition or results of operations could be materially adversely impacted.

LSEG, Refinitiv, and therefore the Combined Business, operates in a business environment that continues to experience significant and rapid technological change. If LSEG and Refinitiv, and therefore the Combined Business, is unable to continue improving or to successfully develop and implement new technologies, or if the Combined Business or its third-party suppliers or its customers do not commit appropriate resources to developing and implementing new technologies or if the Combined Business' technological investment proves unsuccessful, it could result in a loss of customers.

The technologies upon which FMI providers rely, including those in respect of the collection, aggregation and distribution of data and other content, index, desktop, analytics and risk management services, is subject to ongoing and rapid change (including in relation to a shift to cloud-based resources, the development of distributed ledger technologies and AI), and the reliance of the Combined Business on such technologies will be more than it is for LSEG as a standalone business. Further, in recent years, electronic trading and customer demand for increased choice of execution methods has grown significantly. These developments entail significant technological, financial and business risks. These risks include LSEG, Refinitiv and therefore the Combined Business failing or being unable to provide reliable and cost-effective electronic trading and data services and functionality or user experience on a basis that is comparable to the systems provided by other third-party providers, to attract independent software vendors to write front-end software that will enable access to their electronic trading, data platforms and automated order routing systems and to generate sufficient revenue to justify substantial levels of capital investment in electronic trading and data platforms and clearing and settlement systems. If LSEG or Refinitiv, and therefore the Combined Business, is unable to anticipate and respond to the demand, industry standards and regulatory requirements for new services, products and technologies in a timely manner or on a cost-effective basis, or to adapt to technological advancements and changing standards, it may be unable to compete effectively.

The adoption of new technologies or market practices, for instance in blockchain or AI, may require LSEG and Refinitiv, and therefore the Combined Business, to devote additional resources to improve and adapt its services to meet new demand, and there can be no assurance that these investments will be successful or that the Combined Business will be quick enough to react to deploy new solutions. If there is insufficient demand for a new service or customers or third-party suppliers lack the appropriate resources or infrastructure to support new products and trading and clearing functionality developed by LSEG, Refinitiv and the Combined Business, or do not subscribe to new services in a timely manner, new initiatives may be unsuccessful or result in significant losses.

Any failure or delay in developing new technology, or inability to exploit technology as successfully or cost-effectively as competitors, including new market entrants, could result in a decrease in customer demand, which could have a material adverse effect on the Combined Business' business and cash flows, financial condition and results of operations.

An operational failure in LSEG's, Refinitiv's or the Combined Business' processes could result in financial losses and reputational damage. If the products or services of LSEG and Refinitiv, and therefore the Combined Business, contain undetected errors, defects or fail to perform properly or suffer delays, such errors, defects, failures or delays could have a material adverse effect on its business, financial condition or results of operations, brand and reputation.

The data and analytics businesses and the information services businesses of LSEG, and in particular Refinitiv, collect, aggregate, enrich and distribute data and develop, calculate, market and distribute indexes in a variety of asset classes. This will be much more so for the Combined Business than it is for LSEG on a standalone basis. As a result, LSEG's, Refinitiv's and the Combined Business' indexes underlie derivative financial instruments of investors, financial market product developers and issuers. Indexes (and data forming part of such indexes) and other products developed or licensed by the Combined Business may contain miscalculations or undetected errors, and this risk may be heightened where manual processing is required. As a consequence, market participants who use real time price and order-book information or other market moving signals to make their buy or sell decisions and recommendations or require accurate instrument reference data for risk management activities and error-free settlement may base their decisions on miscalculated or erroneous information. Therefore, LSEG, Refinitiv and the Combined Business may be exposed to risks of litigation being brought against them based on such miscalculations or undetected errors which, even if ultimately unsuccessful, could materially adversely affect their reputation and cause disruption to their business, as well as adversely affect their ability to retain and attract customers for their products. Any such events could have a

material adverse effect on the Combined Business' and its cash flows, financial condition and results of operations, brand and reputation.

Although LSEG and Refinitiv do, and the Combined Business will, primarily deploy automated data processing, manual data processing is also utilised in relation to certain services, and therefore operator errors or omissions may occur, for example, in relation to the manual input of data, or the incorrect processing of customer instructions in its custody business. In addition, the Combined Business is exposed to operational risks associated with the clearing and settlement of transactions, risk management methodologies or calculations, the management of collateral (including the management of CCP collateral and collateral investment by custodians), as well as the provision and receipt of routing, netting and settlement services to ensure that cash and securities are exchanged in a timely and secure manner for a multitude of products, particularly where there are manual processes and controls. As a result, the Combined Business remains exposed to the risk of inadequate handling of customer instructions in certain business segments. Further, manual intervention in market and system management is necessary in certain cases. While LSEG, Refinitiv and the Combined Business have in place procedures and controls to prevent failures of these processes and to mitigate the impact of any such failures, any operational error could have a material adverse effect on its business and cash flows, financial condition, results of operations and reputation.

A failure to protect LSEG's and Refinitiv's, and therefore the Combined Business' proprietary software, data or intellectual property rights, or allegations that they have infringed the intellectual property rights or contractual rights of others, could adversely affect the Combined Business, its brands and reputation.

LSEG and Refinitiv have, and therefore the Combined Business will have, brands that are well-recognised globally by customers, and/or within the financial market industry segments in which they operate, or within their respective countries. Any events or actions that damage the reputation or brands of LSEG or Refinitiv, and therefore the Combined Business, could adversely affect its business, financial condition, operating results and reputation.

Each of LSEG and Refinitiv face, and therefore the Combined Business will face risks arising from the unauthorised use of: (i) their proprietary software; (ii) the trade marks, service marks, trade names, database rights, copyright and patents that they own or license for use in their businesses, including rights to use certain indexes as the basis for passive funds or financial products; and (iii) their data, including for trading, calculation and benchmarking purposes, (together, the “**Combined Business' IP Assets**”). This risk increases as a result of the diversification in the Combined Business' products, services, customer profile and geographic presence. Although LSEG and Refinitiv, and therefore the Combined Business, will rely on a variety of trade mark, copyright, patent, database and trade secrets laws, as well as confidentiality and other contractual arrangements with affiliates, customers, strategic investors and others, to protect its proprietary software, intellectual property and its rights in data, these protections may be inadequate to deter misuse or misappropriation of the Combined Business' IP Assets or to allow the Combined Business to enforce its intellectual property rights. Furthermore, some of the products and processes of LSEG, Refinitiv and therefore the Combined Business may not be subject to intellectual property protection, and competitors of the Combined Business may also independently develop and patent or otherwise protect products or processes that are the same or similar to the products or processes of the Combined Business. Although LSEG is currently unaware of the existence of any such matters that are material in the context of the Combined Business as a whole, failure to protect the Combined Business' IP Assets, and any efforts required to defend or enforce intellectual property rights, which may require significant financial and managerial resources, could, individually or in aggregate, affect the ability of the Combined Business to compete effectively and have an adverse effect on the Combined Business' reputation, business, financial condition and operating results.

Additionally, third-parties may assert intellectual property rights claims against LSEG, Refinitiv and therefore the Combined Business, with or without merit, and such claims could divert management resources and be costly to defend or settle. If the Combined Business is unsuccessful in defending such claims, it could be required to pay damages, modify or discontinue its use of technology or business processes, or purchase licences from third-parties, any of which could also have a material adverse effect on the Combined Business' business and cash flows, financial condition, results of operations and reputation.

LSEG and Refinitiv are, and therefore the Combined Business will be, exposed to fluctuations in foreign exchange rates and interest rates.

LSEG plc will use sterling as its reporting currency for the purposes of its consolidated accounts and other financial reports following Completion, and the subsidiaries of LSEG plc will continue to use their existing functional currencies for the purposes of their accounts and other financial reports, including the Refinitiv

companies acquired in respect of the Transaction. The results of such entities will be converted into sterling for the purposes of consolidation in LSEG plc's accounts. Changes in the foreign exchange rates of the various functional currencies of the Combined Business' subsidiaries (in particular the Euro and the US dollar) as against sterling could have an adverse impact on the Combined Business' reported results. In addition, since LSEG and Refinitiv conduct operations in a number of different countries, including in Europe, the US and Asia, a substantial portion of their assets, liabilities, revenues and expenses are denominated in Euros, US dollars and other currencies, and their respective businesses are exposed to foreign exchange rate fluctuations. Following Completion, such exposure will continue and may be increased by the multiple currency conversions that will take place as a result of transactions between subsidiaries of LSEG plc located in different jurisdictions. There can be no assurance that the Combined Business will be able to successfully mitigate these risks and accordingly, changes in foreign exchange rates could have an adverse effect on the value of the Combined Business' business, financial condition and operating results.

In addition, LSEG and Refinitiv are, and the Combined Business will be, exposed to interest rate fluctuations, in particular in connection with cash investments, marketable securities, deposits of cash and cash equivalents or debt (including in relation to the 2019 Bridge Facilities, or any longer-term financing which replaces the 2019 Bridge Facilities), as well as through corporate transactions and CCP collateralised investments. Subject to any applicable restrictions, LSEG, Refinitiv and/or the Combined Business may use derivative financial instruments and/or hedging arrangements with the aim of reducing some of the negative impacts that could result from fluctuations in these rates. However, the Combined Business' assumptions and assessments with regard to the future development of these rates and the chosen level of risk avoidance or risk tolerance will have a substantial impact on the success or failure of its hedging policies. Accordingly, there can be no assurance that the Combined Business will be successful in managing and mitigating the impact of interest rate fluctuations, which could have a material adverse effect on the Combined Business' business, financial condition and operating results.

Each of LSEG and Refinitiv is, and the Combined Business will be, subject to litigation risks and other liabilities.

Each of LSEG and Refinitiv is, and the Combined Business will be, exposed to litigation risks, including in relation to allegations of the misuse of the data and intellectual property of others, as well as other commercial disputes. Some of this litigation risk arises under laws and regulations relating to tax, anti-money laundering, foreign asset controls, foreign corrupt practices, privacy and data use and dissemination, and this litigation risk could increase as a result of the Combined Business' diversification of customers and geographic presence, including in more litigious jurisdictions like the US. These risks also include potential liabilities arising from defects in LSEG's, Refinitiv's and therefore the Combined Business', index or data services, claims in relation to the use or management of personal data held by the Combined Business, or disputes over the terms of a securities trade, or from claims that a system or operational failure or delay caused monetary losses to a customer, as well as potential liability from claims relating to facilitation of unauthorised transactions or materially false or misleading statements in connection with a transaction on LSEG's, Refinitiv's, and therefore the Combined Business' trading venues. Claims may arise against LSEG's, Refinitiv's and therefore the Combined Business' service providers regarding quality of trade execution, improperly cleared or settled trades, default management mismanagement, or even fraud. Despite deploying measures seeking to minimise these risks, any such litigation (either individually or in the aggregate) could be lengthy and costly, and could result in the expenditure of significant financial and management resources, which could adversely affect the Combined Business' business and cash flows, financial condition and results of operations.

Attention is drawn to paragraph 19 of Part IX (*Additional Information*), of this document, for details in respect of LSEG's and Refinitiv's material litigation.

LSEG and Refinitiv, and therefore the Combined Business, may not always successfully manage actual or potential conflicts of interest that arise in its business.

The Combined Business, as a result of increased diversification in its business lines following Completion, will increasingly have to manage actual or potential conflicts of interest, including situations where its services to a particular client conflict, or are perceived to conflict, with the interests of another client, as well as situations where certain employees of the Combined Business have access to material non-public information that may not be shared with all employees of the Combined Business. Failure to adequately address potential conflicts of interest could adversely affect the Combined Business' reputation, operating results and business prospects.

The Combined Business will have procedures and controls that are designed to identify and mitigate conflicts of interest, including those designed to prevent the improper sharing of information. However, appropriately

managing conflicts of interest is complex and difficult. The Combined Business' reputation could be damaged and the willingness of clients to enter into transactions in which such a conflict might arise may be affected if the Combined Business fails, or appears to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

If LSEG's or Refinitiv's goodwill or intangible assets become impaired, the Combined Business may be required to record a significant charge to earnings.

Under International Financial Reporting Standards as adopted by the EU ("IFRS"), LSEG does, and the Combined Business will, review its amortisable intangible assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill and intangible assets are tested for impairment at least annually, and are also tested when factors arise that may be considered a change in circumstances indicating that the carrying value of the goodwill or intangible assets may not be recoverable, such as a decline in stock price and market capitalisation, reduced future cash flow estimates, and slower growth rates in the relevant business. Accordingly, the Combined Business may be required to record a significant charge in its financial statements during the period in which any impairment of its goodwill or intangible assets is determined, and it cannot be ruled out that it may need to do so in respect of the goodwill or intangible assets of Refinitiv. The Combined Business cannot guarantee that impairment charges will not be necessary on goodwill or other intangible assets on any future balance sheet date particularly in the event of a substantial deterioration of LSEG or Refinitiv's future prospects or general economic conditions. In addition, any goodwill arising from the Transaction accounted for by LSEG may be subject to impairment, and LSEG may be required to record a significant charge in its financial statements. If impairment charges are incurred, this could have a material adverse effect on the Combined Business' financial condition.

Changes in and the complexity of tax law may adversely affect LSEG or Refinitiv, and therefore the Combined Business.

Following Completion, the Combined Business will operate in a large number of jurisdictions and will, as a result of the Transaction, have a material presence in the US. The tax rules to which LSEG and Refinitiv, and therefore the Combined Business, is subject, including in the US, are increasingly complex. The members of the Combined Business must make judgements as to the interpretation and application of these rules.

Changes in tax law (including tax rates), tax treaties, accounting policies and accounting standards, including as a result of the Organisation for Economic Co-Operation and Development's review of base erosion and profit shifting, the EU's anti-tax abuse measures, and proposals in a number of jurisdictions to introduce digital services taxes, combined with increased investments by governments in the digitisation of tax administration, could result in an increased tax burden for LSEG, Refinitiv and the Combined Business and increased levels of audit activity, investigations, litigation or other actions by relevant tax authorities.

Under audit, tax authorities may disagree with the interpretation and/or application of relevant tax rules by the members of the Combined Business. A challenge by the tax authorities in these circumstances might require members of the Combined Business to incur costs in connection with litigation or in reaching settlement and, if the tax authority's challenge is successful, could result in additional taxes (perhaps with interest and penalties) being assessed on members of the Combined Business. This could increase the amount payable in respect of tax by the members of the Combined Business and may additionally, given the current political and economic environment in relation to tax liabilities of multinational companies, cause reputational damage to the Combined Business. Where a member of the Combined Business disputes with a tax authority, tax alleged to be due, provision may be made in relation to such dispute. Such provision may not cover the actual costs and/or liabilities suffered in relation to such dispute, resulting in an adverse effect on the Combined Business. For example, as discussed in note 7 of LSEG's interim report for the financial period ending on 20 June 2019, on 2 April 2019, the EU Commission's final decision regarding its investigation into the UK's controlled foreign company regime was published. It concluded that the group financing exemption in UK legislation in place to December 2018 was in partial breach of EU state aid rules. The UK government and certain taxpayers are currently appealing this decision, but in the meantime (in accordance with EU state aid rules) HMRC has begun the process of recovering the alleged aid from taxpayers. Like many other multinational groups that have acted in accordance with this UK legislation, the Combined Business may be adversely affected by these proceedings and the final outcome of the ongoing appeals against the decision of the EU Commission.

There can be no assurance that LSEG plc will not be treated as a passive foreign investment company for US federal income tax purposes following the Transaction, which could result in materially adverse US federal income tax consequences for LSEG Shareholders that are subject to US federal income tax with respect to their LSEG Shares.

In general, a non-US corporation, such as LSEG plc, will be classified as a passive foreign investment company (or “PFIC”) for US federal income tax purposes for any taxable year in which either: (i) 75 per cent. or more of its gross income is passive income (such as, for example, dividends, interest, rents, royalties or gains from the disposition of investment assets); or (ii) at least 50 per cent. of the quarterly average value of its assets consists of assets that produce or are held for the production of passive income. Certain exceptions may apply to treat otherwise passive income as active income (e.g., income derived by securities dealers from transactions in securities in their capacity as a dealer). For the purpose of applying the PFIC tests, LSEG plc will be deemed to own its proportionate share of the assets of and to receive directly its proportionate share of the income of any other corporation in which the non-US corporation owns, directly or indirectly, at least 25 per cent. by value of the stock. Accordingly, LSEG plc will be deemed to earn the income and own the assets of the Combined Business following the Transaction. Although LSEG plc does not believe that it is currently a PFIC and does not expect to become a PFIC following the Transaction, because the tests for determining PFIC status are factual in nature and made annually and after the close of each taxable year, there can be no assurance that LSEG plc will not become a PFIC in any taxable year. If LSEG plc is classified as a PFIC following the Transaction, then materially adverse US federal income tax consequences generally would ensue to LSEG Shareholders that are subject to US federal income tax with respect to their LSEG Shares (“US Holders”), including taxation of gain on a sale or other disposition of, and certain distributions on, LSEG Shares at the highest ordinary income tax rate, and the imposition of an interest charge for the deferred payment of such tax. US Holders are advised to seek their own professional advice regarding the application of the PFIC rules to LSEG plc and the consequences to US Holders if LSEG plc were classified as PFIC.

Each of LSEG and Refinitiv are, and the Combined Business will be, subject to certain risks related to non-controlling interests in certain consolidated subsidiaries.

Each of LSEG plc and Refinitiv do, and following Completion the Combined Business will, conduct its business through subsidiaries. In certain cases, third-party shareholders hold non-controlling interests in these subsidiaries, such as: (i) in the case of LSEG, LCH, LCH SA, Turquoise Global Holdings Limited and MTS S.p.A; and (ii) in the case of Refinitiv, Tradeweb. The Combined Business will depend to some extent upon good relations with such third-party shareholders in these subsidiaries to ensure profitable operations of such non-wholly owned subsidiaries. The Combined Business may be adversely affected if its ability to exercise effective control over its non-wholly owned subsidiaries is impacted by these non-controlling interests or otherwise diminished in any way.

Various disadvantages may result from the involvement of non-controlling shareholders whose economic, business or legal interests or goals may not always be aligned with those of the Combined Business. These shareholders may not be able or willing to fulfil their obligations, whether of a financial nature or otherwise, with respect to these non-wholly owned subsidiaries, which may require the Combined Business to contribute additional capital to such subsidiaries. In addition, any dividends that are distributed from these non-wholly owned subsidiaries would be shared pro rata with these non-controlling shareholders according to their relative ownership interests. As a result, the Combined Business may not be able to access the cash flow of these non-wholly owned subsidiaries to service its debt and cannot provide assurance that the amount of cash and cash flow reflected on its consolidated financial statements will be fully available to it. Upon a bankruptcy or restructuring of the Combined Business’ non-wholly owned subsidiaries, it is possible the Combined Business may become liable for the liabilities of such subsidiaries. Furthermore, the Combined Business’ ability to engage in a strategic transaction involving these non-wholly owned subsidiaries on advantageous terms or at all when it so desires may be limited or restricted under the terms of its agreements with such shareholders. Some of these disadvantages may, among other things, result in the Combined Business’ inability to implement organisational efficiencies and transfer cash and assets from these non-wholly owned subsidiaries to another subsidiary in order to allocate such cash and assets most effectively.

For these or any other reasons, disagreements or disputes with these non-controlling shareholders could impair or adversely affect the Combined Business’ ability to conduct its business and to receive distributions from, and return on its investments in, those non-wholly owned subsidiaries and the Combined Business may be unable to resolve such disagreements or disputes in a manner that will be satisfactory to it. Any of the aforementioned could have a material adverse effect on the Combined Business and its cash flows, financial condition and results of operations.

Because LSEG plc is a holding company and substantially all of its operations will be conducted through its subsidiaries, its ability to pay dividends on the LSEG Shares depends on its ability to obtain cash dividends or other cash payments or to obtain loans from such entities.

LSEG plc's ability to pay dividends is limited under English company law, which limits a company to only pay cash dividends to the extent it has distributable reserves and cash available for this purpose. LSEG plc conducts substantially all of its operations through its subsidiaries, which will increase in number on Completion, and such entities will generate substantially all of its operating income and cash flow. As a holding company, LSEG plc's ability to pay dividends in the future is affected by a number of factors, principally its ability to receive sufficient dividends from its subsidiaries.

The ability of such entities to make dividend payments to LSEG plc depends largely on their financial condition and ability to generate profits. In addition, because the Combined Business' subsidiaries are and will be separate and distinct legal entities, they will have, to the extent they have not agreed otherwise by entering into a separate agreement with LSEG plc, no obligation to pay any dividends or to lend or advance to LSEG plc funds and may be restricted from doing so by contract, including under financing arrangements, charter provisions, other shareholders or the applicable laws and regulations of the various countries in which they operate. Additionally, claims of the creditors of LSEG plc's subsidiaries have priority over any claims that LSEG plc may have with respect to the assets of its subsidiaries. There can be no assurance that, in the long-term, the Combined Business' subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends or lend or advance to LSEG plc sufficient funds to enable it to meet its obligations and pay interest, expenses and dividends, if any, on the LSEG Shares. The inability of one or more of these entities to pay dividends or lend or advance to LSEG plc funds could, in the long-term, have a material adverse effect on its business, cash flows, financial condition and the results of its operations.

New risks to LSEG as a result of the Transaction

The Refinitiv Shareholders may be able to exercise significant influence over LSEG's business following Completion.

After the PIK Redemption Date, the Refinitiv Shareholders are expected, through their holdings in Refinitiv Holdings (and therefore the Refinitiv Sellers) and/or ConsortiumCo, to hold LSEG Ordinary Shares and LSEG Limited-voting Ordinary Shares equating to (based on LSEG plc's issued share capital (excluding shares held in treasury) as at the date immediately preceding the date of the Announcement) an approximate 37 per cent. economic interest in LSEG plc and carrying less than 30 per cent. of the voting rights in LSEG plc.

At Completion, LSEG plc, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will enter into the Relationship Agreement. The Relationship Agreement will set out Refinitiv Holdings' rights to nominate the Refinitiv Directors for appointment to the Board as set out in the paragraph headed "*Management and governance*" in Part I (*Letter From the Chairman of LSEG plc*), of this document. and in the summary of the Relationship Agreement included in Part III (*Summary of the Key Transaction Terms*), of this document. The Relationship Agreement will also contain a commitment from the Refinitiv Sellers and ConsortiumCo that during the Voting Commitment Period they will vote all LSEG Shares held by them in line with the Board's recommendation on any resolution proposed at a general meeting (including an annual general meeting), other than: (i) a resolution required by Chapter 10 of the Listing Rules of the FCA; (ii) a resolution relating to a non-pre-emptive share issue outside of the customary approval given at each annual general meeting; or (iii) a resolution to approve or implement a recommended takeover offer (the "**Voting Commitment Exceptions**").

Through their holdings in Refinitiv Holdings (and therefore the Refinitiv Sellers) and/or ConsortiumCo, and as a result of Refinitiv Holdings' rights to nominate the Refinitiv Directors, the Refinitiv Shareholders will, following Completion (and for so long as they retain a substantial shareholding), notwithstanding the voting commitment contained in the Relationship Agreement, possess rights and voting power that will be sufficient to have significant influence over LSEG plc and LSEG's business following Completion, including those matters requiring shareholder approval that fall within the Voting Commitment Exceptions. With effect from Completion, existing LSEG Shareholders and their successors' interests in LSEG Shares will also have been diluted as a result of the Transaction. The interests of the Refinitiv Shareholders may not always be aligned with, or may conflict with, those of other LSEG Shareholders and this could delay, deter or prevent acts that the other LSEG Shareholders may favour or which are or may be beneficial to LSEG. This may have a material adverse effect on the business, financial condition and results of operations of the Combined Business, and on the market price of the LSEG Ordinary Shares.

Substantial sales of LSEG Shares by the Refinitiv Shareholders, or the perception that such sales might occur, could depress the market price of the LSEG Ordinary Shares. In particular, LSEG will be unable to predict whether substantial amounts of LSEG Shares will be sold in the open market by the Refinitiv Shareholders prior to or following the expiry of the lock-up restrictions in the Relationship Agreement.

After the PIK Redemption Date, the Refinitiv Shareholders are expected to hold, through their holdings in Refinitiv Holdings (and therefore the Refinitiv Sellers) and/or ConsortiumCo, LSEG Ordinary Shares and LSEG Limited-voting Ordinary Shares equating to (based on LSEG plc's issued share capital (excluding shares held in treasury) as at the date immediately preceding the date of the Announcement) an approximate 37 per cent. economic interest in LSEG plc.

Under the Relationship Agreement, subject to certain exceptions, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will be subject to lock-up provisions pursuant to which they are prevented from: (i) disposing of any Consideration Shares for the first two years following Completion; and (ii) disposing of more than one-third of the Consideration Shares during each of years three and four following Completion (in year four, together with any Consideration Shares not sold pursuant to this entitlement in the previous year). After the end of year four, the lock-up restrictions will end.

The Board is unable to predict whether, in circumstances where the Refinitiv Sellers and ConsortiumCo are permitted to dispose of LSEG Shares, the Refinitiv Shareholders will cause the Refinitiv Sellers and/or ConsortiumCo to sell their LSEG Shares, and if so, whether a substantial number of LSEG Shares will be sold, and in each case when any such sales may take place. Notwithstanding the orderly marketing provisions that apply under the Relationship Agreement in relation to disposals of LSEG Shares by the Refinitiv Sellers and ConsortiumCo, any sale of a substantial number of LSEG Shares by the Refinitiv Sellers and/or ConsortiumCo, or the perception that such sales might occur, could result in, or have, a material adverse effect on the market price of the LSEG Ordinary Shares. This may make it more difficult for LSEG Shareholders to sell their LSEG Ordinary Shares at a time and price that they deem appropriate and could also impede LSEG plc's ability to issue equity securities in the future.

The Transaction and the shareholdings of the Refinitiv Shareholders may negatively influence the willingness of third-parties to make a takeover offer for LSEG plc in the period following Completion.

Please refer to the risk factor in this Part II (*Risk Factors*), headed "*If LSEG Shareholders approve the Transaction at the LSEG General Meeting, LSEG will be prevented from soliciting or encouraging a takeover transaction for LSEG plc until Completion or termination of the Transaction*". This provides detail in respect of the possible impact of the Transaction on the willingness of third-parties to make a takeover offer for LSEG plc in the period from the LSEG General Meeting to Completion (or termination of the Transaction in accordance with the terms of the Stock Purchase Agreement).

Following Completion and the PIK Redemption Date, the Refinitiv Shareholders are expected to hold, through their holdings in Refinitiv Holdings (and therefore the Refinitiv Sellers) and/or ConsortiumCo, LSEG Ordinary Shares and LSEG Limited-voting Ordinary Shares equating to (based on LSEG plc's issued share capital (excluding shares held in treasury) as at the date immediately preceding the date of the Announcement) an approximate 37 per cent. economic interest in LSEG plc and carrying less than 30 per cent. of the voting rights in LSEG plc.

Accordingly, for so long as the Refinitiv Shareholders retain a substantial shareholding in LSEG plc, the willingness of a third-party to make a takeover offer for LSEG plc is likely to be materially influenced by the willingness and ability of the Refinitiv Shareholders, through their holdings in Refinitiv Holdings (and therefore the Refinitiv Sellers) and/or ConsortiumCo, to accept or approve such an offer. Under the Relationship Agreement, the Refinitiv Sellers and ConsortiumCo will, during the Relevant Period, be prevented from accepting or approving an offer from a third-party unless it has been recommended by a majority of the Board of LSEG plc or the offeror has received acceptances in respect of more than 50 per cent. of the LSEG Ordinary Shares held by all shareholders other than the Refinitiv Sellers and ConsortiumCo, persons acting in concert with them and the Directors. The interests of the Refinitiv Shareholders when considering any takeover offer may also differ from, or conflict with, the interests of other LSEG Shareholders. These factors, coupled with a potentially material increase in the market capitalisation of LSEG plc on and following Completion, could delay, deter or prevent any takeover offer by a third-party that other LSEG Shareholders may favour.

In addition, under the Relationship Agreement and Relationship Agreement Support Agreement, the Indirect Shareholders, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will be subject to standstill restrictions preventing them from making a takeover offer for LSEG plc during the Relevant Period.

Any of the aforementioned could have an adverse effect on the market price of the LSEG Ordinary Shares.

A summary of the Relationship Agreement is included in Part III (*Summary of the Key Transaction Terms*), of this document.

Refinitiv has certain dependencies on Thomson Reuters in relation to the Thomson Reuters News Agreement, content and brand usage, and transitional services, which could result in an adverse impact on the Combined Business, its financial condition, results of operations, reputation and brand.

Refinitiv has certain dependencies on the Thomson Reuters group in relation to: (i) the Thomson Reuters News Agreement, a long-term news content and relationship agreement in respect of which Refinitiv receives financial and general news content; and (ii) its ongoing use of the Reuters brand pursuant to a brand licence from Thomson Reuters. In particular, the Thomson Reuters News Agreement is for a 30 year term (expiring in 2048), with no express rights for either party to terminate these arrangements early. This means that Refinitiv has committed to pay to receive Thomson Reuters content until 2048, at a cost of (subject to upwards adjustment for inflation) no less than US\$325 million per annum. The Thomson Reuters News Agreement is described in detail in paragraph 18.2.3 of Part IX (*Additional Information*), of this document.

As a result, the integrity of Thomson Reuters' brand and reputation and the content that Thomson Reuters provides, remain important to Refinitiv's reputation as a trusted source of information and news and therefore its ability to attract and retain customers. Certain actions taken by Thomson Reuters, a company that Refinitiv does not and will not control, could potentially have a negative impact on Refinitiv's and the Combined Business' reputation. Any potential deterioration of the quality of the news and editorial content provided to Refinitiv by Thomson Reuters may negatively impact the value of Refinitiv's products and services provided to its customers. In such circumstances, Refinitiv's contractual rights under the Thomson Reuters News Agreement may not be sufficient to mitigate any resulting negative impact. There is also a risk under the terms of the Thomson Reuters News Agreement that Thomson Reuters may question Refinitiv's performance with respect to the Thomson Reuters Trust Principles, which could impact Refinitiv's continuous receipt of news, or that Thomson Reuters may question Refinitiv's adherence to quality control provisions in the Reuters brand license, which could impact Refinitiv's right to use the Reuters brand, each of which may adversely affect Refinitiv and the Combined Business' financial condition and results of operations.

In addition, Refinitiv is party to a mutual transitional services agreement with Thomson Reuters in respect of the 2018 Transaction. Many of the service terms under this agreement are expected to have expired by the time of Completion, but prior to their expiry (either before or after Completion) if Thomson Reuters fails to provide transitional services, Refinitiv may not be able to operate its business effectively until it is able to perform these services on its own. Third-party suppliers under the transitional services agreement could also seek to hold Refinitiv responsible for liabilities under the agreement that Thomson Reuters had agreed to retain, and in such circumstances there can be no assurance that indemnity cover from Thomson Reuters in respect of such liabilities will be sufficient to fully protect Refinitiv against such liabilities, or that Thomson Reuters will be able to satisfy its indemnification obligations. Similarly, Refinitiv has obligations to Thomson Reuters under the transitional services agreement and may fail to perform such obligations either in a timely or effective manner or at all, and this could lead to liabilities for Refinitiv under the agreement.

Any of the aforementioned may adversely affect Refinitiv's and the Combined Business' financial condition, results of operations, reputation and brand.

Increased accessibility to free or relatively inexpensive information and software may reduce demand for Refinitiv's, and therefore the Combined Business', products and services.

In recent years, more public sources of free or relatively inexpensive information of the kind Refinitiv, and therefore the Combined Business following Completion, does or may seek to distribute, have become available, particularly through the internet, and this trend is expected to continue. For example, certain public bodies and governmental and regulatory agencies have increased the amount of information they make publicly available at no cost. For example, in June 2015, the UK government made available 170 million financial records and accounts in relation to UK private companies, free of charge. The UK and other governments and regulators may replicate this kind of large-scale data disclosure in future. Some regulators such as ESMA are exploring whether to introduce mandatory consolidated tape systems, which would require businesses such as Refinitiv (and therefore the Combined Business) to submit real time financial data to a centralised system which would then be required to be disseminated to investors. In addition, private companies and organisations are increasingly making certain financial and other information publicly available at no cost. Technological developments are also making data more readily accessible to consumers through free-of-charge open source

software that has similar functionality to some of Refinitiv's, and therefore the Combined Business', products and services, and a growing number of datasets are capable of being found through the use of simple internet search engines.

Public sources of free or relatively inexpensive information and software may reduce demand for Refinitiv's, and therefore the Combined Business', products and services. Although the Board believes that Refinitiv's, and therefore the Combined Business', software, and its information and data, which is often enhanced through analytics, tools and applications that are embedded into customers' workflows, will remain more valuable than publicly available information and data, the Combined Business and its financial condition and results of operations may be adversely affected if its customers choose to use these public sources as a substitute for the Combined Business' products or services.

Refinitiv has significant funding obligations for pension arrangements that are affected by factors outside of its control and which, following Completion, will be outside of the Combined Business' control.

Refinitiv has significant funding obligations for various pension arrangements within its worldwide operations that, with effect from Completion, will become the responsibility of the Combined Business. This includes sizeable defined benefit pension (or similar) plans in the United Kingdom, Guernsey, Germany, Switzerland and the Netherlands and smaller arrangements in other locations, that are affected by factors outside of Refinitiv's and, following Completion, the Combined Business', control, including market factors and changes in legislation. These arrangements include the Reuters Pension Fund ("RPF") and the Reuters Supplementary Pension Scheme ("SPS") in the United Kingdom and the Refinitiv Overseas Pension Plan in Guernsey ("ROPP"), which remain open to future accrual. The trustee of the RPF has a unilateral power to amend the rules of the plan and increase the benefits payable under the RPF, subject to receiving the consent of the scheme actuary (and subject, in the case of increases, to certain restrictions in place until 31 December 2024).

The valuations of obligations for material plans are calculated by independent actuaries and require assumptions in respect of a number of factors including future compensation levels, expected mortality, inflation and demographic statistics, along with the discount rate to measure obligations. These assumptions are reviewed annually. Significant differences in actual experience or significant changes in assumptions may materially affect Refinitiv's and, following Completion, the Combined Business' valuations of pension obligations and related future expenses. In addition, the performance of equity and fixed income and other investment markets, which may be influenced by general economic conditions, including interest rates, inflation and currency exchange rates, may impact the funding level of Refinitiv's funded plans and required contributions.

The UK pension plans' trustees are required to undertake triennial valuations of the RPF and the SPS and agree statutory funding plans with Refinitiv Limited (which will become part of the Combined Business upon Completion), as the sponsoring employer of these plans, although the trustees are free to call for a further valuation on an earlier date if there have been material changes in circumstances and they think necessary. Any future decline in the value of plan assets, changes in mortality and/or morbidity rates, future changes in interest rates, changes in inflation rates or changes in the current investment strategies of the pension plans could increase or contribute to the pension plans' funding deficits and require Refinitiv to make additional funding contributions in excess of those currently expected. As is the case for all formerly contracted-out defined benefit pension plans in the United Kingdom, the liabilities of the RPF and the SPS, and so the funding level, could also be impacted by a High Court decision requiring the impact of unequalised guaranteed minimum pension benefits provided to men and women to be equalised.

Refinitiv Limited has agreed the technical provisions basis for the latest triennial valuation for the RPF and the SPS, which showed a deficit of £87 million for the RPF and a deficit of £70.4 million for the SPS on the agreed technical provisions basis as of 31 December 2016. The next triennial valuations for the RPF and the SPS will be as at 31 December 2019 and would need to be finalised by 31 March 2021. As at 30 June 2019, the RPF had an estimated surplus of £29 million and the SPS had an estimated deficit of £7.4 million on the agreed technical provisions basis. Following payments of deficit contributions up to 2018, no further deficit repair contributions are currently due or payable for the RPF or the SPS. Refinitiv Limited has agreed to pay additional contributions of approximately £32 million in total in equal instalments over the three years from 2018 to 2020 to the RPF and the SPS to fund additional cost of living increases in return for agreement from the trustees of the RPF and the SPS that they will cap discretionary pension increases at an agreed level to 2024. The third and final instalment is due to be made by 31 March 2020.

In addition, Refinitiv Holdings and Refinitiv UK Parent Limited have provided a guarantee to each of the trustees of the RPF and the SPS on a joint and several basis to cover any employer debt that may arise in

relation to the RPF and the SPS under section 75 of the Pensions Act 1995 and any future deficit contributions in accordance with an agreed schedule of contributions, being obligations of Refinitiv Limited. The guarantee provided to the trustee of the RPF is subject to a payment cap of £700 million and the guarantee provided to the trustee of the SPS is subject to a payment cap of £120 million. Both guarantees are limited to a 15-year term from the 2018 Transaction Closing Date.

Following Completion one of the two guarantors, Refinitiv UK Parent Limited, will become part of the Combined Business. However, Refinitiv Holdings will remain outside of the Combined Business. Because Refinitiv Holdings will no longer have any direct connection with Refinitiv Limited (which has the primary liability to the RPF and the SPS and will become part of the Combined Business), and given the continuing obligations under the guarantee of Refinitiv UK Parent Limited, LSEG has agreed with Refinitiv Holdings that it will engage with the trustees of the two schemes to seek a release of Refinitiv Holdings from its obligations under the guarantee. Refinitiv Limited has also granted a negative pledge to the trustees of the RPF and the SPS, respectively, not to grant security on its assets (or those of its subsidiaries) other than liens in connection with working capital facilities, liens incurred in the ordinary course of business and non-consensual liens.

In certain circumstances, the UK Pensions Regulator has statutory powers to demand contributions or other financial support from companies connected or associated with an employer in a defined benefit pension plan (such as other entities within a group). These are commonly referred to as “moral hazard” powers and enable the UK Pensions Regulator to take action if it considers it is reasonable to do so, including where corporate activity has had a materially detrimental effect on the security of members’ benefits in a pension plan. The Combined Business would be within the scope of these “moral hazard” powers in respect of the RPF and the SPS following Completion.

The UK Pensions Regulator also has statutory powers to intervene in pension scheme funding if the employers and trustees fail to reach agreement or if it is not satisfied that the statutory funding plans will eliminate the funding deficit in a timely manner. Changes to the UK regulatory framework governing defined benefit pension schemes, which includes proposals to extend the UK Pension Regulator’s powers in relation to its “moral hazard powers”, and proposals to clarify the scheme funding framework, and introduce a new statutory requirement to comply with some aspects of the UK Pension Regulator’s guidance on scheme funding, could affect the valuation of assets and liabilities of the plans at their next triennial valuations.

The defined benefit plans operated in Germany, Switzerland and the Netherlands have a combined deficit of £89.9 million measured on a US GAAP basis as at 31 December 2018. The ROPP has a small surplus (of £3.2 million), also measured on a US GAAP basis as at 31 December 2018.

Any of the foregoing could have an adverse effect on the Combined Business’ business, results, financial condition and prospects.

PART III
SUMMARY OF THE KEY TRANSACTION TERMS

The Stock Purchase Agreement

The Stock Purchase Agreement was entered into on 1 August 2019 between LSEG plc and Refinitiv Holdings, amended on 23 August 2019, and amended and restated on 4 November 2019. The Stock Purchase Agreement is governed by the laws of the State of Delaware and sets out the arrangements for the consummation of the Transaction and certain ancillary matters.

Consideration

Under the terms of the Stock Purchase Agreement, LSEG plc will (directly and through certain wholly owned subsidiaries) acquire the entire issued and to be issued share capital of Refinitiv Parent from the Refinitiv Sellers (being certain subsidiaries of Refinitiv Holdings) and, in exchange, LSEG plc has agreed to issue 204,366,585 Consideration Shares, such Consideration Shares to be comprised of: (i) LSEG Ordinary Shares; and (ii) LSEG Limited-voting Ordinary Shares.

Of the total number of Consideration Shares to be issued, it is expected that 179,750,740 LSEG Shares will be issued to the Refinitiv Sellers at Completion (such number of shares as are issued at Completion, the “**Completion Consideration Shares**”). In addition, 24,615,845 LSEG Ordinary Shares will be issued 30 days after Completion (on the PIK Redemption Date) to ConsortiumCo, a company owned by the Blackstone Consortium. The issue of the Deferred Issue Shares to ConsortiumCo is in connection with the settlement of certain existing payment-in-kind shares in Refinitiv Holdings’ capital structure.

The Completion Consideration Shares will be comprised of the maximum number of LSEG Ordinary Shares (the “**Completion Consideration Ordinary Shares**”) and such number of LSEG Limited-voting Ordinary Shares as will result in the Refinitiv Sellers and ConsortiumCo, together with any persons acting in concert with them (other than any Company Director Concert Party), being interested in not more than 29 per cent. of the voting rights carried by all LSEG Shares on Completion, assuming for this purpose that the Deferred Issue Shares were also issued at Completion.

Assuming there are no adjustments to the number of Completion Consideration Shares as a result of: (i) any leakage in the period prior to Completion; or (ii) LSEG plc electing to make a cash substitution (as described further below), the Refinitiv Sellers and ConsortiumCo will hold, at the PIK Redemption Date, in aggregate 204,366,585 Consideration Shares. Based on LSEG plc’s issued share capital (excluding shares held in treasury) as at the date immediately preceding the date of the Announcement, this would amount to: (i) an economic interest in LSEG plc equal to approximately 37 per cent.; and (ii) less than 30 per cent. of the total voting rights in LSEG plc.

As set out in the Announcement, it was originally envisaged that the consideration for the Transaction would comprise, in addition to LSEG Ordinary Shares, exchangeable shares issued by a subsidiary of LSEG plc (and, to the extent that any exchange of those shares into LSEG Ordinary Shares exceeded 29 per cent. of the total voting rights in LSEG plc, non-voting ordinary shares). In connection with certain revisions to the closing steps that the parties have agreed to implement, and in order to simplify LSEG’s capital structure, the parties have instead agreed that the consideration for the Transaction will comprise a combination of LSEG Ordinary Shares and LSEG Limited-voting Ordinary Shares (as described above). The Stock Purchase Agreement was amended and restated on 4 November 2019 to reflect these changes, as part of which certain subsidiaries of LSEG plc also became parties to the Stock Purchase Agreement. There has been no change to the economic terms of the Transaction as a consequence of the change from exchangeable shares to LSEG Limited-voting Ordinary Shares.

Cash adjustment

Prior to Completion and upon sixty days prior written notice to Refinitiv Holdings, LSEG plc is permitted to substitute cash in an amount of up to US\$2.5 billion for a number of Completion Consideration Shares calculated based on the VWAP of the LSEG Ordinary Shares for the thirty trading days preceding the date that is three Business Days prior to Completion.

If LSEG plc does not serve such notice, LSEG plc will be entitled to serve notice on Refinitiv Holdings at any time prior to Completion that it wishes to effect a post-Completion cash substitution in an amount of up to US\$2.5 billion, such that a number of Completion Consideration Shares will not be issued at Completion and instead will be substituted for cash following Completion, applying a substitution mechanism equivalent to the

formula set out in the previous paragraph but using the thirty trading day period prior to substitution (or such other exchange basis as the parties agree).

If LSEG plc exercises either of these options the number of Consideration Shares to be issued, and the overall economic interest of the Refinitiv Sellers and ConsortiumCo in LSEG plc as at the PIK Redemption Date, would reduce accordingly.

Leakage adjustment

The Stock Purchase Agreement contains customary locked box provisions to prevent unapproved value being transferred out of LSEG or Refinitiv (as the case may be) in the period between 30 June 2019 and Completion. To the extent that LSEG plc or Refinitiv Holdings notifies the other of any unapproved leakage prior to Completion, there will be a corresponding adjustment to the number of Completion Consideration Shares.

The Stock Purchase Agreement also contains indemnification obligations with respect to unapproved leakage which survive for one year following Completion, to the extent that the parties are only notified of leakage after Completion has occurred.

Pre-Completion Restructuring Steps and Completion Steps

The Stock Purchase Agreement contemplates a series of steps to be taken prior to Completion (the “**Pre-Completion Restructuring Steps**”) and at Completion (the “**Completion Steps**”) in connection with the consummation of the Transaction. The parties have agreed to implement these steps prior to Completion, at the time of Completion or on the date of, but subsequent to, Completion (as applicable).

Representations and Warranties

The Stock Purchase Agreement contains customary representations and warranties given by Refinitiv Holdings to LSEG plc (the “**Refinitiv Warranties**”). These include, among other matters, representations and warranties in respect of its and its subsidiaries’ power and authority to enter into and perform the Stock Purchase Agreement, title to shares in the Refinitiv Sellers and the holding companies of Refinitiv, accounts and certain financial matters, there having been no event since 31 December 2018 which has had or is reasonably likely to have a material adverse effect on Refinitiv (the “**Refinitiv MAE Warranty**”), IP and IT matters, certain contracts, the 2018 Transaction, litigation, matters relating to employees and employee benefits, real estate matters, compliance with laws, environmental matters, insurance and taxation.

LSEG plc has given representations and warranties to Refinitiv Holdings in respect of its power and authority to enter into and perform the Stock Purchase Agreement, its share capital and the issue of the Consideration Shares, accounts and certain financial matters, there having been no event since 31 December 2018 which has had or is reasonably likely to have a material adverse effect on LSEG (the “**LSEG MAE Warranty**”), its public filings and certain business and transaction related matters.

Any change in regulatory or political conditions relating to Brexit shall not be taken into account in determining whether there has been or will be a material adverse effect on Refinitiv or LSEG for the purposes of the Refinitiv MAE Warranty or LSEG MAE Warranty (as applicable).

Certain of the representations and warranties made by each party are qualified by disclosures that such party delivered to the other party concurrently with the execution of the Stock Purchase Agreement.

The representations and warranties of the parties do not survive Completion.

Representation and warranty insurance

LSEG plc has entered into representation and warranty insurance policies (collectively, the “**R&W Policies**”) with certain insurers which provide aggregate coverage of US\$1.157 billion.

This coverage is for any breach of a Refinitiv Warranty given as at the date of the Stock Purchase Agreement and as of the date that is twelve months after the date of the Stock Purchase Agreement, subject to LSEG’s satisfaction of certain conditions set out in the R&W Policies. The insurers have also agreed to use their good faith discretion to provide coverage for any breach of a Refinitiv Warranty given as at Completion if the period between the date of the Stock Purchase Agreement and Completion is longer than twelve months.

This coverage is for the period from the date of the Stock Purchase Agreement until the date that is the three-year anniversary of Completion, except that certain fundamental Refinitiv Warranties and the pre-completion

tax indemnity are covered until the six-year anniversary of Completion. Certain limited subject areas are excluded from the scope of the R&W Policies.

Agreements relating to the 2018 Transaction

In connection with the 2018 Transaction, Thomson Reuters entered into a Transaction Agreement (the “**Prior Transaction Agreement**”), together with a number of ancillary agreements, with Refinitiv Holdings, formerly known as King (Cayman) Holdings Ltd. The Blackstone Consortium also entered into representation and warranty insurance policies in connection with the 2018 Transaction. Refinitiv Holdings and the Blackstone Consortium have agreed to assign the rights and obligations under these agreements (including under the existing representation and warranty insurance policies), subject to certain exceptions, to LSEG plc in connection with the Transaction (the “**Required Assignments**”). As at the date of this document, the Required Assignments had been entered into by the applicable parties and will have effect on and from Completion.

Covenants

Covenants regarding the conduct of business and the Transaction

Refinitiv Holdings has agreed that prior to Completion, unless otherwise agreed to in writing by LSEG plc and subject to certain other exceptions, it shall use commercially reasonable efforts to cause the business of Refinitiv to be conducted in the ordinary course of business consistent with past practice. In addition, each of Refinitiv Holdings and LSEG plc has agreed to certain customary restrictions regarding the conduct of the business of Refinitiv or LSEG, as applicable, in the period to Completion.

Refinitiv Holdings and LSEG plc have agreed to certain other undertakings in relation to the period between signing and Completion. These include, among other matters, undertakings in relation to the implementation of the Pre-Completion Restructuring Steps and the establishment and maintenance of a pre-Completion integration committee.

The Stock Purchase Agreement contains customary undertakings in relation to employee and employee benefit matters. LSEG plc has also separately agreed with Refinitiv Holdings that it will engage with the trustees of its UK pension schemes prior to Completion to seek a release of Refinitiv Holdings from the obligations it has under guarantees given in respect of those schemes.

Covenants regarding Refinitiv indebtedness

Under the Stock Purchase Agreement, LSEG plc is under an obligation to, or provide Refinitiv with the funds necessary to, discharge in full and terminate, at or around the time of Completion, certain indebtedness of Refinitiv Holdings and its subsidiaries. For further information please see the paragraph below headed “*The 2019 Bridge Facilities*”.

Covenants regarding antitrust and regulatory approvals

Refinitiv Holdings and LSEG plc have agreed to cooperate with each other and use their reasonable best efforts to obtain all governmental, antitrust and regulatory clearances that are necessary or advisable in connection with the consummation of the Transaction. The parties have agreed a list of jurisdictions in which clearances will be sought. These include, without limitation: (a) the EU and US, with respect to antitrust clearances; and (b) the US, France, Germany, Italy and Australia, with respect to approvals required in accordance with foreign investment laws; and (c) the UK, France, Italy, the US, Ireland, the Netherlands and Singapore with respect to financial regulatory clearances.

In addition, Refinitiv Holdings and LSEG plc have agreed to use reasonable best efforts to effect Remedies if necessary in order to avoid the entry of a judgment, decision or other order under applicable antitrust law that would have the effect of preventing consummation of the Transaction, provided that Refinitiv Holdings must obtain LSEG plc’s prior written consent before agreeing to any Remedy. Remedies for the purposes of this Part III (*Summary of the Key Transaction Terms*), of this document, means any: (i) sale, divestiture or disposal of assets, properties or businesses of LSEG or Refinitiv or any interest therein; or (ii) actions that would limit LSEG or Refinitiv’s freedom of action with respect to, or its ability to retain, any assets, properties, businesses, of LSEG or Refinitiv or any interest therein. In the event of any breach by LSEG plc of these obligations, Refinitiv Holdings’ only remedy shall be payment of the termination fee described under the heading “*Termination fees*”.

Whilst Refinitiv Holdings and LSEG plc have agreed to jointly develop, and consult and cooperate in all respects with one another in connection with any presentations, arguments and proposals made or submitted by

or on behalf of any party in connection with any proceedings under any antitrust or foreign investment law, following such consultation LSEG plc has sole authority for leading the strategy (including all decisions relating to any Remedies) for obtaining any necessary or advisable antitrust law or foreign investment law clearances.

Please see the paragraphs below headed “*Conditions*”, “*Termination*” and “*Termination Fees*” for further information on certain antitrust and regulatory provisions of the Stock Purchase Agreement.

Covenants regarding LSEG shareholder approval

LSEG plc has agreed to use reasonable best efforts to: (a) convene and hold a general meeting of the LSEG Shareholders by; (i) 30 November 2019; or (ii) 31 December 2019, if LSEG plc has convened and then adjourned a general meeting that was due to be held prior to such date (which it may do so after consultation with Refinitiv Holdings); and (b) seek from its shareholders’ proxies in favour of the Resolutions.

LSEG plc has agreed that the Board will not at any time withdraw or adversely modify, qualify or amend its recommendation to LSEG Shareholders (a “**Recommendation Withdrawal**”) unless it has determined, in good faith after consultation with its financial and legal advisers (acting in compliance with its fiduciary duties and/or statutory directors’ duties), that it should do so. LSEG plc is required to give Refinitiv Holdings at least four Business Days’ notice of the possibility that it may make a Recommendation Withdrawal and, if requested by Refinitiv Holdings, discuss in good faith with Refinitiv Holdings, for a period of not less than three Business Days, any potential adjustments to the terms of the Transaction such that LSEG plc would not make a Recommendation Withdrawal.

Please see the paragraphs below headed “*Conditions*”, “*Termination*” and “*Termination Fees*” for further information on certain related provisions of the Stock Purchase Agreement.

Non-solicit and exclusive dealings

LSEG plc has agreed that it will not, and will not authorise or permit any of its controlled affiliates or any of its or their officers, directors or employees to (and that it will use its reasonable best efforts to cause any representatives retained by it or any of its controlled affiliates not to), directly or indirectly, solicit, initiate or knowingly encourage (including by way of furnishing information), or knowingly take any other action designed to facilitate, any enquiries regarding, or the making of, any proposal the consummation of which would constitute an Alternative Transaction. However, in relation to a proposal that does not result from a material breach of the obligations described above, LSEG plc may, prior to a general meeting of the LSEG Shareholders at which the Transaction is approved, if a majority of the Board determines in good faith after consultation with LSEG plc’s legal and financial advisers (acting in compliance with its fiduciary duties and/or statutory directors’ duties) that it should do so: (a) furnish information with respect to LSEG to the person(s) making such proposal (and its representatives and financing sources) (the “**Relevant Persons**”) pursuant to a customary confidentiality agreement; (b) participate in discussions or negotiations regarding such proposal with the Relevant Persons; and (c) take any and all other steps to advance such proposal. None of these obligations shall prevent LSEG plc from complying with its obligations under the City Code.

Refinitiv Holdings has also agreed to give certain exclusive dealing commitments to LSEG plc with respect to wholly owned members of Refinitiv in the period prior to Completion. Refinitiv Holdings has agreed to use its reasonable best efforts, in its capacity as a beneficial shareholder, to ensure that any non-wholly owned members of Refinitiv comply with these commitments.

An “**Alternative Transaction**” for these purposes means: (a) any takeover offer (including any mandatory offer under Rule 9 of the City Code) for LSEG plc or any class of LSEG Shares, any scheme of arrangement to acquire LSEG Shares, or any merger, consolidation or share exchange with a third-party involving LSEG Shares or any other transaction which has as its objective or potential effect (directly or indirectly) obtaining or consolidating control of LSEG plc, excluding a Reverse Takeover for UK City Code purposes; or (b) any sale of all or substantially all of the assets of LSEG plc.

Tax

In connection with the Stock Purchase Agreement, a tax indemnity agreement was entered into on 1 August 2019 between LSEG plc, Refinitiv Holdings and Thomson Reuters and amended and restated on 4 November 2019 (the “**Tax Indemnity Agreement**”). The Tax Indemnity Agreement is governed by the laws of the State of Delaware. Under the Tax Indemnity Agreement, from Completion, Refinitiv Holdings agrees to indemnify and hold harmless LSEG plc from and against certain tax liabilities of members of the

Refinitiv group acquired by Refinitiv Holdings under the Prior Transaction Agreement in respect of periods prior to completion of that transaction (i.e., the period when such members were owned by Thomson Reuters). Thomson Reuters has irrevocably, absolutely and unconditionally guaranteed the performance by Refinitiv Holdings of its liabilities and obligations under the Tax Indemnity Agreement in respect of such matters.

Conditions

The obligation of the parties to complete the Transaction is subject to the satisfaction of certain conditions:

- (a) (i) all relevant waiting periods, consents and approvals under any antitrust laws that the parties agree are required or advisable having been terminated or expired, obtained or made, as applicable; and (ii) all relevant consents, notices, non-objections, registrations and approvals in connection with certain regulatory approvals having been obtained or made (the “**Antitrust and Regulatory Condition**”);
- (b) no applicable law or judgment prohibiting consummation of the Transaction;
- (c) ordinary resolutions of the LSEG Shareholders approving the Transaction and the issue of the Consideration Shares being passed at a general meeting of the LSEG Shareholders;
- (d) the FCA having approved the admission of the LSEG Ordinary Shares (including the Completion Consideration Ordinary Shares) to the Official List and London Stock Exchange having approved admission of the LSEG Ordinary Shares (including the Completion Consideration Ordinary Shares) to trading on its Main Market for listed securities with effect from Completion;
- (e) all relevant approvals or consents under certain foreign investment laws, including CFIUS approval, having been obtained, or such conditions having been waived by mutual agreement of the parties;
- (f) the Required Assignments being in full force and effect;
- (g) the representations and warranties of each of Refinitiv Holdings and LSEG plc being true and correct as at the date of the Stock Purchase Agreement and as at the date of Completion, subject to exceptions for certain of the representations and warranties based on certain materiality standards; and
- (h) each of the parties having performed in all material respects the obligations required to be performed by it on or prior to Completion under the Stock Purchase Agreement.

Termination

The Stock Purchase Agreement may be terminated at any time prior to Completion in the following circumstances:

- (a) by mutual written agreement of Refinitiv Holdings and LSEG plc;
- (b) by either Refinitiv Holdings or LSEG plc in the event that Completion has not occurred by the Long Stop Date, except that the right to terminate is not available to any party if such party is in material breach of certain terms of the Stock Purchase Agreement (excluding, in respect of LSEG plc, certain obligations in respect of Remedies under applicable antitrust laws (if applicable)) and such breach is the principal cause of, or directly results in, the failure of Completion to occur by the Long Stop Date;
- (c) by either Refinitiv Holdings or LSEG plc in the event that: (i) any law makes consummation of the Transaction illegal or otherwise prohibited; (ii) consummation of the Transaction would violate any nonappealable final judgment or directive of any applicable governmental entity; or (iii) a CFIUS turndown or other failure to obtain any approval or consent under any applicable foreign investment law has occurred, except that the right to terminate will only be available if such party has fulfilled its antitrust related obligations in the Stock Purchase Agreement (excluding, in respect of LSEG plc, certain obligations in respect of Remedies under applicable antitrust laws (if applicable));
- (d) by either Refinitiv Holdings or LSEG plc in the event that the Board has effected (and not withdrawn), or announced its intention to effect, a Recommendation Withdrawal prior to a general meeting of the LSEG Shareholders at which the Transaction is approved;
- (e) by either Refinitiv Holdings or LSEG plc in the event that the ordinary resolutions of the LSEG Shareholders to approve the Transaction and the issue of the Consideration Shares are not duly passed;
- (f) by either Refinitiv Holdings or LSEG plc in the event that the other party has breached any representation or warranty or the other party or its subsidiaries have breached any covenant or agreement in the Stock

Purchase Agreement that would, if continuing on the date of Completion, result in a failure of a condition to the notifying party's obligation to complete the Transaction, and such breach cannot be cured or (if curable) has not been cured on or prior to the first Business Day prior to the Long Stop Date, and provided that the notifying party has not also breached the Stock Purchase Agreement so as to cause the failure of a condition to Completion;

- (g) by Refinitiv Holdings in the event that: (i) LSEG plc adjourns a general meeting of the LSEG Shareholders which has been convened to approve the Transaction beyond 31 December 2019 (except where such adjournment would be permitted or required by certain provisions of the articles of association of LSEG plc or is to take account of any period of good faith negotiations contemplated in the Stock Purchase Agreement in the event of a possible Recommendation Withdrawal) (a "**Permitted Adjournment Event**"); or (ii) such general meeting is adjourned beyond 31 December 2019 for a Permitted Adjournment Event and is not held within ten Business Days of such adjournment;
- (h) by Refinitiv Holdings in the event that Refinitiv Holdings delivers to LSEG plc at any time after 1 June 2020 a notice stating that it believes that LSEG plc has breached certain of its obligations under the Stock Purchase Agreement with respect to antitrust laws (a "**Pre-Termination Notice**") and:
 - i. by the 90th day (except as set out in paragraph (ii) below) after the date of delivery of the Pre-Termination Notice: (A) the EC has not issued a decision approving the Transaction, LSEG plc has not agreed with Refinitiv Holdings to implement any Remedies included in such decision, or LSEG plc is not continuing to use reasonable best efforts to implement such Remedies; or (B) the US government has not approved the Transaction (i.e., it has sued to block the Transaction, it has not issued a consent decree/order, there is an agreement in effect between the parties and the US government preventing the parties from consummating the Transaction, or the HSR Act waiting period has not expired or been terminated); or
 - ii. to the extent applicable, by the 210th day after the date of delivery of the Pre-Termination Notice: (A) the UK Competition and Markets Authority has not approved the Transaction unconditionally; or (B) LSEG plc has not implemented Remedies to the extent necessary to allow the Transaction to be consummated immediately.

Refinitiv Holdings' right to terminate the Stock Purchase Agreement in the circumstances set out in paragraph (h) will not be available if Refinitiv Holdings has not complied in all material respects with its antitrust related obligations under the Stock Purchase Agreement and such breach is the principal cause of any of the matters referred to above.

Effect of termination

In the event of termination of the Stock Purchase Agreement, the Stock Purchase Agreement will become void and of no further force and effect, without any liability on the part of any party, other than: (a) liability, in certain circumstances, for the payment by LSEG plc of a termination fee as described below; (b) certain covenants in respect of access to information, confidentiality and public announcements; and (c) the effect of certain miscellaneous provisions of the Stock Purchase Agreement. Notwithstanding the foregoing, except in the case of the payment by LSEG plc of a termination fee as described below (which shall constitute the sole and exclusive remedy of Refinitiv Holdings in such case), nothing shall relieve any party of liability for any damages for any wilful breach of any covenant prior to termination of the Stock Purchase Agreement.

Termination fees

LSEG plc has agreed to pay Refinitiv Holdings a termination fee of £198.3 million in the following circumstances:

- (a) LSEG plc or Refinitiv Holdings terminates the Stock Purchase Agreement following a Recommendation Withdrawal;
- (b) Refinitiv Holdings terminates the Stock Purchase Agreement in the event that: (i) LSEG plc adjourns a general meeting of the LSEG Shareholders which has been convened to approve the Transaction beyond 31 December 2019 (except for a Permitted Adjournment Event); or (ii) such general meeting is adjourned beyond 31 December 2019 for a Permitted Adjournment Event and not held within ten Business Days of such adjournment;
- (c) LSEG plc or Refinitiv Holdings terminates the Stock Purchase Agreement in the event that Completion has not occurred by the Long Stop Date and the Antitrust and Regulatory Condition is not satisfied, or

there is a judgment or directive enjoining or prohibiting the consummation of the Transaction in an action by or with an antitrust authority, or an agreement not to consummate the Transaction with an antitrust authority;

- (d) LSEG plc or Refinitiv Holdings terminates the Stock Purchase Agreement in the event that: (i) any law makes consummation of the Transaction illegal or otherwise prohibited; (ii) consummation of the Transaction would violate any nonappealable final judgment or directive of any applicable governmental entity and such law or judgment giving rise to such termination is in connection with any antitrust law; or
- (e) Refinitiv Holdings terminates the Stock Purchase Agreement in the circumstances described above in paragraph (h) under the heading “*Termination*” where certain antitrust clearances have not been obtained following the delivery of a Pre-Termination Notice by Refinitiv Holdings.

LSEG plc is not required to pay the termination fee if: (a) Refinitiv Holdings has not complied in all material respects with its antitrust related obligations in the Stock Purchase Agreement, and such breach is the principal cause of the applicable termination event; or (b) any affiliate of Refinitiv Holdings or any portfolio company of such affiliate acquires or owns another business and such transaction or ownership is the principal cause of the applicable termination event.

If LSEG plc or Refinitiv Holdings terminates the Stock Purchase Agreement in the event that the ordinary resolutions of the LSEG Shareholders to approve the Transaction and the issue of the Consideration Shares are not duly passed, LSEG plc has agreed to pay Refinitiv Holdings a termination fee of £25 million.

If the Stock Purchase Agreement is terminated in circumstances where a termination fee is payable, the receipt of such termination fee will constitute the sole and exclusive remedy of Refinitiv Holdings against LSEG plc for all losses and damages suffered as a result of the failure of the Transaction to complete, the termination of the Stock Purchase Agreement or for any breach or failure to perform under the Stock Purchase Agreement. In no event is LSEG plc obligated to pay more than one termination fee.

The maximum termination fee does not exceed 1 per cent. of LSEG plc’s market capitalisation as at the date of Announcement.

Limitations on Liability

The liability of LSEG plc and Refinitiv Holdings for their respective covenants and agreements under the Stock Purchase Agreement to be performed prior to Completion, and those with respect to leakage, survive for a period of one year following Completion, and all other covenants and agreements survive until the expiration of the undertaking set forth in such covenants and agreements. As noted above, the representations and warranties of the parties do not survive Completion.

Other terms

The Confidentiality Agreement, which survives execution of the Stock Purchase Agreement but terminates upon Completion, contains customary arrangements in relation to confidentiality.

Each of LSEG plc and Refinitiv Holdings has agreed to a customary non-solicit with respect to certain officers and senior executives of the other party for a period of two years following Completion. Refinitiv Holdings has also agreed to: (a) a customary standstill with respect to securities of LSEG plc until Completion; and (b) a customary non-compete for a period of three years following Completion.

LSEG plc and Refinitiv Holdings are entitled to specific performance in respect of any breaches of and/or failures to perform under the Stock Purchase Agreement.

The Stock Purchase Agreement Support Agreement

In addition to the Stock Purchase Agreement, on 1 August 2019 LSEG plc entered into a Stock Purchase Agreement Support Agreement (which was amended and restated on 4 November 2019) with, among others, Blackstone, Thomson Reuters, CPPIB and GIC (together, the “**Indirect Shareholders**”), Blackstone Management Partners and ConsortiumCo. The purpose of the Stock Purchase Agreement Support Agreement is to ensure that certain transaction terms also apply as between LSEG plc and these entities.

The principal terms of the Stock Purchase Agreement Support Agreement are summarised below.

Standstill and non-solicit provisions

The Stock Purchase Agreement Support Agreement contains customary standstill provisions mirroring the provisions in the Stock Purchase Agreement. These provisions apply to Blackstone Management Partners, Thomson Reuters, CPPIB and GIC until Completion.

The Stock Purchase Agreement Support Agreement also contains customary non-solicit provisions with respect to certain officers and senior executives of: (i) LSEG plc, on the one hand; and (ii) each of Blackstone, Thomson Reuters, GIC and CPPIB, on the other hand, for a period of two years following Completion.

Restrictions on transfers of interests

The Stock Purchase Agreement Support Agreement contains undertakings on behalf of each of the Indirect Shareholders that neither they nor any of their Associates (as defined in the Stock Purchase Agreement Support Agreement) will, in the period between signing and Completion: (i) directly or indirectly dispose of any securities in LSEG plc, ConsortiumCo, Refinitiv Holdings or the Refinitiv Sellers, except for certain indirect transfers to permitted affiliates (other than those securities in LSEG plc acquired before 1 August 2019); or (ii) vary, amend or waive (except where expressly contemplated) any rights under or terminate any of the Relevant Shareholder Arrangements, or enter into any other agreement or arrangement relating to their interests in LSEG plc, Refinitiv Holdings, the Refinitiv Sellers or ConsortiumCo.

The purpose of these provisions is to ensure that these entities retain their interests in Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo until Completion, at which time the provisions of the Relationship Agreement and the Relationship Agreement Support Agreement (as summarised below) will come into force.

Other terms

The Stock Purchase Agreement Support Agreement also contains, among other matters, provisions relating to the making of announcements and the provision of information to LSEG plc in connection with consummating the Transaction.

The Relationship Agreement

At Completion, LSEG plc, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will enter into the Relationship Agreement which will regulate the relationship between them after Completion. The principal terms of the Relationship Agreement are summarised below.

Director appointment rights

Refinitiv Holdings will be entitled to nominate for appointment to the Board, and to remove (and nominate another person in that person's place):

- three Refinitiv Directors for as long as the Refinitiv Sellers and ConsortiumCo hold in aggregate at least 25 per cent. of the LSEG Shares;
- two Refinitiv Directors for as long as the Refinitiv Sellers and ConsortiumCo hold in aggregate at least 17.5 per cent., but less than 25 per cent., of the LSEG Shares; and
- one Refinitiv Director for as long as the Refinitiv Sellers and ConsortiumCo hold in aggregate at least 10 per cent., but less than 17.5 per cent., of the LSEG Shares.

Each of the Refinitiv Directors will also be appointed to the Nomination Committee (provided such membership is not inconsistent with the provisions of the UK Corporate Governance Code).

For so long as Refinitiv Holdings is entitled to nominate three Refinitiv Directors, one such nominee will be a representative of Thomson Reuters. The other nominees will be representatives of Blackstone.

The appointment of any Refinitiv Director to the Board will be subject to, among other matters, the prior approval (not to be unreasonably withheld or delayed) of a majority of the members of the Nomination Committee (excluding any existing Refinitiv Directors that are members of such committee) and such person's appointment or continuation as a Director not being objected to by the FCA or the Bank of England.

Integration Committee

After Completion, LSEG will establish, and maintain for not less than three years, an integration committee (the "**Integration Committee**") for the purpose of overseeing and monitoring the delivery of the integration of

the LSEG and Refinitiv businesses. The Integration Committee will be led by the LSEG Chief Executive Officer, David Schwimmer, and will not be a formal Board committee. Each of Thomson Reuters, Blackstone, CPPIB and GIC will be represented on the Integration Committee. Further detail in respect of the integration of the Combined Business is set out in paragraph 10 (*Integration*) of Part I (*Letter From the Chairman of LSEG plc*), of this document.

Voting on shareholder resolutions

During: (a) the period from the date of Completion and for so long as any Refinitiv Director is appointed to the Board and for three months thereafter; or (b) if any Refinitiv Director has been removed from the Board as a result of the provisions referred to under “*Loss of rights*” below, the Relevant Period (the “**Voting Commitment Period**”), the Refinitiv Sellers and ConsortiumCo will be required to vote all the LSEG Shares held by them in line with the recommendation of a majority of the Board on any resolution proposed at a general meeting of LSEG plc (including an annual general meeting) other than: (a) a resolution required by Chapter 10 of the Listing Rules (in respect of significant transactions); (b) a resolution relating to a non-pre-emptive share issue outside of the customary approvals given at each annual general meeting; or (c) a resolution to approve or implement a takeover of LSEG plc (subject to separate restrictions during the Relevant Period on voting any Consideration Shares in favour of a takeover of LSEG plc, summarised below under “*Lock-up provisions*”) (each, a “**Relevant Resolution**”) (the “**Voting Commitment Provisions**”). On account of this voting commitment, the UK Panel on Takeovers and Mergers has confirmed that as a technical matter it will treat the Directors as acting in concert with the Refinitiv Sellers and ConsortiumCo for so long as the voting commitment is in place.

After the end of the Voting Commitment Period, if the Refinitiv Sellers and/or ConsortiumCo vote any LSEG Shares against the recommendation of a majority of the Board on any resolution proposed at a general meeting (other than a Relevant Resolution), Refinitiv Holdings’ right to nominate Refinitiv Directors will cease.

Standstill provisions

The Relationship Agreement will contain standstill provisions (the “**Standstill Provisions**”) pursuant to which each of Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will undertake that from the date of Completion until the third anniversary of the date of Completion and thereafter for so long as: (a) any Refinitiv Director is appointed to the Board; or (b) the Refinitiv Sellers and ConsortiumCo hold in aggregate 10 per cent. or more of the LSEG Shares (the “**Relevant Period**”), it will not, among other matters (subject to certain exceptions):

- acquire or offer to acquire any interest in any LSEG Shares (except where LSEG plc makes an offering or issue of LSEG Shares and the relevant shareholder takes up its rights to subscribe for or acquire the shares offered to it);
- announce or make a takeover, or a proposal for a takeover, of LSEG plc;
- act in concert with any person in connection with a takeover, or possible takeover, of LSEG plc;
- other than pursuant to certain existing arrangements, act in concert with any person with respect to the holding, voting, acquisition or disposal of any interest in LSEG Shares;
- solicit or participate in any solicitation of LSEG Shareholders to vote on any resolution contrary to the recommendation of a majority of the Board; or
- requisition or join in requisitioning any general meeting of LSEG plc.

Lock-up provisions

The Relationship Agreement will contain lock-up provisions (the “**Lock-up Provisions**”) pursuant to which, subject to certain exceptions, the Refinitiv Sellers and ConsortiumCo will undertake that they will not:

- Dispose of any of the Consideration Shares on or before the second anniversary of Completion (the “**Second Anniversary**”);
- Dispose of more than one-third of the Consideration Shares during the period from the Second Anniversary to the third anniversary of Completion (the “**Third Anniversary**”); or
- Dispose of more than one-third of the Consideration Shares (together with any Consideration Shares that the Refinitiv Sellers and/or ConsortiumCo were entitled to Dispose of before the Third Anniversary but

did not so Dispose of) during the period from the Third Anniversary to the fourth anniversary of Completion (the “**Fourth Anniversary**”).

The Lock-up Provisions do not apply in respect of 5,781,285 LSEG Ordinary Shares to be issued to ConsortiumCo on the PIK Redemption Date, which may be Disposed of at any time.

The Lock-up Provisions will cease to apply after the Fourth Anniversary.

Exceptions to the Lock-up Provisions

The Lock-up Provisions will not apply to any LSEG Shares to which members of Refinitiv management are entitled pursuant to the MIP, provided that the Refinitiv Sellers will not Dispose of any LSEG Shares to which Refinitiv management are entitled until such time as relevant members of Refinitiv management are entitled to sell such LSEG Shares in accordance with the MIP. For further detail please see “*Management incentive plan for Refinitiv’s management team*” below.

Further exceptions to the Lock-up Provisions include:

- a Disposal pursuant to an on-market purchase of LSEG Ordinary Shares by LSEG plc;
- at such time that the Refinitiv Sellers and ConsortiumCo hold in aggregate less than 10 per cent. of the LSEG Shares, a Disposal by way of a distribution of all of the LSEG Shares then held by the Refinitiv Sellers and ConsortiumCo to Thomson Reuters, Blackstone, CPPIB and GIC in accordance with the Relevant Shareholder Arrangements and following which the Relevant Shareholder Arrangements will be terminated;
- a transfer by the Refinitiv Sellers or ConsortiumCo of LSEG Shares to a wholly owned subsidiary or parent company, provided that the transferee agrees to be bound by the terms of the Relationship Agreement; and
- a Disposal to enable Refinitiv Holdings to satisfy an indemnity claim made by LSEG plc pursuant to the Stock Purchase Agreement.

In addition, early release from the Lock-up Provisions in respect of certain of the Consideration Shares is permitted if:

- a disposal of certain parts of Refinitiv (either to satisfy the conditions to Completion or in certain circumstances following Completion) results in particular tax liabilities for Thomson Reuters or any of its affiliates;
- Thomson Reuters or any of its affiliates incurs an incremental tax liability as a result of LSEG plc electing to settle part of the consideration for Refinitiv in cash; and/or
- implementation of the Completion Steps results in particular tax liabilities for Thomson Reuters or any of its affiliates.

The Refinitiv Sellers will in these circumstances generally be entitled to Dispose of such number of the Consideration Shares as will result in total net proceeds sufficient to enable Thomson Reuters to pay the relevant tax liability, on the basis that: (i) if the liability is triggered by implementation of the Completion Steps or a Disposal which is required to satisfy the conditions to Completion, the amount of Consideration Shares entitled to be disposed of will be such amount as is sufficient to result in Thomson Reuters receiving minimum total net proceeds of US\$750 million less an amount equal to such proportion of any cash received by Thomson Reuters on Completion or as a result of the relevant Disposal as is for US federal income tax purposes treated as attributable to Refinitiv TW Holdings Ltd. (which may reduce the amount the Refinitiv Sellers are entitled to Dispose of to nil); and (ii) the Refinitiv Sellers shall not be entitled to Dispose of LSEG Shares if such Disposal would result in Thomson Reuters receiving total net proceeds in excess of US\$1.5 billion, other than in certain limited circumstances where incremental tax liabilities are incurred by Thomson Reuters in connection with LSEG plc electing to settle part of the consideration for Refinitiv in cash.

As the Completion Steps will give rise to a tax liability for Thomson Reuters, the Refinitiv Sellers will, following Completion, be entitled to Dispose of such number of LSEG Shares as will result in Thomson Reuters receiving minimum total net proceeds of US\$750 million, less a certain proportion of any cash that may be received by Thomson Reuters in connection with the Transaction (as further described above).

In connection with these provisions, LSEG plc has agreed to give Thomson Reuters certain information and consultation rights in respect of certain transactions being undertaken by LSEG plc.

Additional Lock-up Provisions

In addition to the provisions described above, the Lock-up Provisions also provide that the Refinitiv Sellers and ConsortiumCo will not before the end of the Relevant Period:

- accept, vote any Consideration Shares in favour of or take any other step to facilitate or support any takeover of LSEG plc except for: (a) in the case of a takeover that requires a shareholder vote and is at the time recommended by a majority of the Directors, voting in favour of the transaction; or (b) in the case of a takeover by way of an offer (rather than a scheme of arrangement or other transaction), accepting such offer: (i) on the last day for acceptances if it is recommended by a majority of the Directors at such time; or (ii) after the offeror has declared that it has received acceptances in respect of more than 50 per cent. of the LSEG Ordinary Shares held by all shareholders other than the Refinitiv Sellers and ConsortiumCo, persons acting in concert with them and the Directors; or
- give an irrevocable commitment or letter of intent in connection with any takeover of LSEG plc unless at the time it is given the transaction is recommended by a majority of the Directors.

Orderly marketing arrangements

The Relationship Agreement will provide that where the Refinitiv Sellers and/or ConsortiumCo are permitted to Dispose of any Consideration Shares such Disposals will be subject to certain restrictions (the “**Orderly Marketing Provisions**”), including that:

- for so long as the Refinitiv Sellers and ConsortiumCo hold in aggregate 5 per cent. or more of the LSEG Shares, any Disposal will only be by way of: (i) a sale to an institutional investor; or (ii) a placing, block trade, bought deal or marketed sell-down to one or more institutional investors (a “**Permitted Disposal**”);
- for so long as the Refinitiv Sellers and ConsortiumCo hold in aggregate 5 per cent. or more of the LSEG Shares, they will not sell any LSEG Shares if, to their knowledge, to do so would result in any transferee or any person acting in concert with the transferee being required to make a mandatory offer for LSEG plc under Rule 9 of the City Code;
- for so long as the Refinitiv Sellers and ConsortiumCo hold in aggregate 10 per cent. or more of the LSEG Shares, there will be no more than three Permitted Disposals in any rolling 12 month period after the Second Anniversary (subject to certain limited exceptions, including in relation to Disposals permitted by certain of the exceptions to the Lock-up Provisions);
- for so long as the Refinitiv Sellers and ConsortiumCo hold in aggregate 10 per cent. or more of the LSEG Shares, they will not sell, in aggregate through one or more sales, 10 per cent. or more of the LSEG Shares to any one person or group of persons that to their knowledge is acting in concert; and
- for so long as the Refinitiv Sellers and ConsortiumCo hold in aggregate 5 per cent. or more but less than 10 per cent. of the LSEG Shares, they will only sell LSEG Shares in a manner reasonably designed to maintain an orderly market in the LSEG Ordinary Shares.

LSEG plc will agree to provide reasonable co-operation and assistance to the Refinitiv Sellers and/or ConsortiumCo in connection with any permitted Disposal of LSEG Shares.

Relationship with Refinitiv Holdings and ConsortiumCo

The Relationship Agreement will contain undertakings from Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo that, among other things:

- transactions and arrangements between Refinitiv Holdings, the Refinitiv Sellers and/or ConsortiumCo and their Associates (as such term is defined in the Relationship Agreement) and LSEG will be conducted on an arm’s length basis and on normal commercial terms;
- Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo and their Associates will not take any action that would have the effect of preventing LSEG plc from complying with the UK Corporate Governance Code or its obligations under the Listing Rules;
- Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo and their Associates will not propose or procure the proposal of a shareholder resolution of LSEG plc which is intended or appears to be intended to circumvent the proper application of the Listing Rules; and

- they and their Associates will not take any action that would affect the ability of LSEG to carry on its business independently of Refinitiv Holdings, the Refinitiv Sellers, ConsortiumCo and/or the Indirect Shareholders or their respective Associates (as such term is defined in the Relationship Agreement).

Provision of information and confidentiality

During the Relevant Period, subject to compliance with applicable law, each of Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will be entitled to certain information from LSEG plc, including: (i) such financial or other information relating to LSEG as is reasonably requested by Refinitiv Holdings, the Refinitiv Sellers and/or ConsortiumCo to comply with applicable law, including its tax or public reporting obligations; and (ii) the monthly management accounts of LSEG plc.

In addition, subject to compliance with applicable law and certain exceptions, the Refinitiv Directors and members of the Integration Committee will be entitled to provide materials received by them in such capacity to certain individuals at Thomson Reuters, Blackstone, CPPIB and GIC.

Any information relating to LSEG provided in accordance with these provisions will be subject to customary confidentiality obligations contained in the Relationship Agreement.

Loss of rights

In the event of an un-remedied material breach by Refinitiv Holdings, the Refinitiv Sellers and/or ConsortiumCo of any of the Voting Commitment Provisions, the Standstill Provisions, the Lock-up Provisions or the Orderly Marketing Provisions, any outstanding rights of Refinitiv Holdings under the Relationship Agreement to nominate Refinitiv Directors for appointment to the Board will cease to apply (except that, if the breach is by ConsortiumCo and at the time the Refinitiv Sellers and ConsortiumCo hold in aggregate 25 per cent. or more of the LSEG Shares, Refinitiv Holdings will remain entitled to nominate for appointment to the Board one Refinitiv Director that will be a representative of Thomson Reuters).

In addition, if there is an un-remedied material breach by any of Thomson Reuters, Blackstone, CPPIB or GIC of certain provisions of the Relationship Agreement Support Agreement, the Stock Purchase Agreement Support Agreement and/or the Relevant Shareholder Arrangements (or, with respect to Blackstone, Refinitiv Holdings, the Refinitiv Sellers and/or ConsortiumCo breach certain provisions of the Relationship Agreement), or (other than with respect to CPPIB) there are certain changes to the ownership structure of such party, the relevant party's rights: (i) to be represented on the Integration Committee; (ii) to receive information as referred to under "*Provision of information and confidentiality*" above and below; and (iii) in the case of Thomson Reuters or Blackstone, for its representatives to be appointed to the Board, will cease to apply.

In the event of an un-remedied material breach by LSEG plc of its obligation to appoint to the Board any person nominated for appointment in accordance with the Relationship Agreement by Refinitiv Holdings as a Refinitiv Director, the Voting Commitment Provisions, Standstill Provisions, Lock-up Provisions and (subject to certain exceptions) Orderly Marketing Provisions will cease to apply to Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo.

Termination

Subject to certain exceptions, the Relationship Agreement will terminate:

- if the Refinitiv Sellers and ConsortiumCo cease to hold in aggregate 5 per cent. or more of the LSEG Shares;
- if, at such time as the Refinitiv Sellers and ConsortiumCo hold in aggregate less than 10 per cent. of the LSEG Shares, all of such shares are distributed to Thomson Reuters, Blackstone, CPPIB and GIC in accordance with the Relevant Shareholder Arrangements and following which the Relevant Shareholder Arrangements will be terminated; or
- if, as a direct result of a takeover of LSEG plc or a transaction which requires LSEG Shareholder approval pursuant to Chapter 10 of the Listing Rules, the Refinitiv Sellers and ConsortiumCo cease to hold in aggregate 10 per cent. or more of the LSEG Shares.

In addition, any party will be able to terminate the Relationship Agreement with immediate effect on or at any time after LSEG plc passes a winding-up resolution or certain insolvency-related events relating to LSEG plc.

The Relationship Agreement Support Agreement

Introduction

In addition to the Relationship Agreement, at Completion LSEG plc will also enter into the Relationship Agreement Support Agreement with, among others, the Indirect Shareholders, Blackstone Management Partners and ConsortiumCo which will regulate the relationship between LSEG plc and such other parties after Completion.

The purpose of the Relationship Agreement Support Agreement is to ensure that relevant provisions from the Relationship Agreement (which will be between LSEG plc, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo) also apply as between LSEG plc and these entities. The principal terms of the Relationship Agreement Support Agreement are summarised below.

Standstill provisions

The Relationship Agreement Support Agreement will contain standstill provisions mirroring the Standstill Provisions in the Relationship Agreement (and summarised above in relation to the Relationship Agreement) and that are applicable (also during the Relevant Period) to each of Blackstone Management Partners, Thomson Reuters, CPPIB and GIC and their respective Associates (as such term is defined in the Relationship Agreement Support Agreement).

No transfers of interests

The Relationship Agreement Support Agreement will contain undertakings by each of Thomson Reuters, Blackstone, CPPIB and GIC not to:

- permit any Disposal of LSEG Shares by Refinitiv Holdings, the Refinitiv Sellers and/or ConsortiumCo where such Disposal would constitute a breach of the terms of the Relationship Agreement; or
- vary, amend, waive any rights under or terminate any rights under certain provisions of the Relevant Shareholder Arrangements, or enter into any other agreement or arrangement relating to their interests in LSEG Shares or shares in Refinitiv Holdings, the Refinitiv Sellers and/or ConsortiumCo,

in each case except as permitted by the terms of the Relationship Agreement or the Relationship Agreement Support Agreement.

In addition, the Relationship Agreement Support Agreement will contain provisions under which each of Thomson Reuters, Blackstone, CPPIB and GIC agrees that it will not, and will procure that its Associates (as defined in the Relationship Agreement Support Agreement) will not, Dispose of any securities in: (i) Refinitiv Holdings and/or ConsortiumCo; or (ii) any entity that has a direct or indirect equity interest in Refinitiv Holdings and/or ConsortiumCo.

The purpose of these provisions is to ensure that the Indirect Shareholders retain their interests in Refinitiv Holdings and/or ConsortiumCo (as applicable) and thereby continue to stand behind relevant provisions of the Relationship Agreement.

Provision of information and confidentiality

The Relationship Agreement Support Agreement will contain equivalent information sharing provisions to those contained in the Relationship Agreement (and summarised above in relation to the Relationship Agreement) that operate (also during the Relevant Period and subject to applicable law and certain exceptions) in favour of Thomson Reuters, Blackstone, CPPIB and GIC, together with equivalent confidentiality undertakings from each of such parties in relation to any information relating to LSEG provided in accordance with such provisions.

Loss of rights

The Relationship Agreement Support Agreement will contain provisions relating to the circumstances in which the parties to the Relationship Agreement and Relationship Agreement Support Agreement will lose certain rights under those agreements, and in which Thomson Reuters, Blackstone, CPPIB and GIC will cease to be bound by certain provisions of the Relationship Agreement Support Agreement, that (in each case) mirror the equivalent provisions in the Relationship Agreement (as summarised above).

Termination

Subject to certain exceptions, the Relationship Agreement Support Agreement will terminate when the Relationship Agreement terminates.

Relevant Shareholder Arrangements

In connection with their respective investments in Refinitiv Holdings and/or ConsortiumCo, Thomson Reuters, Blackstone, CPPIB, GIC and ConsortiumCo have entered into, or will at Completion enter into, certain agreements and arrangements (the “**Relevant Shareholder Arrangements**”), relevant details of which are set out below.

Governance

As a result of the governance arrangements set out in the Relevant Shareholder Arrangements, Blackstone will, subject to certain consultation and/or consent rights in favour of the other Indirect Shareholders in respect of certain matters, be able to determine matters to be decided by the board of directors and/or shareholders of Refinitiv Holdings and by ConsortiumCo (including matters relating to their holdings of LSEG Shares).

The Relevant Shareholder Arrangements will require the board of Refinitiv Holdings to cause Refinitiv Holdings and its subsidiaries (including the Refinitiv Sellers) to vote its or their LSEG Shares in accordance with the Voting Commitment Provisions (as further described above). With respect to any resolution where those entities have discretion as to how to vote their LSEG Shares, the board of Refinitiv Holdings will be entitled to cause those entities to vote the LSEG Shares as it deems appropriate, provided that it must first consult with Thomson Reuters.

Sell down mechanics

Pursuant to the Relevant Shareholder Arrangements, when the Refinitiv Sellers are entitled to sell LSEG Shares pursuant to the Lock-up Provisions of the Relationship Agreement (other than with respect to certain permitted sales pursuant to a lockup release relating to Thomson Reuters taxable events, in which case the sales and proceeds will be allocated to Thomson Reuters), ConsortiumCo and Thomson Reuters will each have certain rights to require the Refinitiv Sellers to sell a portion of the LSEG Shares allocated to it in line with Thomson Reuters’ and ConsortiumCo’s proportionate interests in Refinitiv Holdings, except that while Thomson Reuters holds more than 10 per cent. of the shares in Refinitiv Holdings, Thomson Reuters will have the right to require the Refinitiv Sellers to sell proportionately more of the LSEG Shares allocated to it than ConsortiumCo. Of the LSEG Shares to be sold that are allocated to ConsortiumCo, ConsortiumCo will be permitted to sell a percentage of the LSEG Shares held directly by it proportionate to the number of LSEG Shares held by the Refinitiv Sellers and permitted to be sold in such time period, provided that the aggregate number of such LSEG Shares sold by ConsortiumCo and the Refinitiv Sellers does not exceed the maximum number of LSEG Shares that may be sold under the Relationship Agreement in such time period (disregarding any sales of shares held by ConsortiumCo and not subject to the lock-up arrangements).

At the ConsortiumCo level, each of Blackstone, CPPIB and GIC will have certain rights to require Refinitiv Holdings to initiate a sale of a portion of the LSEG Shares that ConsortiumCo is entitled to require Refinitiv Holdings to cause to sell, and to require ConsortiumCo to sell a portion of the LSEG Shares that ConsortiumCo is entitled to sell that is in line with such party’s proportionate holding in ConsortiumCo.

If the Refinitiv Sellers and ConsortiumCo hold in aggregate less than 10 per cent. of LSEG Shares and distribute all of the LSEG Shares to the Indirect Shareholders, the key Relevant Shareholder Arrangements will terminate. The Relationship Agreement and Relationship Agreement Support Agreement will also terminate in such circumstances.

Alternatively, if the Relationship Agreement terminates for any other reason, there will be an automatic distribution of any LSEG Shares held by the Refinitiv Sellers and ConsortiumCo to the Indirect Shareholders and the key Relevant Shareholder Arrangements will subsequently terminate.

Other

Pursuant to the Relevant Shareholder Arrangements, the Indirect Shareholders have agreed to certain exclusive investment provisions relating to their joint investment in LSEG plc. Under the Relationship Agreement, in the event of a breach by one of such parties of those provisions, certain rights under the Relationship Agreement and Relationship Agreement Support Agreement in favour of that party will terminate (including in the case of Blackstone or Thomson Reuters, its right for Refinitiv Holdings to nominate the relevant Refinitiv Director(s)).

LSEG plc has third-party enforcement rights in respect of this and certain other provisions of the Relevant Shareholder Arrangements.

The 2019 Bridge Facilities

On 1 August 2019, LSEG plc and certain of its subsidiaries entered into an underwritten US\$9,325 million and EUR3,580 million term facilities agreement with Barclays Bank PLC, Goldman Sachs International and Morgan Stanley Bank International Limited (the “**2019 Bridge Facilities**”). Subsequent to signing, the 2019 Bridge Facilities were successfully syndicated to a number of large, well regarded international banks.

The 2019 Bridge Facilities can be utilised by LSEG plc, London Stock Exchange Group Holdings (Italy) Limited and LSEGH (Luxembourg) Limited. They are guaranteed by LSEG plc.

The proceeds of the 2019 Bridge Facilities are to be used to refinance Refinitiv’s third-party debt on Completion, in particular, Refinitiv’s Dollar Loan Facility, Euro Loan Facility, Indentures and Unsecured Notes, in each case as further described in paragraph 18.2 of Part IX (*Additional Information*), of this document. The 2019 Bridge Facilities are available to be utilised until the earlier of: (i) termination of the Stock Purchase Agreement; (ii) five Business Days after Completion; or (iii) 16 July 2021.

The 2019 Bridge Facilities will terminate and any amounts utilised and outstanding at such time will need to be repaid on the date falling 12 months after the earlier of (i) the date falling 18 months after the date of the 2019 Bridge Facilities and (ii) the date of Completion, subject to LSEG plc’s right (at its option) to extend the termination date by 6 months.

The 2019 Bridge Facilities contain certain mandatory prepayment and cancellation provisions, relating to: (i) lender illegality, (ii) termination of the Stock Purchase Agreement, (iii) change of control of LSEG plc, (iv) raising other debt in the loan or capital markets above US\$500 million in aggregate, and (v) disposing of assets after Completion for proceeds in excess of US\$250 million in aggregate as part of remedial measures to facilitate Completion with prepayment or cancellation (as applicable) to the extent required to ensure the ratio of consolidated net debt to adjusted consolidated EBITDA immediately following such disposal shall not exceed 3.5:1.

The 2019 Bridge Facilities have a floating rate of interest based on an initial interest rate margin of 0.3 per cent. per annum over LIBOR/EURIBOR which increases by 0.1 per cent. every three months from the earlier of the date falling 12 months after the date of the 2019 Bridge Facilities and the date falling 3 months after Completion.

The 2019 Bridge Facilities attract a commitment fee on unutilised, uncanceled amounts at the rate of 30 per cent. of the then applicable margin from the date falling 3 months after the signing of the 2019 Bridge Facilities to the date falling 6 months after the signing of the 2019 Bridge Facilities, 40 per cent. of the then applicable margin from the date falling 6 months after the signing of the 2019 Bridge Facilities to the date falling 9 months after the signing of the 2019 Bridge Facilities and 50 per cent. of the then applicable margin from the date falling 9 months after the signing of the 2019 Bridge Facilities to the last day on which the 2019 Bridge Facilities are available for utilisation.

The 2019 Bridge Facilities contain customary representations and undertakings, including (with certain agreed carve-outs) a negative pledge, a restriction on disposals and a restriction on the incurrence of financial indebtedness by subsidiaries. They also contain financial covenants, such that for any relevant period of 12 months ending on the last day of LSEG plc’s financial year or first half year of its financial year, the ratio of consolidated net debt to adjusted consolidated EBITDA shall not exceed 4.5:1 through until the date falling 12 months after Completion and 4.25:1 thereafter and the ratio of consolidated EBITDA to consolidated net interest expenses shall not be lower than 3:1.

The 2019 Bridge Facilities also contain customary events of default, including non-payment, breach of financial covenants, cross default, insolvency and material adverse change impacting LSEG’s ability to perform their payment obligations or comply with the financial covenants, the occurrence of any of which would allow the lenders to cancel the commitments and declare any loans immediately due and payable. It is also an event of default if London Stock Exchange ceases to be a recognised investment exchange.

Management incentive plan for Refinitiv’s management team

35 members of Refinitiv’s senior management team currently participate in a management incentive plan (“**MIP**”) set up by Refinitiv Holdings. The MIP was designed by Blackstone and Thomson Reuters for the purpose of the 2018 Transaction to retain management, incentivise performance and share growth in Refinitiv’s

value. Under the MIP, management have acquired shares in Refinitiv Holdings. 40 per cent. of these shares are subject to time-based vesting and 60 per cent. are subject to various performance conditions.

To improve the retentive effect of the MIP, amendments have been made to the MIP in connection with the Transaction so that certain of the shares do not vest on Completion and will be subject to forfeiture in certain leaver circumstances. All 35 participants have signed up to these changes to the MIP, and accordingly this will act as an important retention tool for key Refinitiv management. The performance-based MIP shares will vest on the third anniversary of Completion provided only that the participant has neither resigned nor been dismissed (other than for certain prescribed, 'good leaver' reasons). The time-based MIP shares will vest on Completion but will be transferrable or payable only in accordance with the lock-up restrictions described below.

Upon Completion, the outstanding MIP shares will be converted into the same class of common shares in Refinitiv Holdings and accordingly participating members of Refinitiv's management will initially continue to hold their interests in Refinitiv Holdings shares following Completion. Upon the third anniversary of Completion, LSEG Shares representing management's entitlements under the MIP will be transferred to management (or an aggregator vehicle or nominee). These LSEG Shares will be subject to lock-up restrictions under which MIP participants will not be able to begin to realise the value in their MIP shares until the fifth anniversary of Completion, save that: (i) members of management based in the US will be permitted to sell a portion of their shares on or shortly following Completion so as to satisfy a tax liability that is expected to arise at Completion on part of the value of their MIP interests; and (ii) following the third anniversary of Completion, management may be permitted to realise value; (a) at the same time as, and on a pro rata basis with, Blackstone and Thomson Reuters; or (b) insofar as sales are required for tax purposes.

PART IV INFORMATION ON THE COMBINED BUSINESS

The Combined Business will comprise the business and operations of both LSEG and Refinitiv. Section A of this Part IV (*Information on the Combined Business*) provides information on the business and operations of LSEG and Section B of this Part IV (*Information on the Combined Business*) provides information on the business and operations of Refinitiv.

SECTION A: INFORMATION ON LSEG'S BUSINESS AND OPERATIONS

Overview

LSEG is a global FMI business that sits at the centre of the world's financial community. Operating on an open access basis in partnership with its customers, LSEG operates three main business divisions: (i) Information Services; (ii) Post Trade; and (iii) Capital Markets, each supported by Technology Services and a commitment to operational excellence.

LSEG's Information Services division, through FTSE Russell, is a leading global multi-asset class provider of indexes, analytics and data solutions. FTSE Russell's expertise and products are used across the investment process by leading asset owners, asset managers, ETF providers and investment banks globally. Its equity and fixed income indexes are used to benchmark investment performance and for the creation of products such as ETFs. These products increasingly use smart-beta solutions for broader ESG investing, complemented by the recent acquisition of Beyond Ratings, a dedicated ESG data and analytics business for fixed income products. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management. Through The Yield Book, FTSE Russell has a highly respected analytics platform that provides insights into a broad array of fixed income instruments. FTSE Russell's data solutions include top down economic and demographic information as well as detailed equity, debt and sustainability data. LSEG's Information Services division also provides customers with an extensive range of real time, reference data, news, software and regulatory reporting products, including Mergent, SEDOL, UnaVista and RNS.

LSEG's Post Trade division, through LCH, has a group of leading multinational clearing houses, with clearing operations in the UK, Eurozone, US and an expanding presence in the Asia Pacific region. LCH provides services to mitigate counterparty risk across multiple asset classes for clearing members and their clients, operating through an open access model that clears for LSEG's own venues and other major exchanges and platforms as well as a range of OTC markets, including interest rate swaps, FX and CDS. In addition to LSEG's majority ownership of LCH, its Post Trade division operates Cassa di Compensazione e Garanzia ("CC&G"), the Italian clearing house, and Monte Titoli S.p.A. ("**Monte Titoli**"), a European custody and settlement business.

LSEG's Capital Markets division operates a broad range of international equity, ETF, fixed income and derivatives markets, including: London Stock Exchange plc ("**London Stock Exchange**"); Borsa Italiana S.p.A. ("**Borsa Italiana**"); MTS S.p.A. ("**MTS**"), one of Europe's leading fixed income markets; Turquoise Global Holdings Limited ("**Turquoise**"), a pan-European multilateral trading facility ("**MTF**"); and Curve Global Limited ("**CurveGlobal**"), an interest rate derivatives joint venture with a number of major dealer banks; and the Chicago Board Options Exchange. Through its various platforms, LSEG's Capital Markets division offers international businesses and investors leading access to Europe's capital markets. The division also plays a vital economic and social role, enabling companies, including SMEs, to access funds for growth and development.

LSEG's Technology Services supports LSEG's above mentioned divisions by developing and operating high performance technology solutions including trading, market surveillance and post trade systems for over 40 organisations and exchanges, including LSEG's own markets.

LSEG is headquartered in London, with significant operations in North America, Italy, France, Romania and Sri Lanka, and employs approximately 4,888 people. The LSEG Ordinary Shares are admitted to the premium segment of the Official List and to trading on London Stock Exchange's regulated market. LSEG is a constituent of the FTSE 100 index.

For the half-year period ended 30 June 2019, income from LSEG's continuing operations was £1,140 million and revenue was £1,018 million (these were £2,135 million and £1,911 million respectively for the financial year ended 31 December 2018). For the half-year period ended 30 June 2019, LSEG's operating profit from continuing operations was £399 million and its adjusted operating profit (before acquisition amortisation and non-recurring items) from continuing operations was £533 million (these were £751 million and £931 million respectively for the financial year ended 31 December 2018).

For the half-year period ended 30 June 2019, LSEG's adjusted EBITDA margin was 54.5 per cent. (this was 49.9 per cent. for the financial year ended 31 December 2018). LSEG's total underlying operating expenses for the half-year period ended 30 June 2019 were £494 million (these were £834 million for the financial year ended 31 December 2018). In the half-year period up to 30 June 2019, LSEG generated £312 million of discretionary free cash flow (this was £559 million for the financial year ended 31 December 2018).

As at 31 December 2018, LSEG was within its target dividend cover range of 2.5–3.0x.

LSEG is restricted by certain covenants in its financing facilities, such as obligations to maintain a ratio of consolidated net debt to adjusted consolidated EBITDA of no more than 4:1 through to Completion, then 4.5:1 until the date falling 12 months after Completion, and then 4.25:1 thereafter, and a ratio of consolidated EBITDA to consolidated net interest expenses that must be at least 3:1. As at 31 December 2018, LSEG's leverage ratio was at 1.8:1 and its interest cover ratio was at 16.1:1.

History and Development

London Stock Exchange is one of the world's oldest stock exchanges and can trace its history back more than 300 years. It was originally constituted by deed of settlement in 1802 and 1875, as amended from time to time, prior to the adoption of modern memoranda and articles of association in 1991. London Stock Exchange's recent corporate history commenced on 19 November 1986 when it was incorporated and registered in England and Wales with registered number 2075721, as a private limited company under the Companies Act 1985 with the name The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited. On 9 December 1995, The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited changed its name to The London Stock Exchange Limited. On 8 June 2000, The London Stock Exchange Limited was re-registered as a public limited company pursuant to section 43 of the Companies Act 1985 and changed its name to The London Stock Exchange plc. The London Stock Exchange plc became a listed company in July 2001. At this point it was predominantly a UK equities exchange.

The holding company of LSEG was incorporated and registered in England and Wales on 18 February 2005 under the Companies Act 1985 as a private company limited by shares with registered number 5369106 and with the name Milescreen Limited. On 16 November 2005, it changed its name to London Stock Exchange Group Limited. On 7 December 2005, it was re-registered as a public limited company pursuant to section 43 of the Companies Act 1985 and changed its name to London Stock Exchange Group plc. On 15 May 2006, London Stock Exchange Group plc became the holding company of London Stock Exchange plc pursuant to a scheme of arrangement made under section 425 of the Companies Act 1985 and replaced The London Stock Exchange plc as the listed entity. In 2007, LSEG plc became the holding company of Borsa Italiana, diversifying its activities into European equities and fixed income.

LSEG continued on its path towards becoming a global financial markets infrastructure group through a series of key strategic acquisitions over the following 10 years. It expanded into Technology Services through the acquisition of MillenniumIT in 2009. In 2013, LSEG plc completed the acquisition of a majority stake in the global clearing house, LCH (with two subsequent stake increases in 2017 and 2018), expanding further into the provision of Post Trade services. In 2011, LSEG plc completed the acquisition of the outstanding 50 per cent. of FTSE International Limited; in 2014, LSEG plc completed the acquisition of Frank Russell Company (with Russell Investments subsequently sold in June 2016); and in 2017, LSEG also completed the acquisition of Mergent, The Yield Book and Citi Fixed Income Indices, in each case developing its capabilities in data, indexes and analytics.

The registered and head office of LSEG is 10 Paternoster Square, London EC4M 7LS, United Kingdom. Its telephone number is +44 (0) 20 7797 1000. The principal legislation under which LSEG operates is the UK Companies Act 2006 (the "**Companies Act**"). LSEG has unlimited objects.

LSEG Business Divisions

LSEG is headquartered in London, with significant operations in North America, Italy, France, Romania and Sri Lanka. LSEG operates three main business divisions: (i) Information Services; (ii) Post Trade; and (iii) Capital Markets, each supported by Technology Services and a commitment to operational excellence.

Information Services

LSEG's Information Services division accounted for, on a continuing operations basis, 39 per cent. of LSEG's total income during the financial year ended 31 December 2018.

LSEG's Information Services division provides financial market participants with timely, reliable and accurate market information through a number of service offerings including global indexes, real time pricing data, product identification, analytic solutions, reporting and reconciliation.

FTSE Russell

FTSE Russell is part of LSEG's Information Services division. FTSE Russell is a leading global multi-asset class provider of benchmarks, analytics, and data solutions with approximately US\$15 trillion assets under management ("AUM") benchmarked. FTSE Russell's offering forms part of the entire investment process and calculates a wide range of indexes for investors to benchmark markets across different asset classes, styles and strategies covering 98 per cent. of the global investable equities market. FTSE Russell is a leading provider of indexes for the growing ETF market, with US\$696 billion AUM benchmarked to its indexes at the end of September 2019.

Some key features of FTSE Russell's service offerings are as follows:

- FTSE Russell provides analytics and data solutions to assist customers in their risk management and asset allocation. It has built global relationships and is used by the world's top financial institutions and their clients.
- With nearly two decades of sustainable investment experience, FTSE Russell provides clients with sustainable investment data models, ratings, analytics, and indexes covering thousands of companies across developed and emerging markets globally. To bolster this capability, in June 2019 LSEG acquired Beyond Ratings, an ESG data and analytics company specialising in the application of ESG principles to fixed income products.
- Through The Yield Book, FTSE Russell has a highly respected analytics platform that provides insights into a broad array of fixed income instruments. With 30 years' experience, The Yield Book offers a trusted source for in-depth risk analytics, regulatory stress-testing and complex portfolio analysis across global markets.
- FTSE Russell is committed to leading global best practice standards in index design, governance and transparency and embraces the IOSCO Principles.

65 per cent. of FTSE Russell's revenue comes from index data subscriptions (including licences), data services and analytics. The remaining 35 per cent. comes from asset-linked fees, with revenues based on benchmarked AUM for ETFs and passive funds, and from contracts traded on index derivatives.

Real Time Data

LSEG's real time data business is part of LSEG's Information Services division. It provides real time data on a range of tradable instruments, across cash equities, covered warrants, ETFs, derivatives, fixed income and indexes. The real time data business' tick-by-tick data, showing the full depth of the order book, is used by traders, brokers and fund managers globally, while real time prices are licensed to display on websites.

LSEG's real time data business' revenue comes from the licence fees it charges users to access and utilise the real time data. Licence fees vary according to the number of permitted users, the level of data received and the utilisation of the data. Fees are also levied on information vendors to act as a re-distributor of the real time data.

UnaVista

UnaVista is part of LSEG's Information Services division. It is a technology platform for regulatory reporting, reference data and analytics, providing business solutions designed to help firms reduce operational risk across all asset classes.

SEDOL Masterfile/London Stock Exchange as the UK representative of the Association of National Numbering Agencies

SEDOL Masterfile is part of LSEG's Information Services division. It is a global, multi-asset class reference data service, providing unique identification codes ("**SEDOL codes**") for global equity, derivatives and fixed income securities. SEDOL Masterfile is hosted on the UnaVista platform allowing real time creation and functionality directly through browser access. SEDOL codes are also available via a customised pre-allocation service so that issuers can improve new issuance processing time frames.

London Stock Exchange is part of LSEG's Information Services division. As the UK representative of the Association of National Numbering Agencies, London Stock Exchange allocates UK ISINs. In an extension to this, London Stock Exchange LEI Limited, a wholly owned indirect subsidiary of LSEG, is a fully accredited local operating unit for the global allocation of legal entity identifiers, which uniquely identify every legal entity or structure, in any jurisdiction, which is party to a financial transaction.

Regulatory News Service

Regulatory News Service ("RNS") is part of LSEG's Information Services division. It is a regulatory and financial communications channel and helps companies and their intermediaries fulfil their UK (and other global) regulatory disclosure obligations. RNS operates as a Primary Information Provider and is regulated by the FCA.

RNS' clients include the UK's leading listed companies and financial public relations firms and corporate advisers.

Over 430,000 announcements were processed by RNS during the year ended 31 December 2018. Releasing announcements through RNS ensures company information is distributed immediately and accurately in full text and in industry-leading formats. Announcements are visible to the investment community via a vast array of terminals, databases and financial websites worldwide, including Bloomberg, Dow Jones, Refinitiv and London Stock Exchange's own website.

Post Trade

LSEG's Post Trade division accounted for, on a continuing operations basis, 38 per cent. of LSEG's total income during the financial year ended 31 December 2018.

LSEG's Post Trade division is a significant and growing part of LSEG's business operations. Through its acquisition of a majority stake in LCH, LSEG offers clearing services in the UK, the US and the Eurozone, and is expanding its presence in the Asia-Pacific region. LCH provides services across multiple asset classes for on-exchange and OTC traded products. LSEG also owns and operates CC&G, the Italian clearing house, and Monte Titoli, the Italian custody and settlement business. In June 2018, LSEG acquired an approximate 16 per cent. minority stake in Acadiasoft, Inc., an industry provider for margin automation, risk optimisation and standards for collateral counterparties. In January 2019, LSEG acquired a 4.9 per cent. minority stake in Euroclear Holding SA/NV. All of LSEG's Post Trade services are offered on an open access basis, allowing customers that have traded products either through LSEG or non-LSEG venues to clear through LCH and/or CC&G.

LCH

In 2013, LSEG completed the acquisition of a majority stake in LCH (with two subsequent stake increases in 2017 and 2018, together taking LSEG's stake in LCH to 82.6 per cent). LCH includes a group of leading multi-asset class clearing houses that provides proven risk management capabilities across a range of asset classes, including Rates (OTC and exchange traded derivatives), Fixed Income, FX, CDS, Equities and Commodities. LCH has clearing operations in the UK, Eurozone, North America and an expanding presence in the Asia-Pacific region. LCH operates under a customer partnership approach whereby products and processes are designed in conjunction with customers including that of clearing house members.

LCH operates its CCPs through two entities that are overseen by regulators in various jurisdictions in which business is carried out, including:

- LCH Limited (UK-domiciled) is authorised as a central counterparty to offer services and activities in the EU in accordance with EMIR and regulated as a Recognised Clearing House by the Bank of England in the UK. LCH Limited is also registered in the US as a Derivatives Clearing Organisation by the CFTC.
- LCH SA (France-domiciled) is authorised as a central counterparty to offer services and activities in the EU in accordance with EMIR and regulated as a credit institution and central counterparty by its national competent authorities: l'Autorité des marchés financiers, l'Autorité de Contrôle Prudenciel et de Résolution, and Banque de France. LCH SA is also registered in the US as a Derivatives Clearing Organisation by the CFTC and as a clearing agency by the SEC.

In providing CCP services, LCH sits in the middle of a trade as a central counterparty, as the buyer to every seller and the seller to every buyer. If either party defaults on the trade, LCH owns the defaulter's risk and becomes accountable for its liabilities. Fundamental to LCH's risk process is its collection of quality collateral

from clearing members and clients as insurance to recover or replace defaulted risk. During the life of a trade, or that of a portfolio of trades, LCH processes all cash flows and marks the trade or book to market, calling variation and initial margin in relation to prevailing risk of the overall portfolio. Clearing also allows members and clients to benefit from compression services which reduces the number of trades and overall notional value of portfolios by netting down compatible positions with the clearing house, simplifying the management of positions with the clearing house and freeing up more capital that would have otherwise been held on customers' balance sheets.

CCPs clearing OTC products within LCH collect revenue depending on the customer's designation as either a member or a client. Members which are usually investment banks and other market makers, are subject to subscription-based fee models (annual fees paid for either all clearing or based on volume) whilst clients are subject to a transaction-based fee model (where a fee is charged according to the volume or notional outstanding). In non-OTC markets, all users pay a fee based on volumes or value cleared.

CCPs within LCH also earn net treasury income, which is revenue on the holding and investment of assets posted to its clearing houses less the interest paid to the members on their initial margin and default fund contributions.

LCH operates the following services:

- *SwapClear (OTC Rates)*: an interest rate derivatives clearing service, delivering high levels of efficiency and liquidity to dealers and clients. SwapClear allows market participants to fully comply with mandatory clearing requirements in multiple jurisdictions around the world. SwapClear is a leading global provider offering clearing across 26 currencies. SwapClear's global, multi-currency pool of cleared OTC liquidity provides customers with opportunities to benefit from portfolio margining, counterparty risk reduction and operational efficiencies. In 2018, SwapClear processed over US\$1 quadrillion in notional, compressed over US\$733 trillion and is estimated to have saved its customers up to US\$39.5 billion in capital.
- *Listed Rates*: provides a platform for generating significant capital and operational efficiencies between OTC and listed derivative positions. Members and their clients can trade futures contracts, for example, through CurveGlobal and clear them at LCH. By clearing futures contracts such as these through LCH, which uses the same default fund as SwapClear, members can potentially realise substantial margin efficiencies by portfolio margining their listed futures positions against SwapClear OTC's interest rate swap positions, through LCH Spider.
- *ForexClear*: offers clearing services for non-deliverable and deliverable FX products. Clearing is offered for 12 emerging market currencies and six G10 markets. LCH's ForexClear launched clearing of deliverable FX options, and associated spot and forward hedges in collaboration with CLS's settlement service beginning in July 2018.
- *CDSClear*: clears a broad range of European and US CDS products allowing margin offsets to provide opportunities for increased capital efficiency. Over 100 index series and 500 single name CDS contracts are eligible for clearing.
- *RepoClear*: clears cash bond and repo trades and is offered through LCH Limited and LCH SA across a number of European markets. In 2019, LCH SA consolidated the clearing of European government bond repo clearing activity into one CCP enabling members to benefit from netting and use Euroclear, Clearstream or T2S settlement in a CSD of their choice.
- *CommodityClear*: offers clearing service for commodity derivatives through LCH SA. Members can clear a wide range of agricultural and soft commodity futures and options that are listed on Euronext Derivatives.
- *EquityClear*: offers equity clearing services for a number of European regulated exchanges and MTFs including London Stock Exchange, Turquoise, Euronext, SIX Swiss Exchange, Oslo Børs, Cboe Europe Equities and other venues. Risk management and clearing services are also provided from European trading to the close of the US markets. LCH Limited also provides interoperability with other CCPs.
- *LCH SwapAgent*: launched in May 2017, LCH SwapAgent provides a service designed to simplify the processing, margining and settlement of uncleared derivatives by extending part of the existing clearing infrastructure to the bilateral market without novation to a central counterparty and associated risk management.

CC&G

Established in 1992, CC&G is an Italian-based clearing house providing risk management and CCP services. The main services offered include granting of anonymity, interposition (trade date novation), netting by novation, position-keeping, collateral management, reporting, delivery of settlement instructions to the securities settlement system, fails management and buy-in procedures for Italian and European securities.

CC&G, by serving as the guarantor of final settlement of contracts and as buyer towards each seller and seller towards each buyer, assumes counterparty risk. By assuming the counterparty risk, CC&G underpins many important financial markets, facilitating trading and increasing confidence within the Italian markets. CC&G's activities are performed under the supervision of the Bank of Italy and CONSOB, which approve CC&G's regulations that it puts in place for its members.

CC&G is: (i) a Recognised Overseas Clearing House and authorised by the FCA to operate in the UK; and (ii) with approval from the Bank of Italy and a college of regulators, is licensed to operate as a CCP in the EU under EMIR and is interoperable with LCH SA for Italian Government bonds traded on MTS and NEX BrokerTec. CC&G acts as clearing house and CCP for transactions covering a broad range of trading venues and asset classes.

CC&G has a tiered membership structure based on three participation-based categories. Margin requirements are applied for each type of financial instrument guaranteed by CC&G. These requirements are aimed at covering, in all but extreme market conditions, the potential losses that would result from the closure of an insolvent member's open positions. Different levels of margin requirements are used, depending on the nature and level of liquidity of the product. CC&G's risk committee autonomously sets the liquidity parameters, using analysis conducted by CC&G's risk management department.

CC&G's income is primarily driven by interest on investments (made using cash deposited as initial margins and default fund) and by fees charged to clients for clearing, based on transaction volumes. The balances from margin and default funds are also actively invested by CC&G to generate treasury income. Investments are mainly short-term and secured in nature and meet the criteria set out in CC&G's financial risk policy and in accordance with EMIR.

Monte Titoli

Monte Titoli is LSEG's Italian-based Central Securities Depository ("CSD") and is a leading provider of efficient and secure settlement, custody, asset servicing, collateral management and issuer services to a domestic and international client base of 186 users and 2,480 issuers (as at 31 December 2018). Almost all securities held in Monte Titoli are in dematerialised (i.e., electronic) form. The remaining securities are held as global or jumbo certificates, but managed in book entry form. Monte Titoli is authorised to perform these activities by the Bank of Italy and supervised by both the Bank of Italy and CONSOB, the Italian authorities with regulatory and supervisory powers over the Italian financial system. It is also part of T2S, the centralised settlement platform for securities, developed and operated by the Eurosystem (the European Central Bank and the national central banks of the Eurozone), created to provide settlement services for transactions in central bank money.

AcadiaSoft

In June 2018, LSEG acquired an approximate 16 per cent. minority stake in AcadiaSoft, a leading provider of risk and collateral management services for the non-cleared derivatives community. Alongside the investment, LCH SwapAgent and AcadiaSoft signed heads of terms for an agreement to deepen collaboration on new products, aimed at automating and standardising the margin process for non-cleared derivatives.

Euroclear

In January 2019, LSEG acquired a 4.9 per cent. minority stake in Euroclear Holding SA/NV. Euroclear Holding SA/NV and its group provide settlement, custody and collateral management services across Europe. LSEG's minority investment is expected to strengthen LSEG's and Euroclear's existing operational and commercial relationship and provide further opportunities for the companies to deliver benefits to their customers, through commercial collaboration and product development.

Capital Markets

LSEG's Capital Markets division accounted for, on a continuing operations basis, 19 per cent. of LSEG's total income during the financial year ended 31 December 2018.

LSEG's Capital Markets division facilitates a wide range of domestic and international companies' raising of capital by providing well-regulated and highly liquid markets across its London, Milan and pan-European trading platforms. LSEG's Primary Markets provide choice for issuers and investors, enabling companies to raise capital or issue debt efficiently and increase their visibility with a wide group of customers and investors. LSEG's Exchange Traded Products Markets continue to be leading listing venues in Europe across a wide range of asset classes including equity, fixed income and commodities and in a variety of trading currencies. LSEG's Secondary Markets create a pool of liquidity and allow active and efficient trading of equity, fixed income and derivative products through its high-performance trading platforms.

Primary Markets

Primary Markets provide choice for issuers and investors, enabling companies to raise capital or issue debt efficiently and increase their visibility with a wide group of customers and investors. Revenues from Primary Markets are derived from fees charged to equity issuers seeking admission to the Primary Markets of London Stock Exchange and Borsa Italiana. The fees are charged based on the market value of the securities listed. Issuers of equity securities are subsequently subject to annual fees. On London Stock Exchange, fees are also charged for companies carrying out further equity fundraisings once they are listed. With respect to fixed income securities, a flat fee is charged for each new bond issued onto our markets.

London Stock Exchange, United Kingdom

In the UK, London Stock Exchange operates the following Primary Markets:

- *Main Market*: London Stock Exchange's flagship market comprising four different segments for international and domestic businesses looking to access Europe's most liquid pool of capital. It is one of the world's most international markets for the listing and trading of public equity and debt. Main Market companies come from a broad range of sectors and vary widely in size, covering a spectrum from fledgling growth companies to global multinationals.
- *Shanghai-London Stock Connect*: launched in 2019, the Shanghai-London Stock Connect brings together two of the world's largest capital markets, allowing established Chinese issuers to raise capital from London's global liquidity pool and global investors to access China A-share instruments from outside Greater China. In June 2019, Huatai Securities was admitted to trading on the Shanghai segment of the Main Market of London Stock Exchange. This is the first time that international investors have been granted access to China A-Shares on an exchange outside Greater China using international trading and settlement practices.
- *AIM*: a world-leading growth market launched in 1995. AIM's regulatory structure, tailored to the needs of Small to Medium Enterprises ("SME"), allows companies to quickly and cost-effectively raise capital at admission and through further fundraisings from a diverse set of investors who understand the needs of entrepreneurial businesses.
- *Professional Securities Market*: offers issuers the opportunity to list debt securities or depository receipts restricted to professional investors.
- *International Securities Market*: an exchange-regulated MTF market for primary debt issuance constructed with an efficient and customer-centric admission process at the core. This market enables issuers to connect with institutional and professional investors from around the world.

In addition to the Primary Markets described above, London Stock Exchange operates a route to market known as admission to trading only, which is selectively promoted to international issuers. This route is utilised by a company when, for regulatory or commercial reasons, it cannot or does not want to pursue a full listing in London.

Borsa Italiana, Italy

In Italy, Borsa Italiana operates three Primary Markets for equities:

- *MTA*: the Italian main market for domestic and international equity issued by companies seeking to access a global investor base. Within MTA, the STAR segment, launched in 2001, is tailored to small and mid-cap companies.
- *AIM Italia*: the Italian Growth Market dedicated to SMEs with high growth potential, launched in 2009. AIM Italia's regulatory structure is tailored to meet the needs of SMEs and allows these companies to efficiently raise capital at admission and through further fundraisings.

- *MIV*: the regulated market providing capital, liquidity and visibility for retail and professional investors on a range of investment vehicles.

In addition to its equity Primary Markets, Borsa Italiana also operates:

- *ETFplus*: an electronic market for exchange traded funds (“**ETFs**”), exchange traded commodities (“**ETCs**”) and exchange traded notes.
- *ATFund*: an MTF for open-ended funds.
- *SeDeX*: an MTF for securitised derivatives, covered warrants and certificates.
- *MOT*: an electronic bond market for government securities, domestic and international bank and corporate bonds, supranational securities and asset backed securities.
- *ExtraMOT*: an MTF for the trading of Eurobonds already listed on other EU regulated markets, as well as branded bank bonds and debt securities mainly issued by Italian SMEs.

Additional information on trading activity on London Stock Exchange and Borsa Italiana on equity and fixed income markets is provided below.

ELITE

LSEG through its company ELITE S.p.A., based in Italy, launched the ELITE platform. Initially, launched in Italy and subsequently in the UK in 2014, its aim is to facilitate access to capital for SMEs and enhance their growth prospects. With over 1,300 private companies registered across 43 countries and drawn from a wide variety of sectors, ELITE promotes capital formation and operates a private placement platform in the UK and Italy through its authorised entities, ELITE Club Deal Ltd and ELITE SIM S.p.A..

ELITE S.p.A. has set up, in the UK, ELITE Club Deal Limited, an investment firm authorised to provide arranging services and, in Italy, ELITE SIM S.p.A., an investment firm authorised by CONSOB and Bank of Italy, to provide the investment services of transmitting and receiving orders.

Secondary Markets

LSEG’s Secondary Markets provide fast and efficient trading for:

- equities, via a range of reliable electronic trading systems, in an effective regulatory environment and with a high level of price and trade transparency. In Italy, Borsa Italiana manages the BIt Equity MTF, an MTF for trading of shares of non-Italian issuers already listed on other EU regulated markets;
- derivatives, offering trading of equity derivatives through the Italian Derivatives Market (“**IDEM**”) in Italy and CurveGlobal interest rate derivatives products through CurveGlobal Markets, the derivatives segment of London Stock Exchange in the UK; and trading of commodities, power and specialist products, through IDEM, the Italian Derivatives Energy Exchange and the Agricultural Derivatives Exchange; and
- fixed income, through a range of electronic trading venues, including LSEG’s majority owned subsidiaries, MTS and EuroTLX, and the Italian MOT business.

Revenue in the cash equities segment is principally derived from fees for execution on the electronic order books. In the UK, fees are based on value-traded; whereas in Italy, fees are based on volume of contracts traded. Revenues are also generated from annual membership fees, reporting fees for trades carried out away from the order book and market maker security registration fees.

Equities trading

LSEG’s equities trading business aims to provide the most suitable trading service according to the liquidity of an individual security and provides members with access to fast and efficient trade execution and reporting. LSEG’s cash trading services are designed to deliver efficient trading price formation and execution services through reliable trading systems, effective regulation and a high level of price and trade transparency. Average daily value traded through LSEG’s cash equities order book was £5.8 billion in the year ended 31 December 2018.

Turquoise, LSEG’s majority owned MTF, provides trading across a broad range of pan-European and US shares, IOB depository receipts, ETFs and European rights issues.

In 2016, Turquoise entered into a cooperation agreement with Plato Partnership, a not-for-profit industry group of buy and sell-side firms collaborating to bring creative solutions and efficiencies to today's complex equity marketplace. Turquoise has subsequently rebranded certain services as "Turquoise Plato".

Turquoise operates three order books:

- *Turquoise Lit*TM: a "lit" secondary market with full pre and post trade transparency.
- *Turquoise Plato*TM: a "dark" secondary market matching at mid-point with immediate post trade transparency, with: (i) continuous randomised matching through Turquoise Plato UncrossTM; and (ii) Turquoise Plato Block DiscoveryTM matching undisclosed block indications that execute in Turquoise Plato UncrossTM.
- *Turquoise Plato Lit Auctions*TM: price forming frequent batch auctions within a mid-point reference price collar and with pre trade transparency.

Derivatives

In 2015, LSEG announced the launch of CurveGlobal, an interest rate derivatives joint venture with a number of major dealer banks and Chicago Board Options Exchange. CurveGlobal went live in September 2016, initially in short-term and long-term interest rate futures. CurveGlobal products trade on CurveGlobal Markets, the derivatives segment of London Stock Exchange (re-branded from London Stock Exchange Derivatives Market in 2019). CurveGlobal products are cleared by LCH, which gives investors access to a single default fund across OTC and listed trades and the ability to use LCH Spider, a portfolio margining service for interest rate derivatives launched in May 2016. This provides members and their clients opportunities to benefit from risk and collateral efficiencies on an open access basis. LSEG currently holds approximately 43.4 per cent. of CurveGlobal.

Fixed income

- *MTS*: MTS facilitates a number of regulated electronic fixed income markets in both the dealer-to-dealer and dealer-to-client spaces across Europe and the US. MTS offers several products in connection with fixed income markets. Revenue from MTS is principally derived from fees for the execution of trades on MTS' markets. These fees are based on the volume traded. Revenue is also derived from membership fees and the sale of market data products.
- *MOT and ExtraMOT*: MOT is the fixed income, electronic order-driven regulated retail-sized market operated by Borsa Italiana. It has two different segments, defined according to the CSD, in which the trades are settled: DomesticMOT (settlement in Monte Titoli) and EuroMOT (settlement in Euroclear or Clearstream, Luxembourg). Borsa Italiana also operates ExtraMOT, an MTF regulated by Borsa Italiana, for the trading of corporate Eurobonds. ExtraMOT also operates a professional segment. Both MOT and ExtraMOT markets are cleared through CC&G.
- *EuroTLX*: In 2013, LSEG acquired a majority stake in EuroTLX, an Italian MTF operating in the European retail fixed income market. In 2019 LSEG acquired the residual 30 per cent. of EuroTLX's shares. EuroTLX migrated to MillenniumIT technology in 2014 and complements LSEG's other fixed income venues. Clearing is offered by CC&G.
- *Order Book for Retail Bonds ("ORB")*: ORB is London Stock Exchange's electronic order book for bonds launched in 2010 and aimed at private investors and retail brokers. ORB offers a range of gilts, corporate and supranational bonds. It operates as an open electronic order-driven market with dedicated market makers committed to quoting two-way tradable prices on-screen throughout the trading day. ORB offers trading in smaller sizes by value to appeal to retail investors.

Technology Services

LSEG's Technology Services division accounted for, on a continuing operations basis, 3 per cent. of LSEG's total income during the financial year ended 31 December 2018.

LSEG's Technology Services provide LSEG and its customers, including banks, specialist trading firms and other capital market venues with resilient, high-speed, low latency trading platforms, post trade platforms, real time market data and surveillance products and services.

LSEG's cash equity and retail bond markets run on the latest version of the Millennium Exchange trading platform. This technology has reduced LSEG's cost base and enabled customers to benefit from enhanced

functionality and co-location services. This has allowed LSEG to meet the needs of its customers quickly and cost effectively. LSEG has implemented solutions for over 40 organisations and exchanges worldwide.

LSEG Business Services Limited (“BSL”), LSEG’s shared services company, provides a range of resilient and efficient technology and corporate services to LSEG. In addition to reducing costs by leveraging low-cost centres, BSL encourages group-wide process standardisation and best practice adoption. The BSL shared services model is scalable and has been expanded to reflect LSEG’s growing global business. In 2018, LSEG opened a new near-shore Romanian delivery centre in Bucharest, complementing LSEG’s existing shared services centre in Sri Lanka. The global expansion and integration will continue to enable LSEG to utilise the full range of its services, including data and analytics capabilities internally, as well as for its customers.

LSEG continues to assess opportunities and risks arising from emerging technologies throughout Fintech, working with regulators, industry consortiums and specialist tech firms in areas such as distributed ledger and blockchain technology, machine learning, big data and cloud computing.

LSEG has adopted a cloud-first strategy, leveraging the potential of cloud technologies to reduce operational costs, deliver system scalability and support its global footprint, with one of these initiatives implemented for Monte Titoli in 2018. LSEG also continues to rationalise its data management through big-data technologies, a common data architecture and consistent governance model.

Prospective Changes to LSEG Business Divisions

With effect from 1 January 2020, LSEG’s Post Trade businesses, which are currently reported on separately as LCH and Post Trade Italy, will be aligned, in a manner consistent with the necessary regulatory oversight, into one Post Trade division. LSEG’s Post Trade division will include its existing LCH, CC&G and Monte Titoli businesses, and UnaVista, which currently reports as part of LSEG’s Information Services division. LSEG will continue to operate all of its businesses on an open access basis in partnership with customers and stakeholders. The current local legal entity governance, including decision-making processes and reporting lines, will be unchanged.

Material Contracts

For a description of the material contracts of LSEG, see paragraph 18.1 of Part IX (*Additional Information*), of this document.

Intellectual Property

As LSEG operates in a highly dynamic and competitive industry, its business is dependent, in part, on the creation and subsequent protection of intellectual property and knowhow. This is especially important in product design and underlying systems where the business is dependent on licensing use of intellectual property, such as information services (including data and indexes) and software. Where appropriate, LSEG takes specific measures such as licence restrictions, registering trademarks and patents, and asserting copyright and database rights to protect its own intellectual property.

Through FTSE Russell, LSEG is a global leader in financial indexing, benchmarking and analytical solutions with approximately US\$15 trillion in assets benchmarked to its indexes. LSEG also provides customers with an extensive range of real time and reference data products as well as reporting, reconciliation and confirmation services, including SEDOL, UnaVista and RNS. LSEG’s business and customers depend on its secure technology that performs throughout to high levels of availability. LSEG licenses certain of its softwares and intellectual property to customers and is also a licensee under numerous agreements with third-parties.

LSEG is a leading developer and operator of high-performance technology solutions, including trading, market surveillance and post trade systems for over 40 organisations and exchanges including LSEG’s own platforms. Additional services include network connectivity and hosting.

LSEG’s businesses are also dependent on the good reputation of its brands which it seeks to protect from third-party abuse. Where appropriate, LSEG’s brand names are protected through trademarks (whether registered or unregistered) in the United Kingdom, Europe and other territories of the world (as applicable).

Risk Management

LSEG is a widely diversified FMI group, and the management of risk is fundamental to the successful execution of its strategic plans. While its formal risk framework codifies the objectives and practices that govern its processes, its risk culture determines the manner in which it manages risks from day to day.

LSEG's management culture embeds risk awareness, transparency and accountability. A strong emphasis is placed on the timely identification and reporting of risk exposures and in the strategic analysis of prevailing or anticipated risks. The responsibility for identifying and managing risks rests with management and with the LSEG Executive Committee, with independent oversight from LSEG's risk management team and from LSEG's Board Risk Committee. LSEG's risk culture is one of its most fundamental tools for effective risk management. LSEG's behaviour framework feeds into the criteria that it uses to assess the effectiveness of its risk culture and the communication, escalation and use of risk analysis to make strategic decisions.

The following risk objectives of LSEG are derived from LSEG's strategy as defined annually by the Board:

- Maintaining a strong risk culture throughout LSEG: the risk management framework is embedded within divisions and functions.
- Maintaining stakeholder confidence: LSEG's stakeholders have confidence in its ability to deliver its strategic objectives with robust and effective governance and operational controls.
- Maintaining stable earnings growth: the strategic growth of the business is delivered in a controlled manner with long-term value enhancement and low volatility of underlying profitability.
- Maintaining capital requirements: LSEG has sufficient capital resources to meet regulatory requirements, to cover unexpected losses and to meet its strategic ambitions.
- Maintaining liquidity: LSEG retains or has adequate access to funding to meet its obligations, taking into account the availability of funds.
- Monitoring and managing credit risk exposure in conjunction with prevailing macroeconomic and geopolitical factors to ensure LSEG threshold limits (the process by which the LSEG monitors and manages the aggregate counterparty credit risk exposure arising from our clearing and treasury activities) are always adhered to.
- Ensuring prudent levels of margin, default funds and liquidity arrangements in LSEG's CCPs.
- Maintaining operational stability by facilitating orderly market operations: LSEG's operations are delivered in a secure and efficient manner without disruption.
- Achieving operational excellence consistent with LSEG's aspiration to be operationally "best in class".
- Maintaining physical and IT security to protect LSEG's assets, its people, infrastructure, data and other assets.
- Adhering to regulatory requirements: LSEG conducts activities at all times in full compliance with its regulatory obligations.
- LSEG's risk control structure is based on the "3 lines of defence" model:
 - The first line (Management), is responsible and accountable for identifying, assessing and managing risk.
 - The second line (Risk Management and Compliance), is responsible for defining the risk management process and policy framework, providing challenge to the first line on risk management activities, assessing risks and reporting to committees of the Board on risk exposure.
 - The third line (Internal Audit), provides independent assurance to the Board and other key stakeholders over the effectiveness of the systems of controls and the enterprise risk management framework ("ERMF").

Key risk categories include strategic, operational, and financial risks. LSEG recognises that each of these risks, if not properly managed and/or mitigated, could have an adverse impact on LSEG's and each of its subsidiary's reputation.

LSEG's approach to managing risks includes a bottom up and a top down approach. Key external and internal factors are stress tested across LSEG's operations to assess the potential impact on the financial results, strategic plans and operational resilience.

LSEG has a group-wide policy framework that defines minimum standards, tolerance levels and escalation requirements. Compliance with these policies is monitored and a management self-certification is also performed semi-annually. Each business unit is required to confirm that it is in compliance with LSEG's policies and governance procedures, and that it is managing its risk in accordance with its risk

appetite: exceptions are escalated to the Audit Committee and to the Risk Committee. All employees are subject to mandatory training.

LSEG has arrangements for its employees to raise concerns in confidence about possible wrongdoing in financial reporting or other matters. The Audit Committee ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Audit Committee also reviews LSEG's procedures for detecting fraud and for the prevention of bribery.

LSEG has an ongoing programme for development and enhancement of its ERMF. The ERMF metrics and indicators include stress testing used to monitor risks against its risk appetite, to respond to emerging or expected risks.

LSEG's risk oversight capabilities include:

- evaluation of strategic risks as part of the strategic planning process and routine re-assessment as part of the overall enterprise wide risk management framework. A financial stress testing process is used as a tool to measure and monitor strategic risks and to support the Board's expectation that LSEG will continue to operate and meet its liabilities as they fall due for at least the next three years. Under this group-wide stress testing process, a set of severe but plausible scenarios appropriate to the business of LSEG and reflecting its principal risks is determined by LSEG management to define bear cases, and the financial impact of each on LSEG is quantified. The scenario impacts are evaluated on LSEG's key financial metrics: liquidity headroom; leverage and interest rate cover ratios; and regulatory capital headroom. In addition, a set of compounded stresses is evaluated to provide further confidence on the ongoing financial viability of LSEG even under very highly stressed environments. The stress test results feed into the strategic plan and are used to assess major strategic undertakings;
- managing financial risk exposures for credit and counterparty risk using an aggregation tool and VaR calculation engine which aggregates clearing and treasury exposures on a T+1 basis across LSEG and includes automated stress scenario testing on counterparty risk. The LSEG Risk Appetite defines limits for key financial risk metrics and these are monitored and reported quarterly to the LSEG Financial Risk Committee and to the Board Risk Committee; and
- risk assessment of operational and regulatory risks based on key risk indicators and changes to risk drivers on a monthly basis which are consolidated from a business unit level to a divisional level and consolidated and reported to the LSEG Operational Risk Committee and to the Board Risk Committee on a quarterly basis.

Risks are assessed against LSEG's risk appetite which is approved by the Board on an annual basis. Each of LSEG's CCPs complies with the appropriate regulatory requirements. Consequently, they each manage their risk under the governance of their board of directors and of their internal risk management structure. LSEG monitors the CCPs aggregated risks positions by using tools that measure the overall exposure to counterparty, credit and liquidity risks. It uses a bottom-up approach for the monitoring of operational risks.

As well as being managed by the CCP's own independent processes, CCPs risks are reported to and overseen by LSEG's Executive Committee and the Board's Risk Committee.

Insurance

As an integral part of its risk management framework LSEG maintains a comprehensive portfolio of insurance policies that are designed to provide cover for specific risks or liabilities that may arise from activities undertaken by businesses. In order to assess the scope and the adequacy of coverage, the risk profile of LSEG is evaluated on an annual basis to ensure an appropriate level of risk transfer via a group-wide master and local insurance policies.

All insurance policies are placed with established insurance carriers that can demonstrate sufficient creditworthiness and service capabilities to protect LSEG. Coverage includes but is not restricted to, crime and civil liability, property and casualty, terrorism, pension trust liability, travel, and employer's liability. Additionally, LSEG has subscribed to various specific employee benefit insurance policies including life, accident and assistance policies. A directors' and officers' policy is in force to cover members of the Board and all other officers of LSEG in respect of legal action whilst they carry out their fiduciary duties.

LSEG, as a diversified FMI group, has a global footprint and business lines which have varied risk profiles. Changes to business profiles and geographic exposures are evaluated and cover is adapted where necessary with a view to maintaining sufficient insurance coverage to mitigate foreseeable risks. However, LSEG may still incur damages that are not covered by insurance policies or that exceed coverage limits or amounts set

aside to cover such risks. Moreover, there can be no assurance that LSEG will be able to maintain or obtain adequate insurance coverage in the future.

Employees

A key facet of LSEG's strategy is attracting, developing and retaining the right employees for every role. To achieve this, LSEG places great importance on supporting its employees' development. In addition, LSEG emphasises diversity and equal opportunities among its employees. The number of employees employed by LSEG as at 31 December 2018, 31 December 2017 and 31 December 2016 was as follows:

	31 December		
	2018	2017	2016
By geographical location⁽¹⁾			
United Kingdom	1,666	1,596	1,408
Sri Lanka	1,001	1,036	1,030
Italy	669	625	586
US	667	657	249
Russia	0	355	435
France	167	171	174
Malaysia	189	121	—
Romania	160	—	—
Other	68	147	94
Total	<u>4,587</u>	<u>4,908</u>	<u>3,976</u>

Note:

(1) Permanent/regular and fixed term staff only.

The number of employees of LSEG has not changed significantly since 31 December 2018.

Employee Share Plans

Principal terms of LSEG plc's employee share plans

LSEG plc currently operates several employee share plans which provide for the grant of awards or options over its shares to LSEG employees. For information regarding the principal share schemes operated by LSEG plc, see note 35 to LSEG plc's financial statements for the financial year ended 31 December 2018, which have been incorporated by reference herein.

Interests in LSEG plc's employee share plans

As at the Latest Practicable Date, the aggregate number of LSEG Ordinary Shares outstanding pursuant to options and awards under the LSEG Share Plans (including 787,565 options and awards granted to Directors and LSEG Key Managers) was 4,746,724. Save as disclosed in this paragraph, neither LSEG plc nor any of its subsidiaries has granted any option over its shares or loan capital which remains outstanding or has agreed, conditionally or unconditionally, to grant any such options.

Material Property

Details of the material properties of LSEG plc are set out below:

<u>Location</u>	<u>Tenure</u>	<u>Rent p.a. at 31 December 2018 (000)</u>	<u>Rent review date</u>	<u>Term</u>	<u>Areas (approx. m²)</u>	<u>Uses</u>
Paternoster Square, London . . .	Leasehold	£12,504	02/09/2023	Expiry 01/09/2028	18,976	Sole tenancy, office-based functions and commercial events suite
Aldgate House, London	Leasehold	£2,870	25/03/2021	Expiry 24/03/2026	5,990	Mixed tenancy, office-based functions
Palazzo Mezzanotte, Milan . . .	Leasehold	€5,596	Annually on 1 January	Expiry 31/12/2023, termination with one year notice	12,306	Sole tenant, office-based functions and commercial events suite
28 Liberty Street, New York . . .	Leasehold	US\$5,237	17/04/2026	Expiry 30/04/2031	6,951	Mixed tenancy, office-based functions

SECTION B: INFORMATION ON REFINITIV'S BUSINESS AND OPERATIONS

Overview

Refinitiv powers and connects the global financial community to support investing, transactions, data management and risk management in a safe, effective and efficient way. Refinitiv is a leader in market and financial data, news, analytics and workflow solutions that serve as key infrastructure for the trading and investment markets. Refinitiv has a strong presence globally across a number of fast-growing industry segments for data and related technology services. This presence, along with industry trends from increasing digitisation and trading activities, the changing regulatory environment, the shift to open platforms, the rise of passive investing and increased data consumption, will continue to benefit the business.

Refinitiv serves the needs of multiple communities within the financial services sector, in particular: (i) trading professionals through trading tools, real time data, and access to multiple leading liquidity venues across asset classes; (ii) investment managers with leading non real time data, benchmarks, research and portfolio management solutions; (iii) wealth managers with wealth advisor workflow tools, digital solutions and back office processing services; and (iv) risk and compliance professionals with tools to support their evolving regulatory and compliance needs. Refinitiv's services are provided through the following operating segments:

- Refinitiv's Data Platform and Workspace segment delivers pricing, reference, fundamental and low latency real time data analytics and related value-added services across asset classes and markets globally with delivery mechanisms integrated into financial institutions' workflows. Refinitiv's Workspace, including Eikon, FXT tools and Thomson One, delivers information, analytics, work flow tools and access to market liquidity to sell-side and buy-side firms, governments and corporate institutions. Through Workspace, Refinitiv's significant data, content sources, analytics and workflow tools are delivered to meet multiple users' needs, from access to low latency trading data and execution capabilities for its trading communities, to delivery of non-real time and referential data content as ESG, alternative data and analytics for investment managers.
- Refinitiv's Venues & Transactions segment operates leading trading venues including Matching and FXall, and trading workflow solutions such as AlphaDesk (an OMS) and REDI Technologies, providing access to varied sources of liquidity, enabling Refinitiv's clients to electronically transact in an efficient manner across asset classes and end markets. Refinitiv also has an approximate 54 per cent. economic interest in Tradeweb, which offers electronic marketplaces for trading fixed income, derivatives, money market and equity products.
- Refinitiv's Risk segment includes Refinitiv's World-Check and Enhanced Due Diligence products which address the ever-increasing compliance and regulatory needs of its customers, in particular around KYC compliance processes, client on-boarding and other financial crime risk management programmes.

This comprehensive offering and coverage of multiple communities' needs has supported Refinitiv's global footprint of 40,000 customers and 400,000 end users in approximately 190 countries and has augmented the depth and breadth of its data. Refinitiv captures, consolidates and delivers data on more than 12.7 million fixed income securities, approximately 57,000 public companies, representing approximately 99 per cent. of global public market capitalisation, and approximately eight million private companies. Refinitiv's blue chip customers' demand for accurate data and the significant usage of that data within their organisations have grown meaningfully over the past decade due to the electrification of trading, the increased complexity of businesses, regulatory demands and the need for automation, competitive differentiation and risk management. Refinitiv has benefited from these developments by virtue of its presence, diverse product offerings and its go-to-market strategy as a platform able to holistically address its clients' needs in an efficient and cost-effective manner.

Refinitiv's revenue base for the financial year ended 31 December 2018 was highly predictable, with 76 per cent. of revenue derived from subscriptions and 8 per cent. of revenues derived from recoveries. From 2016 to 2018, Refinitiv achieved average annual customer retention rates of approximately 90 per cent, based on the dollar value of revenues from product renewals.

For the half-year period ended 30 June 2019, revenue from Refinitiv's continuing operations was US\$3.1 billion (this was US\$6.2 billion for the financial year ended 31 December 2018). For the half-year period ended 30 June 2019, Refinitiv's operating loss from continuing operations was US\$103 million and its underlying operating profit (before acquisition amortisation and non-recurring items) was US\$591 million (these were US\$441 million and US\$1,396 million respectively for the financial year ended 31 December 2018).

For the half-year period ended 30 June 2019, Refinitiv's adjusted EBITDA margin was 37 per cent. (this was 33 per cent. for the financial year ended 31 December 2018). Refinitiv's total underlying operating expenses before depreciation and amortisation for the half-year period ended 30 June 2019 were US\$1,471 million (these were US\$3,270 million for the financial year ended 31 December 2018).

History and Development

Before the 2018 Transaction Closing Date, Refinitiv was the Thomson Reuters Financial & Risk Business. Thomson Reuters was created in 2008 when The Thomson Corporation, founded in 1934 as a publishing company by Roy Thomson, acquired Reuters Group, founded in 1851 by Paul Julius Reuter as a business transmitting stock market quotations, which then became a global reporting network for media, financial and economic data. Operating in the first year under a dual-listed company structure, in 2009, it unified its dual listed structure to become Thomson Reuters, which is listed on the New York Stock Exchange and the Toronto Stock Exchange. Thomson Reuters had multiple business units, of which the Thomson Reuters Financial & Risk Business accounted for approximately half of its revenues.

On 30 January 2018, the Blackstone Consortium announced the 2018 Transaction, pursuant to which it would acquire an approximate 55 per cent. interest in the Thomson Reuters Financial & Risk Business, which was renamed Refinitiv after the 2018 Transaction Closing Date. As part of the 2018 Transaction, Thomson Reuters retained an approximate 45 per cent. interest in Refinitiv.

Prior to the 2018 Transaction Closing Date, on 21 March 2018, F&R (Cayman) Parent Ltd was incorporated as a private company in the Cayman Islands as a special purpose acquisition vehicle by Blackstone, and changed its name on 28 February 2019, after the 2018 Transaction Closing Date, to Refinitiv Parent. Refinitiv Parent is headquartered in London and New York and is the holding company of Refinitiv, which is being acquired by LSEG in respect of the Transaction.

Refinitiv holds an approximate 70 per cent. voting interest and an approximate 54 per cent. economic interest in Tradeweb Markets Inc., ("**Tradeweb**") a Delaware company and the holding company of Tradeweb Markets LLC, ("**Tradeweb Markets**"), which offers electronic marketplaces for trading fixed income, derivatives, money market and equity products, was listed on NASDAQ Global Select Market under the ticker symbol "TW" on 4 April 2019, having been transferred to Refinitiv by Thomson Reuters as part of the 2018 Transaction. Tradeweb operates as a standalone, publicly listed entity.

Refinitiv Business Segments

Refinitiv is headquartered in London and New York, with significant operations in America, Asia, Europe, as well as in emerging markets. Refinitiv's offering is aimed at powering global financial markets by providing the most extensive data, information, news and insights platform, to meet its customers' most demanding needs across the trading, investment, wealth advisory and risk management communities, underpinned by the Refinitiv Data Platform and Workspace, a leading data management and distribution platform.

Refinitiv operates three main business segments: (i) Data Platform and Workspace; (ii) Venues & Transactions; and (iii) Risk. Refinitiv also generates revenue from third-parties distributing its content (Recoveries).

Data Platform and Workspace

Refinitiv's Data Platform and Workspace segment accounted for, on a continuing operations basis, 69 per cent. of Refinitiv's total revenue in the financial year ended 31 December 2018.

Refinitiv Data Platform

Refinitiv's Data Platform enables Refinitiv to master and deliver data and capabilities to its different communities. It delivers cross-asset data to enable smarter trading and investment decisions by providing customers with what Refinitiv believes offers the most comprehensive multi-asset class content, better analytics and controlled distribution, enabling users to form actionable insight and deliver on opportunities. Elektron's core offering is in real time data feeds with a robust end-to-end platform that is extensively used throughout the industry, as demonstrated by strong customer retention. Refinitiv's Data Platform services can be offered in a range of deployed and hosted models. Refinitiv has three core data categories within its Data Platform business:

- *Real time and Analytical Content:* Refinitiv's real time data feeds support trading, analytics, risk metrics and reporting by streaming real time securities prices and deep market insights from exchanges around the world and OTC markets, including detail required by sophisticated customers such as millisecond timestamps, short sale indicators, auction data and tick-level data. Refinitiv's low latency offering

leverages a proprietary, binary encoded, bandwidth optimised wire protocol that reduces message sizes by up to 50 per cent. in order to process content in a faster and more efficient way. Refinitiv consolidates data feeds to generate 10 billion bytes of real time pricing data from exchanges and OTC markets around the world, covering over 70 million instruments, supplied through application programming interfaces and file transfer protocols. Refinitiv maintains real time points-of-presence in Chicago, Frankfurt, Hong Kong, London, New York, Singapore and Tokyo.

- *Non-real time Datafeed Services:* Refinitiv provides its clients with leading content, ranging from SEC filings dating back to 1989, to international filings for approximately 80,000 companies across 160 countries. Refinitiv also has Fundamentals, Ownership and ESG content sets which help meet the financial analysis requirements of its clients. Refinitiv's proprietary estimates content, known as International Brokers Estimate System, is compiled from analyst performance forecasts for approximately 22,000 companies, and is recognised as a comprehensive view of the industry. In addition, Refinitiv offers proprietary Starmine quantitative models to serve as a basis for end-user research. Refinitiv's deals content features thousands of data items illustrating the entire deal lifecycle. Its proprietary Lipper funds content provides independent insight to asset managers and institutional investors on global collective investments, including mutual funds, hedge funds and fund fees. Trusted by investment professionals for more than 40 years, Refinitiv provides coverage and insight to the funds industry. Refinitiv's non-real time data feeds support portfolio valuation, risk metric calculations and reporting obligations via third-party valuations of complex and illiquid securities, providing access to over 1,300 national and international agencies, associations and research institutions for both developed and emerging markets.
- *Pricing and Reference Services:* Refinitiv's evaluated pricing and reference data and a part of its Non-real time Datafeed Services, offer tailor-made and transparent valuations, along with risk calculations, for structured notes, hard-to-value OTC derivatives, and other illiquid equity and foreign exchange securities. Refinitiv provides full access to the pricing process, including cash flow descriptions, market data inputs, numerical methods and model assumptions to help address its customers' transparency and regulatory requirements. Refinitiv delivers comprehensive reference data to the global financial community, which includes identifiers like ISIN, securities description, regulatory reference data, and parent company and issuer relationship, as well as mnemonic codes such as PERM ID. In addition, Refinitiv offers corporate actions data for approximately 95,000 companies and deep terms and conditions information. Refinitiv is an originator, consolidator and value-add redistributor of security and financial instrument data. The flexibility and breadth of its coverage fits virtually any enterprise or application data requirement. Refinitiv enables customers' security master management, asset setup, enterprise data management, automated corporate actions processing, compliance and exposure reporting and many other financial workflows. Refinitiv is an integrated solution provider offering consolidated data feeds, enterprise platform and managed services.

Thomson Reuters Enterprise Platform (“TREP”) is a networked data distribution system for the financial marketplace. TREP facilitates the reliable flow of real time data from data feed handlers and other programs supplying information, through a network, to display analytical applications for human and machine consumption. TREP enables firms to integrate data from any source and to enrich and validate those sources of data to create proprietary prices, analytics and other content, and to feed all of that content into any type of workflow application whilst also managing individual user access to such data.

Refinitiv Workspace

Refinitiv's Workspace segment offers an array of desktop solutions providing information, analytics, workflow tools and access to market liquidity for sell-side, buy-side, governmental and corporate institutions. Key products include Eikon, FXT and Thomson One:

- *Eikon:* Eikon is Refinitiv's open platform desktop and mobile solution for financial professionals. The customer mix for the Eikon platform continues to shift towards a base of buy-side and non-financial customers. Refinitiv's customers are investment professionals, portfolio managers, wealth managers, research analysts, economists, investment bankers, professional service providers, salespeople, traders, brokers, corporate treasurers, strategists, financial analysts and supply chain managers. Highly visual and intuitive to use, Eikon provides a comprehensive set of financial analysis tools. Users are able to integrate multiple workflows, co-create applications and securely connect to other financial professionals and trading venues across the financial ecosystem. The acquisition and integration of REDI Technologies in 2017, a leading buy-side to sell-side broker, EMS, will, once fully integrated, enable Eikon to support buy-side to sell-side trade execution for equities and futures. Eikon is not a one-size-fits-all model and can be tailored through 11 alternatively priced variants to the relevant level of content and workflow features that

suit the users' needs. It also supports third-party and client applications integrated into Eikon, as well as the more recent Side-by-Side Integration API.

In recent years, Eikon Premium, the premium Eikon product, has experienced lower levels of growth than other parts of Refinitiv's business, with reduced uptake by and retention of sell-side bank customers. This is as a result of: (i) a structural decline in the number of terminals being utilised by customers, primarily as a result of cost saving initiatives and increasing demand for direct feeds; and (ii) improved competing offerings. Since the 2018 Transaction, Refinitiv has invested approximately US\$75 million in its Workspace segment, in part, to develop Eikon Premium functionality and improve customer retention and product uptake.

- *FXT*: FXT is a leading desktop for FX spot, forward, swap, NDF and options traders. FXT provides a single point of access to Refinitiv's leading FX venues, Matching and FXall, which together handled US\$426 billion daily average FX volume for the 12-month period ended 31 December 2018. FXT also provides connectivity to the world's largest global professional FX community of approximately 16,000 trading professionals via Dealing (as at 31 December 2018).
- *Thomson One*: Thomson One provides investment research tools for wealth advisors. Users benefit from instant access to crucial company, industry and event information, with market news, quotes and reference data.

Venues & Transactions

Refinitiv's Venues & Transactions segment accounted for, on a continuing operations basis, 18 per cent. of Refinitiv's total revenue in the financial year ended 31 December 2018.

Refinitiv's Venues & Transactions segment is comprised of its leading fixed income trading venue, currency trading venues and brokerage processing solutions. Key trading platforms include Tradeweb, FXall, Matching and software and connectivity services, and the Beta Systems solutions:

- *Tradeweb*: Tradeweb is a global operator of electronic marketplaces for trading across a range of asset classes, including, fixed income, derivatives, money market and equity products. Tradeweb provides access to markets, data and analytics, electronic trading, straight-through-processing and reporting for more than 40 products to clients in the institutional, wholesale and retail markets. For 2018, the Tradeweb platform supported US\$550 billion in average daily trading volume in bonds, derivatives and ETFs. Tradeweb is listed and operates as a standalone unit in which Refinitiv currently owns an approximate 54 per cent. economic interest, with the remainder owned by third-parties. Volumes across both rates and credit have grown strongly, increasing 40 per cent. and 71 per cent, respectively, in 2018, as the digitisation of trading facilitates lead to faster and more cost-effective trading. Tradeweb's customers are institutional traders, banks and broker-dealers.
- *FXall*: FXall is Refinitiv's leading, premium independent electronic multibank trading platform, used by over 2,300 institutional clients and 180 leading FX banks and alternative market makers. The platform has experienced a 15.5 per cent. CAGR from 2016 to 2018 in average daily trading volume, making it a leader in its segment with approximately US\$205 billion in average daily volume for the 12-month period ended 31 December 2018. Refinitiv's customers are FX and money market traders, sales desks, hedge funds, alternative market makers, asset managers, banks, broker-dealers, prime brokers and institutional treasury groups.
- *Matching*: Matching is a primary electronic communication network that provides firm and anonymous liquidity through a central limit order book platform, anonymously connecting participants to trade spots and forwards in over 80 different currency pairs. Since its launch in 1992, Spot Matching caters for the needs and requirements of both manual and application programme interface-based trades. Forward Matching is a trading segment of the Refinitiv MTF.
- *Software and connectivity services*: REDI Technologies is an award-winning EMS that offers multi-asset class trading functionality, powerful workflow and compliance tools, and rich analytics via desktop, cloud and API. It allows Refinitiv users to trade equities, futures and options with over 200 brokers in more than 80 countries, through a single interface. To complement REDI Technologies Refinitiv acquired an order management system, AlphaDesk, in May 2019, offering end-to-end, buy-side trading solutions to its customers.

- *Beta Systems*: Beta Systems is Refinitiv's complete suite of integrated, intelligent solutions to manage retail brokerage operations, including workflow and productivity tools, transaction processing, reporting and archiving, data delivery and more. Refinitiv's customers are wealth management firms.

Risk

Refinitiv's Risk segment accounted for, on a continuing operations basis, 5 per cent. of Refinitiv's total revenue in the financial year ended 31 December 2018.

Refinitiv's Risk segment consists of its Screening, Enhanced Due Diligence and Qual-ID offerings, which provide global risk intelligence and data to support KYC compliance in institutions. Numerous other fast-growing businesses that provide regulatory updates, audit enterprise software and other related services are included in this business. Key products include World-Check and Enhanced Due Diligence ("**EDD**"), along with other businesses that deliver risk management through an enterprise view of risk:

- *World-Check*: World-Check is one of Refinitiv's core products in information, software products and managed services, serving the KYC and third-party screening needs of the world's largest firms, helping these organisations detect, assess and minimise potential risks with customers, suppliers and partners and protect against reputational and financial damage. It combines human expertise and technology to provide a global database. Refinitiv's customers are compliance and risk management professionals, anti-money laundering reporting officers, general counsels, supply chain and procurement managers and business leaders.
- *EDD*: EDD provides customers with over 3,000 types of background check on any entity or individual, helping them identify key issues relating to bribery, corruption, financial crime and money laundering. Refinitiv's EDD offers auditable proof of due diligence and helps firms meet their legal and regulatory obligations. EDD can be conducted in over 198 countries or territories.

Recoveries

Recoveries revenue is collected from customers and passed through to a third-party provider in return for distribution of their content or services through Refinitiv's platform. It accounted for, on a continuing operations basis, 8 per cent. of Refinitiv's total revenue during the financial year ended 31 December 2018 and has a minimal impact on Refinitiv's profitability.

Refinitiv's relationship with Thomson Reuters

Refinitiv and Reuters News are parties to the Thomson Reuters News Agreement, which is a 30-year agreement, expiring in 2048, for Reuters News to supply news and editorial content to Refinitiv for a minimum amount of US\$325 million per year. For the same time period (and terminating upon termination of the Thomson Reuters News Agreement), Thomson Reuters has granted Refinitiv licences to permit it to brand its products and services with the "Reuters" mark, subject to applicable limitations and restrictions set forth in two trademark license agreements (the "**Trademark License Agreements**"). Additionally, Thomson Reuters and Refinitiv entered into a master services agreement pursuant to which each party continues to provide the other with specified content consistent with the content that the various Thomson Reuters business lines provided to each other prior to the 2018 Transaction Closing Date (the "**Master Services Agreement**").

Reuters News is the world's leading provider of news and financial insight spanning every global asset class, including equities, foreign exchange, commodities, fixed income, alternative investments and real estate. Products and services provided by Refinitiv to its customers pursuant to the Thomson Reuters News Agreement include:

- news technology and integration products (e.g., search, tagging, mapping);
- news marketing inside the products (e.g., in-product messaging and external campaigns, with dedicated marketing resources for news);
- news capabilities and innovation (e.g., news tagging tracer, significance algorithm, TR digest); and
- news strategic shifts (e.g., coverage of buy-side firms and corporate institutions, resource planning versus strategic shifts).

Material Contracts

For a description of the material contracts of Refinitiv, see paragraph 18.2 of Part IX (*Additional Information*), of this document.

Intellectual Property

Many of Refinitiv's products and services contain information and content that is delivered to customers through a variety of media, including online, software-based applications, smartphones, tablets, books, journals and dedicated transmission lines. Refinitiv's principal intellectual property assets are protected by patents, trademarks, trade secrets, database rights and copyrights, as well as confidentiality agreements with third-parties. Refinitiv continues to apply for and receive patents for its innovative technologies, and owns many prominent trademarks and domain names. Additionally, Refinitiv continues to acquire intellectual property through the acquisition of companies. Refinitiv also obtains significant content and data through licensing arrangements with content providers, including via the Thomson Reuters News Agreement and the Master Services Agreement, and has the long-term right to use the "Reuters" trademark in its business pursuant to the Trademark License Agreements.

Risk Management

Refinitiv has an established and well-defined organisational and operational structure with clearly defined roles, responsibilities and reporting lines to ensure that appropriate spans of control operate throughout the organisation.

Fit and proper checks are carried out on applicable staff from key functions to ensure that they possess the competence, expertise and integrity necessary for the performance of their duties. Refinitiv's management culture embeds risk awareness, transparency and accountability. A strong emphasis is placed on the timely identification and reporting of risk exposures and in the strategic analysis of prevailing or anticipated risks. Refinitiv's risk culture is one of its most fundamental tools for effective risk management. Refinitiv's behaviour framework feeds into the criteria that it uses to assess the effectiveness of its risk culture and the communication, escalation and use of risk analysis to make strategic decisions.

Refinitiv's risk process includes:

- identifying the most significant operational, strategic, reputational, financial and other risks across the business, considering both the external environment as well as internal changes related to structure, strategy and processes;
- assessing which of these risks individually or together with other identified risks could have a significant impact on Refinitiv as an enterprise if they were to materialise; and
- developing and implementing action plans for the enterprise-level risks and reviewing them periodically at a corporate and board level.

In 2019, Refinitiv created a new Enterprise Risk Management ("ERM") framework. The ERM process provides a framework for risk management across Refinitiv in a structured and forward-looking way.

Refinitiv's ERM is a five-step model of risk management:

- The approach to ERM focuses on the key business risks agreed at the Executive Leadership Team ("ELT") level.
- The ELT evaluates functional and operational risks for their respective areas, ranks those risks, establishes mitigation plans and manages remediation. Through this systematic approach, this initiative validates key risks and provides a mechanism to identify new and emerging enterprise risks.
- Quarterly, the Internal Audit team at Refinitiv prepares a summary of remediation plans and review with the ELT.
- A review of the ERM process and identified risks is provided at meetings of the Audit Committee and the Audit Committee is primarily responsible for overseeing management's ERM process.
- A summary is shared with the Refinitiv Board at its regularly scheduled meetings.

Key risk categories include strategic, operational, and financial risks. Refinitiv recognises that each of these risks, if not properly managed and/or mitigated could have an adverse impact on Refinitiv and on each of its subsidiary's reputations.

Refinitiv’s approach to managing risks includes a bottom-up and a topdown approach. Key external and internal factors are evaluated across Refinitiv’s operations to assess the potential impact on its financial results, strategic plans and operational resilience. Refinitiv’s risk control structure also utilises a “3 lines of defence” model for relevant businesses, with: (i) the first line (management) responsible and accountable for identifying, assessing and managing risk; (ii) the second line (compliance/risk management) responsible for defining the risk management process and policy framework, providing challenge to the first line on risk management activities, regulatory risks and assessing risks; and (iii) the third line (internal audit) providing independent assurance to the Refinitiv audit committee and other key stakeholders with respect to the effectiveness of the systems of controls.

In addition, Refinitiv’s regulated entities manage their respective risks in accordance with their individual governance frameworks, which generally are run by a board of directors and in accordance with regulated requirements and obligations.

Insurance

As an integral part of its risk management framework, Refinitiv maintains insurance or otherwise insures against hazards in a manner appropriate and customary for its businesses. Such insurance is designed to provide cover for specific risks or liabilities that may arise from activities undertaken by its businesses.

There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate Refinitiv fully for its losses. Moreover, there can be no assurance that Refinitiv will be able to maintain or obtain adequate insurance coverage in the future.

All insurance policies are placed with established insurance carriers that can demonstrate sufficient creditworthiness and service capabilities to protect Refinitiv and are reviewed periodically. Coverage includes but is not restricted to professional indemnity insurance, cyber insurance, and directors and officers insurance, business interruption insurance, public and employers’ liability insurance, general office insurance and property damage insurance.

Employees

The average number of Refinitiv employees during the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016 was as follows:

	31 December⁽¹⁾⁽²⁾		
	2018	2017	2016
By geographical location			
US	3,406	2,743	3,068
India	4,412	2,338	2,184
United Kingdom	2,562	1,704	1,519
Philippines	1,309	1,132	1,026
Poland	1,387	1,100	927
Other	6,353	4,105	4,152
Total	19,429	13,122	12,876

Note:

- (1) Represents FTEs and does not include contractors.
- (2) 2016 and 2017 data is FTE data for Thomson Reuters’ Financial & Risk Business before the 2018 Transaction Closing Date and does not include any FTEs devoted to corporate functions. On the 2018 Transaction Closing Date, on the formation of Refinitiv in the context of the 2018 Transaction, approximately 6,000 FTEs transferred from Thomson Reuters’ corporate functions (primarily from Enterprise Technology & Operations and Global Growth Organisation units, but also Finance, Human Resources, Strategy and Legal) to Refinitiv. This explains the increase in the number of FTEs in 2018.

The number of employees of Refinitiv has not changed significantly since 31 December 2018.

Employee Share Plans/Incentive Arrangements

Please refer to paragraph headed “*Management incentive plan for Refinitiv’s management team*”, in Part III (*Summary of The Key Transaction Terms*), of this document.

Material Property

Details of the material properties of Refinitiv are set out below:

Location	Tenure	Rent p.a. at 31 December 2018 (000)	Rent review date	Term	Areas (approx. sq ft)	Uses
3 Times Square, New York, US ⁽¹⁾	Leasehold	US\$20,924	n/a	19/11/2021	520,653	Operating facilities and corporate office
Technopolis, Bangalore, India	Leasehold	INR 233,110.930	01/04/2022	16/06/2022	455,479	Operating facilities
5 Canada Square, Canary Wharf, London, United Kingdom ⁽²⁾	Leasehold	£14,436.695	2022	02/10/2027	354,000	Operating facilities and corporate office
Floors 1 and 2, Tower A, RMZ Infinity, Bangalore, India	Leasehold	INR 56,873.412	n/a	06/14/2021	74,370	Operating facilities
Floor 1, Tower E, RMZ Infinity, Bangalore, India	Leasehold	INR 41,736.960	27/06/2021	06/26/2023	36,230	Operating facilities
Tower D, RMZ Infinity, Bangalore, India	Leasehold	INR 88,518.960	17/06/2022	06/16/2024	68,940	Operating facilities
Arca Building, Beijing, China ⁽³⁾	Leasehold	CNY 48,096.706	01/03/2019	28/02/2021	140,000	Operating facilities
717 Parkway, St. Louis, Missouri, US	Leasehold	US\$1,114.0	n/a	4/30/2021	101,375	Operating facilities
795 Parkway, St. Louis, Missouri, US	Freehold	n/a	n/a	n/a	53,439	Operating facilities
2&3 World Square and 20 Upper McKinley Hill, Manila, Philippines	Leasehold	PHP 103,110.300	01/09/2020	4/30/2020 & 8/31/2023	137,164	Operating facilities
Baltic Business Center and Assecco, Gdynia, Poland ⁽⁴⁾	Leasehold	EUR1,277.820	n/a	30/11/2021	124,183	Operating facilities
Champion Tower & ICBC Tower, Hong Kong, China	Leasehold	HKD 15,730.848	01/11/2019	31/12/2021	33,201	Administrative office

Notes:

- (1) Refinitiv leases this facility from 3XSQ Associates, an entity owned by Thomson Reuters and Rudin Times Square Associates. Refinitiv and Thomson Reuters have entered into a sublease agreement whereby Refinitiv has subleased to Thomson Reuters approximately 140,000 sq ft of the property area.
- (2) Refinitiv is in the process of consolidating its four existing locations in London, including 30 South Colonnade (Canary Wharf), into a new location at 5 Canada Square in Canary Wharf. The transition to 5 Canada Square is being carried out in phases. Refinitiv expects to sublease approximately 44 per cent. of the space to Thomson Reuters. In addition, Refinitiv has a reversionary lease with the superior landlord for an additional 10 years from 2027.
- (3) Refinitiv is in the process of splitting leases so that Thomson Reuters will lease 9,751 sq ft directly from the landlord.
- (4) Consists of two buildings (Baltic Business Centre and Assecco) of approximately 108,839 sq ft and 15,344 sq ft, respectively.

PART V INDUSTRY, COMPETITION, REGULATORY AND LEGAL FRAMEWORKS

The Combined Business will comprise the business and operations of both LSEG and Refinitiv. Section A of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*) provides information with respect to the industry, competition, regulatory and legal frameworks in which LSEG operates. Section B of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*) provides information with respect to the industry, competition, regulatory and legal frameworks in which Refinitiv operates.

SECTION A: INDUSTRY, COMPETITION, REGULATORY AND LEGAL FRAMEWORKS IN WHICH LSEG OPERATES

Industry and Competition

Industry Overview

LSEG is a global FMI group that provides a range of services across the investment execution value chain. Its Information Services division provides its clients with valuable information, analytics and data products that inform investment decisions, capital allocation and performance benchmarking. LSEG's Post Trade division offers a broad range of post trade services including central counterparty clearing services, collateral management solutions, settlement and custody services and post trade reporting which supports its customers in risk management and capital efficiency to enable increased trading and investment activities. LSEG's Capital Markets division provides listing services (including pre-listing support) and operates trading markets across Europe in cash equities and fixed income securities, derivatives and commodities. LSEG also provides a range of Technology Services to businesses within its group as well as third-parties around the world.

Information Services

Market data and information services focus on producing, collecting, refining, analysing, marketing and distributing financial and non-financial data to financial market participants in various forms, including real time and trading data (for example order book information, price data and trading volumes and statistics), company news and research, portfolio management and analytics products and pricing, reference and valuation data products, as well as the development, calculation and dissemination of indexes.

Indexes are provided through the FTSE Russell brand and are licenced to market participants that often use FTSE Russell indexes to benchmark performance. FTSE Russell provides widely used indexes such as the FTSE 100, FTSE All-share and the Russell 2000 indexes, whilst also providing more bespoke indexes in response to client demand to benchmark specialised products and investment strategies.

Post Trade (LCH, CC&G and Monte Titoli)

Clearing (provided by LSEG through LCH and CC&G), as well as settlement and custody services (provided through Monte Titoli), are post trade services that are used to implement and complete transactions. Securities clearing, which takes place between trade matching and settlement, includes netting, enrichment of trades with information required for settlement (e.g., settlement account information) as well as the validation of the existence of sufficient money and securities. Securities clearing also includes the services of a CCP which acts as counterparty to both buyers and sellers and manages the counterparty risks resulting in margin requirements for clearing members to cover their net risk exposure. Settlement involves the effective transfer of securities and cash between the counterparties to the trade. Settlement through a CCP often involves compression benefits, reducing the number of trades and overall notional value of portfolios by netting down compatible positions, freeing up more capital that would have otherwise been held on customers' balance sheets. LSEG's post trade offering operates across both OTC and non-OTC products and operates on an open access basis.

The same processes generally apply to derivatives, save that derivatives are generally cash-settled.

Custody services involve the secure and reliable safekeeping of securities on behalf of their owners and the handling of payments and notifications to such parties, including the handling of corporate actions and dividend re-investments. The custodian holds cash and securities in its custody accounts, as described below in the paragraph headed "*Capital Markets*".

Capital Markets

By listing its securities on an exchange, an issuer gains access to global capital markets. Securities exchanges provide primary and secondary listing services to companies that are seeking to have their securities admitted

to trading. Listing and admission to trading are necessary pre-conditions to the trading of securities on an exchange. Listing securities on an exchange is just one of a number of options available to businesses seeking to raise primary capital and for investors to monetise the value in their shares through the secondary markets.

The cash trading venues operated by LSEG enable trading of equities, fixed income securities and a number of other exchange traded products.

On the derivatives trading venues operated by LSEG, a wide range of financial instruments, including options and futures, whose value depends on an underlying asset such as an individual equity or fixed income security, index, commodity or currency, are traded.

LSEG operates a number of platforms that offer trading services including London Stock Exchange, Borsa Italiana, Turquoise, CurveGlobal and MTS.

Technology Services

LSEG has developed technology solutions which it offers to, for example, other securities exchanges or market participants. These services relate to the development, implementation and operation of technology solutions for financial markets participants, such as, for example, electronic trading or market data platforms and related software, connectivity and hosting services.

Market Trends

The FMI landscape is fast moving and dynamic and has evolved significantly in recent years. The needs of LSEG's customers, who operate on a global basis and range from the world's largest financial institutions to retail investors and SMEs, are changing. FMI providers, including LSEG, are adapting their strategies as a result of these changes. LSEG has observed a number of key trends which it expects will continue to shape customer needs and therefore shape LSEG's strategy and plans:

- global trading driven by the growth and redistribution of global wealth;
- increasing demand for multi-asset class solutions and coverage across the investment value chain;
- digitisation, AI and automation driving demand for data-driven solutions; and
- continued regulatory change.

Global trading driven by the growth and redistribution of global wealth

Global wealth and redistribution: As global wealth continues to grow, total AUM is expected to reach approximately US\$145 trillion by 2025. Increasing global wealth brings with it increased numbers of market participants, volumes of financial transactions and demand for financial data. The distribution of global wealth has continued to shift significantly between different geographical regions in 2019.

Growth of Emerging Markets: Between 2020 and 2025, developing markets are expected to increase their share of the world's assets, driven by double-digit growth in AUM for emerging markets, including in Asia-Pacific and in Latin America (where AUM are expected to grow by 11.8 per cent. and 10.4 per cent., respectively). Growth in developing economies is expected to outpace that of developed markets such as North America and Europe (where AUM during the same period are expected to grow by 4.0 per cent. and 3.4 per cent., respectively) and is expected to contribute towards approximately 75 per cent. of the world's GDP growth over the next 5 years.

Importance of global presence: Increasingly, customers want to be able to trade across different regions, asset classes and currencies and are, therefore, seeking FMI providers who can provide access and solutions on a global scale.

Implications for LSEG: LSEG is a global FMI provider with a growing global footprint that provides a wide range of services to an increasingly global customer base. LSEG continues to establish partnerships in strategically important regions to serve its global customers, develop a balanced global footprint with significant presence in all major regions including Asia and emerging markets, and enhance its presence and achieve growth in the US, the world's largest financial market. For example, Shanghai-London Stock Connect allows global investors to benefit from China's growth through London, while London Stock Exchange listed issuers will be able to access Chinese investors directly. To support its global growth strategy, LSEG continues to develop its operations including through inorganic initiatives, such as the acquisitions of Mergent and The Yield Book in the US, as well organic initiatives such as developing its operations in Sri Lanka, and, in 2018,

opening a new near-shore shared service centre in Bucharest, Romania, to support the delivery of LSEG's core business activities globally.

Increasing demand for multi-asset class solutions and coverage across the investment value chain

Changes in investment preferences and products: Investment preferences are continuing to shift in response to the changing market landscape. Infrastructure solutions, trading, and data and analytics continue to move beyond equities into other asset classes such as fixed income and private capital as customers look for more diversification and flexibility in their multi-asset class investment solutions. Passive inflows grew by 10 per cent. and 9 per cent., respectively, in 2017 and 2018, and passive and alternative investment AUMs are expected to more than double by 2025, to US\$10 trillion and US\$21 trillion, respectively. The global market for algorithmic trading alone is expected to grow by 11.1 per cent. per annum between 2019 and 2024 (from £11.1 billion to £18.8 billion). ETFs continue to grow in popularity as a low-cost alternative investment vehicle with US\$12 trillion ETF AUM forecast by 2023 and ESG factors are becoming a more mainstream consideration in investment decision-making, with around US\$17.5 trillion of AUM having an ESG integration strategy. The increased accessibility of private capital is creating alternative market structures which are becoming increasingly popular with investors.

Electronification of asset classes and automation of multi-asset investment strategies: There has been a gradual transition from single-asset class human-based trading to multi-asset class electronic trading, which is reliant on data feeds. This transition has been facilitated by the continued adoption of digital technology across the industry such as automation, cloud computing and AI, and machine learning.

Changing operating dynamics of customers: Buy and sell-side customers continue to focus on operating model reforms and cost efficiencies in response to continued fee pressures, growing investor scrutiny and regulatory-driven changes. Customers are increasingly looking across the value chain from trading to clearing and settlement in order to realise efficiencies and are looking for more innovative and effective ways of accessing the products and services they require.

Implications for LSEG: Across its core businesses, LSEG continues to expand its capabilities across asset classes. For example, in Information Services, it continues to realise value from the integrations of Mergent and The Yield Book, which have expanded LSEG's ability to provide solutions across multiple asset classes and enhanced its data and analytics capabilities. In Post Trade services, LCH has extended its core clearing offering across additional asset classes. LSEG also continues to build out its capabilities across the value chain through strategic acquisitions, organic initiatives and partnerships, for example, its continued investment in alternative forms of funding and private capital through its minority investment in Nivaura in 2019, a digital platform used for issuing and administering corporate bonds, loans and equity. This is supported by a strong focus by LSEG on technological and operational excellence. LSEG's partnership approach leaves it well positioned to play a leading role in addressing customer challenges across the industry.

Digitisation, AI and automation driving demand for data-driven solutions

Advances in technology, including cloud computing, machine learning and AI, have enhanced data processing and storage capabilities across the FMI industry. Further, technological developments have created increasingly digitised trading processes generating more data, with the vast majority of all data in circulation created in the last four years (equivalent to 2.5 quintillion bytes per day, as of July 2017). As a result, there is an increased need for data categorisation and management. Data is increasingly viewed as a core component in investment decision-making, with customers demanding data-driven solutions in order to realise value. As a result, customers increasingly need enhanced data management, more sophisticated analytics and data solutions and effective data distribution to keep up with the fast-paced nature of today's markets.

Implications for LSEG: LSEG's Information Services capabilities have grown significantly over the last 10 years. Developing these capabilities has been a key strategic priority for LSEG and remains a core part of its strategy and plans for the future. LSEG has actively invested in Information Services through organic initiatives, partnerships and acquisitions, including the acquisitions of The Yield Book (which enhanced LSEG's data analytics capabilities) and Beyond Ratings (which expanded LSEG's ESG offering in relation to fixed income securities).

Continued regulatory change

The following points set out LSEG's assessment of likely regulatory changes and their implications for LSEG.

- *Brexit update:* In respect of clearing, LCH SA and CC&G benefit from a temporary deemed permission by the Bank of England which was confirmed publicly on 24 January 2019. This deemed permission will last for a maximum of three years extendable by HM Treasury in increments of twelve months. In addition, it was announced on 18 February 2019 that LCH Limited would be recognised by ESMA as a third country CCP under Article 25 of EMIR in the event of a Hard Brexit. The European Commission announced on 4 April 2019 that the temporary equivalence for UK CCPs will apply from any point from which the UK becomes a third country under a Hard Brexit scenario, until 30 March 2020. It is unclear at this time whether this period will be extended.

Implications for LSEG: LCH SA, CC&G and LCH Limited’s recognitions confirm their ability to continue to offer all clearing services for all products and services to all members and clients in a Hard Brexit scenario, for the periods to which they relate. A Hard Brexit scenario may impact the trading revenue generated by LSEG’s Capital Markets business due to the implications of the Share Trading Obligation. The impact of a Hard Brexit on EU investment firms would include that, in the absence of an equivalence determination or similar, EU investment firms may not be able to trade shares listed or traded on a trading venue in the EU on a UK trading venue. Similarly, UK investment firms may find themselves restricted from trading in shares on EU venues, if those shares are listed or traded on a UK trading venue. It is unclear at this time whether UK venues will be granted equivalence by ESMA or whether HM Treasury will grant equivalence to EU venues. As part of a structured Brexit programme formed by LSEG, it continues to engage with UK and EU Brexit policy leads to advise on financial market infrastructure considerations. LSEG’s key objectives are: (i) maintaining London’s position as a global financial hub; (ii) providing continuity of cross-border financial services; and (iii) protecting against policies which may result in fragmentation of financial markets. LSEG continues to maintain an ongoing dialogue with UK, EU and other authorities with respect to the need for contingency measures and on LSEG contingency plans for several businesses.

- *Cross-border market access:* As G20 mandates continue to be implemented and revised, focus has increased across jurisdictions on cross-border market access to financial market infrastructure products and services. In the EU, EMIR 2.2, the EU Benchmark Regulation (the “**Benchmark Regulation**”), MiFID II/MiFIR and other financial services files contain third country provisions that could impact EU participant access across non-EU clearing, trading, benchmarks and other global products and services. In the US, the CFTC has proposed several revisions to expand cross-border derivatives markets access. The UK will continue to evaluate its market access rules pending Brexit developments.

Implications for LSEG: As a leading global financial market infrastructure business, market access rules impact how customers across jurisdictions access LSEG’s products and services. LSEG promotes harmonisation and cross-border rules that support open and global markets. LSEG remains closely engaged with authorities at national and multilateral levels to promote open, cross-border access to its global offerings.

- *Benchmark regulation and LIBOR transitions:* The Benchmark Regulation came into effect in January 2018. Building on the IOSCO Principles, the regulation impacts benchmark users, contributors and administrators. There are initiatives in other jurisdictions to review the regulatory framework governing benchmarks. Regulators have established a clear priority to move away from inter-bank rates including LIBOR and EURIBOR to introduce alternative reference rates in several major jurisdictions.

Implications for LSEG: FTSE Russell is a leading global benchmarks provider. FTSE International Limited has been authorised by the FCA as a Benchmark Administrator, under the Benchmark Regulation. LSEG views the Benchmark Regulation positively, as it raises standards across the industry. Regarding the interbank reference rate transitions, LCH is closely engaged with the relevant government authorities and industry participants to fully support a smooth transition to selected alternative reference rates.

- *Uncleared margin rules (“UMRs”):* Under the UMRs, certain non-centrally cleared OTC derivatives will be subject to initial and variation margin requirements. The UMRs are currently being phased in. The Basel Committee on Banking Supervision and the International Organisation of Securities Commissions have agreed to extend by a year the final implementation of the margin requirements to September 2021, although as at the date of this document, the deadline within the EU is September 2020. Cleared instruments such as exchange traded derivatives and centrally-cleared OTC swaps are not within the scope of UMRs.

Implication for LSEG: The new phase of the UMRs to be introduced may drive market participants to clear more trades centrally and, therefore, may increase the overall number of derivatives which are centrally cleared across the sector.

- *CCP Recovery and Resolution:* Authorities across Europe, North America and other major jurisdictions, as well as international standard setters, are working on further developing the regulatory frameworks for the recovery and resolution of CCPs. In the rare scenario where CCPs face severe distress or failure, this global framework will ensure that the critical functions of CCPs are preserved while maintaining financial stability.

Implications for LSEG: Harmonisation of the requirements for CCP recovery plans, and the introduction of resolution plans prepared by the resolution authorities should provide clarity on the impact on CCPs and identify the critical functions they must maintain in the unlikely event of their failure. LSEG will continue to assist the authorities and provide input for the development of this framework including in respect of the potential increase of CCP resources.

- *Market Structure Reviews:* MiFID II/MiFIR is the widest ranging of the EU’s legislative initiatives in terms of its impact on LSEG and its customers. In the US, there is growing focus on both equity and fixed income market structure topics with a view to implementing changes, whilst there is a global regulatory scrutiny process led by IOSCO into the rapidly growing ETF space.

Implications for LSEG: The impact on LSEG includes rules on market transparency, trading protocols and microstructures, data, transaction reporting, SME Growth Markets, and Open Access for CCPs and benchmark providers. The impact of MiFID II/MiFIR has been broadly neutral, with the ability to offer customer solutions in areas such as Turquoise block trading and Open Access potentially providing opportunities across all LSEG segments (see the paragraph headed “*Open Access*”, below). LSEG continues to follow the US debates closely given the potential impact on its growing US operations, as well as the global focus on ETFs.

- *Capital Markets Union (“CMU”):* CMU is a plan introduced by the EC that aims to create deeper and more integrated European capital markets, enhance competition and remove barriers to retail investment.

Implications for LSEG: CMU may increase activity across LSEG’s capital markets and post trade businesses. LSEG is closely following development of the relevant regulatory files such as the Prospectus Regulation, the EC proposals for a prudential regime for investment firms including market makers and initiatives to support SME growth markets.

- *Sustainable Finance:* The Global Commission on the Economy and Climate estimated that US\$90 trillion of investment is needed by 2030 to achieve the objectives of the Paris Agreement. Given the desire of some investors to integrate ESG factors into investment strategies, asset managers across the world are responding.

Implications for LSEG: LSEG continues to actively contribute to this global and regional debate, in particular the EC Sustainable Finance Action Plan and the Technical Expert Group, and the UK Green Finance Taskforce and Institute. In Italy, Borsa Italiana joined the Italian Observatory on Sustainable Finance. LSEG has also contributed to the Canadian High-Level Expert Group. As LSEG’s clients integrate climate change and sustainability into their plans, LSEG is supporting issuers to access capital and investors’ choice in developing and implementing investment strategies.

- *Open Access:* Open Access underpins provisions within MiFID II/MiFIR that change the way some clearing houses, trading venues and index providers will need to provide their products and services. The changes, which have applied to clearing houses and trading venues since 3 January 2018 (unless such clearing houses and trading venues are temporarily exempt from the provisions in relation to certain instruments) and which will apply to index providers from 3 January 2020, require access to be provided to potential users of trading, clearing and indexes on a non-discriminatory basis.

Implications for LSEG: Open Access remains a key principle that underpins LSEG’s strategy and business model and is fully aligned with the way it currently operates. LSEG’s clearing services already accept clearing trades that originate from venues outside of its group; some of LSEG’s trading venues already provide choice of clearing through alternative CCPs outside its group; and FTSE Russell provides index licences to several exchange businesses that are competitors to LSEG’s trading venues. Open Access increases competition across a range of services, to the benefit of investors and market participants, and potentially provides LSEG’s relevant businesses and partnerships with opportunities to launch new products and attract new trading and clearing flows (e.g., CurveGlobal).

- *Emerging Technology:* For the financial services industry, regulators in major jurisdictions are closely monitoring and developing regulatory frameworks on emerging financial technology (“**Fintech**”), specifically the potential uses of distributed ledger technology, cloud computing, machine learning and

AI. Regulators are also exploring opportunities for regulatory technology to help develop new strategies for the hosting and use of regulatory data. There is continuous focus from regulators on the operational resilience of FMIs to ensure continuity of critical business services and the overall resilience of the financial sector.

Implications for LSEG: Emerging technology related regulatory initiatives have implications in various degrees to all LSEG functions and services, either as compliance obligations or constituents of the services that LSEG provides to its customers. LSEG continues to monitor and engage with regulators and leading industry working groups on these issues for the development of regulatory frameworks.

- *Operational resilience and cyber security:* Regulators (both at a national level and through the G7 cyber experts working group and other multilateral bodies) and the industry are working to keep pace with the growing cyber threats facing markets through enhancements and further development of resilience standards.

Implications for LSEG: One of LSEG's top priorities is to continue to invest in ensuring cyber resilience and compliance with regulations. In addition to complying with current cyber and data protection requirements, LSEG complies with significant data and cyber operational controls and standards required under regulations. LSEG continues to monitor and engage with regulators and leading industry working groups on the development of regulatory frameworks and appropriate harmonisation of standards across jurisdictions.

Competition

The competitive environment in which LSEG operates has undergone, and continues to undergo, transformational changes triggered by market participants, investors, infrastructure operators and regulators, as well as intensifying competition. Key factors affecting the competitive environment in which LSEG operates are set out in detail below:

- The regulatory changes outlined above in the paragraph headed "*Continued regulatory change*" have facilitated entry, expansion and new business models for market infrastructure providers and their customers. MiFID II/MiFIR has been particularly effective in facilitating the emergence and growth of MTFs, including significant players such as BATS / Chi-X Europe (which have since merged and now operate as Cboe Europe Equities), leading to an unprecedented level of competition between equities trading venues in the OTC space. Since the introduction of MiFID II/MiFIR and EMIR, on the back of a general shift towards central clearing, a number of new CCPs have also entered the market and succeeded in capturing a significant share of European trade flow. MiFID II and MiFIR are also bringing about significant changes in competitive dynamics, in particular by shifting more trading onto regulated trading venues (following the drive to increase business subject to clearing under EMIR) and thereby incentivising trading venues and CCPs to compete more intensely for trading volumes across asset classes in the OTC space. Entry and expansion into European markets for clearing is also likely to be accelerated by the adoption of "equivalence" decisions, enabling non-EU CCPs to provide clearing services in the EU under more favourable regulatory conditions for themselves as well as for their bank customers.
- Current and prospective competitors of LSEG's OTC trading services include regulated markets, electronic communication networks, dark pools and other alternative trading systems, market makers and other execution venues. LSEG also faces competition from large brokers and customers that may assume the role of principal and act as counterparty to orders originating from retail customers, or by matching their respective order flows through bilateral trading arrangements.
- Customers continue to sponsor entry of new market infrastructure providers by committing to provide order or transaction flow and/or by participating in their formation, thus shaping the market. As customers control the flow of trading, they are the critical decision-makers in determining the success of new (or existing) providers. Bank customers have supported the formation of numerous successful providers of trading and clearing services, including BATS and Chi-X (which have since merged and now operate as Cboe Europe Equities) and EuroCCP.
- The competition within the post trade environment has also intensified due to a general industry move towards inter-operability of CCPs (where participants on trading platforms are offered a choice of CCPs), strengthened by regulatory developments, including MiFID II and MiFIR.
- Both European Multilateral Clearing Facility N.V. and EuroCCP Ltd. (a further example of customer-sponsored entry) emerged as leading pan-European cash equities clearing houses and in 2013 merged to become one of Europe's leading post trade service providers (European Central Counterparty N.V.). In

addition, certain post trade business is expected to shift from traditional service providers, such as the national CSDs to the emerging central European settlement infrastructure, T2S, at the same time fuelling competition between the national CSDs for the remaining services.

- Sophisticated FMI providers are diversifying and expanding. As a result, LSEG faces competition from market operators from the EU, US and Asia that are increasingly broadening their propositions (organically, as well as through consolidation) to gain access to new product areas and geographies. Large competitors, such as NASDAQ, ICE and CME, challenge LSEG across the globe in a range of asset classes and have achieved higher revenues and also have a higher enterprise valuation than LSEG. Others, including Euronext, HKEX and SGX, continue to expand beyond their traditional markets to compete with LSEG for both local and global business across a range of products.
- Competition is also continuing to increase in business areas outside trading and clearing, including the provision of information services and technology. In index licensing, for example, established players such as MSCI and S&P Dow Jones Indices continue to compete strongly and competitors are expanding (again both organically and through consolidation). The sector is characterised by significant market entry and expansion and high levels of innovation.

These developments have resulted in intense competition that has driven down fees and spurred further technological development. Through sponsored entry, customers are also able to ensure that they get the services that they demand on competitive terms and incentivise existing platforms to compete strongly against new players. Market infrastructure providers, such as LSEG, will need to continue to work hard to address these changing customer needs in an evolving regulatory landscape.

Regulatory and Legal Environment

LSEG operates in a highly regulated industry. Several entities within LSEG are operators of exchanges and other trading venues, CCPs, CSDs, index administrators, information service providers, trade repositories, other regulated entities and transaction service providers. LSEG offers a variety of products and services within the FMI landscape, including trading and clearing of equities and derivatives, transaction settlement, custody and management of securities, the provision of market information and the development and operation of electronic systems.

The legal and regulatory framework governing the operations of LSEG is subject to ongoing reform. The focus of regulatory reform since the global financial crisis has been on areas such as increasing capital requirements, requirements for risk management and monitoring and managing systemic risks, measures to create more efficient and more effective supervision, market transparency and transparent and non-discriminatory access to financial market infrastructure. Initiatives to mitigate potential systemic risks stemming from the derivatives market, including the requirement to trade certain OTC derivatives on regulated venues and clear them through CCPs, have also been implemented, along with rules on non-discriminatory access to such infrastructures. Key supranational and national regulatory schemes applicable to LSEG's business are summarised below.

Regulatory and legal environment in the European Economic Area (“EEA”)

LSEG's entities operate various FMI providers throughout the EEA (being the EU Member States together with Norway, Iceland and Liechtenstein) including cash and derivative exchanges, (alternative) multilateral trading venues for financial products and commodities, CCPs and a settlement system for transactions concluded both on and off-exchange as well as trade repositories and market data and index providers.

LSEG operates exchanges in a number of countries including the UK and Italy and also has CCPs in the UK, France and Italy.

Each of LSEG's EEA exchanges and/or its operator holds an exchange licence under national law transposing MiFID II, granted by the relevant national exchange regulatory authority, and is subject to ongoing supervision by such authority. Likewise, each of the EEA investment firms of LSEG are licensed, and subject to ongoing supervision, by the relevant national competent authority under national law transposing MiFID II.

Each EEA CCP within LSEG is licenced under EMIR. LCH SA is also licensed as a credit institution pursuant to national law transposing the requirements of the Capital Requirements Directive 2013/36/EU and as such is subject, amongst others, to the capital requirements set out in CRD IV. LSEG will also be subject to the revised Capital Requirements Directive 2019/878/EU, or CRD V, which may result in requirements to hold additional capital or to restructure EU entities under an intermediate EU parent undertaking.

LSEG's CSD, Monte Titoli, operates under authorisation from CONSOB in agreement with the Bank of Italy. Monte Titoli has filed its application to CONSOB under the CSDR but has not yet obtained this licence. In addition, Monte Titoli is now part of a new European securities settlement engine coordinated by the European Central Bank ("ECB"), the T2S. T2S is operated by the Eurosystem on a cost-recovery basis.

The regulatory framework in which LSEG operates in the EEA is derived from EU directives and regulations in the financial services area. EU directives do not automatically apply throughout the EEA and must be implemented into the national laws of EEA member states, by such member states. EU regulations have direct effect in EU member states (though this is not the case for Iceland, Liechtenstein and Norway). There may be differences in approach as regards the implementation and supervision of such EU legislation, and there may also be additional national requirements as regards its implementation and supervision. A non-exhaustive list of the key aspects of the EEA regulatory framework applicable to LSEG are summarised in the following paragraphs.

MiFID, MiFID II and MiFIR

Since its introduction and implementation in November 2007, MiFID has aimed to provide a single market for financial services by harmonising national rules on the provision of such services and on financial transactions throughout the EEA. The implementation of MiFID also addressed market operators' governance, shareholders and organisation.

MiFID has since been replaced by MiFID II, which has been transposed into the national law of the Member States. By way of example, in the UK, the transposition was mainly effected through amendments to the Financial Services and Markets Act 2000 and related instruments and regulatory rules.

Some of the key changes brought about by MiFID II and MiFIR focus on market infrastructure. These include, for example, requirements for transparent and non-discriminatory access by trading venues and CCPs to other trading venues and CCPs, the extension of pre and post trade transparency to non-equities markets, extension of and changes to the transaction reporting regime and requirements relating to the provision and publication of market data.

Market Abuse

The current market abuse regime under MAR directly applies to all EU Member States. MAR is complemented by CSMAD. The UK has opted out of CSMAD.

One of the key developments for operators of exchanges and other trading venues is that MAR introduced an express obligation on them to establish and maintain effective arrangements, systems and procedures aimed at preventing and detecting insider dealing and market manipulation. Operators must report all transactions and orders (including any cancellations or modifications) that could constitute insider dealing or market manipulation to competent authorities without delay. In addition, the scope of MAR now extends to instruments traded on trading venues other than regulated markets, as well as to additional types of products and instruments. Manipulation of certain benchmarks is also within the scope of MAR.

EMIR and Interoperability

EMIR imposes various requirements on CCPs, trade repositories and counterparties to derivative contracts. EMIR in particular imposes organisational requirements on CCPs, for instance as regards board composition, the establishment of an independent risk function and default management arrangements (including the CCP's own contribution in case of default of a clearing member that is not covered by the defaulting clearing members' resources). These include requirements in relation to "interoperability arrangements" which involve CCPs establishing arrangements with each other so that a counterparty using one CCP may execute a trade with a counterparty that has chosen a different CCP.

EMIR seeks to reduce the additional risks resulting from interoperability arrangements by restricting the circumstances in which CCPs may enter into such arrangements. Under EMIR, CCPs may only enter into interoperability arrangements where certain risk management and approval requirements are met, such as the provision of margin between interoperating CCPs and additional risk monitoring and management processes.

The European CCPs in LSEG are licensed and regulated under EMIR. Several aspects of EMIR which are relevant to the regulation of LSEG's CCPs were reviewed by the EC.

The EC has also published a proposal for a recovery and resolution regime for CCPs in the EU. This proposal, if implemented, could lead to increased costs for CCPs and, if resolution authorities identify barriers to

resolution, requirements on CCPs to take appropriate measures to address such barriers, including changes to operational or legal structure or to its pre-funded loss-absorbing resources.

In May and June 2017, the EC issued two proposals, respectively to review: (i) EMIR transaction-level requirements; and (ii) the supervisory framework applicable to EU and third country CCPs (which, following Brexit, should include UK CCPs such as LCH Limited). These reviews and, in particular, the proposal to introduce the option to impose enhanced supervision and potentially deny the recognition to third country CCPs that are systemically important for the financial stability of the EU or one of its Member States (“**Tier 2 CCPs**”), could have a negative impact on LSEG’s CCPs. While the rules are yet to be finalised, the proposals, will subject Tier 2 CCPs to EMIR requirements for CCPs (or their home state rules if these are considered comparable), to direct supervision by ESMA and to certain potential additional requirements imposed by the EU Central Banks of Issue. In parallel, the Governing Council of the ECB has adopted a recommendation to amend Article 22 of the Statute of the European System of Central Banks and of the European Central Bank. The amendment would have provided the ECB with a clear legal competence in the area of central clearing, which would pave the way for the Eurosystem to exercise the powers that are foreseen for central banks issuing a currency under the review of EMIR proposed by the EC. However, the ECB withdrew its recommendation to amend Article 22 of the Statute of the European System of Central Banks and of the European Central Bank and does not pursue, at this stage, additional legal competence in the area of central clearing.

Single Supervisory Mechanism

The Single Supervisory Mechanism (“**SSM**”) impacts the regulation of LSEG’s entities located in the Eurozone that are licensed as credit institutions such as LCH SA. The SSM confers on the ECB the competence to carry out, in co-operation with national competent authorities (“**NCAs**”), key supervisory tasks for credit institutions in the participating EU Member States, being the current members of the Eurozone. It also provides the ECB with far-ranging investigatory and enforcement powers. The ECB directly supervises significant institutions, while less significant institutions continue to be directly supervised by the national competent authorities, under the oversight of the ECB. Currently, all entities within LSEG, located in the Eurozone, that are authorised as credit institutions qualify as less significant institutions and are thus not under the direct supervision of the ECB. However, through regulations, guidelines and general instructions addressed to the NCAs, the ECB can exercise indirect supervision on these less significant institutions.

Benchmarks

Responding to allegations of manipulation of LIBOR and EURIBOR, since 2012 in particular, the EC passed new legislation on indexes used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, in the form of the Benchmark Regulation. Certain entities within LSEG are regulated as benchmark administrators under the Benchmark Regulation.

The Benchmark Regulation imposes obligations in respect of: (i) the provision of benchmarks; (ii) the contribution of input data to a benchmark; and (iii) the use of a benchmark. Of particular relevance to LSEG, the Benchmark Regulation requires the authorisation of, and imposes governance and control requirements on, benchmark administrators, i.e., persons who have control over the provision of a benchmark.

*Bank Recovery and Resolution Directive (“**BRRD**”), Single Resolution Mechanism (“**SRM**”) and potential legislation on recovery and resolution of financial market infrastructures*

The BRRD, which applies to credit institutions and certain investment firms and their groups, provides for the introduction of a package of minimum early intervention and resolution-related tools and powers (including the power to bail-in eligible liabilities) for relevant authorities in Member States and for special rules for cross-border groups, along with rules on recovery and resolution planning. With several adaptations, the BRRD applies to LCH SA as it is licensed as a credit institution. The BRRD additionally introduced rules on minimum requirements for own funds and eligible liabilities. The minimum requirements, which are to be set by the competent authorities with regard to each institution, are designed to ensure that institutions always hold sufficient liabilities so that the bail-in tool can be used effectively in case of their resolution. The technical standards drafted by the European Banking Authority setting out the requirements in more detail apply in this regard since they were adopted by the EC.

The BRRD has been transposed into the national law of the Member States. By way of example, it has been implemented in the UK, *inter alia*, by amendments to the Banking Act 2009.

The SRM, which applies to all credit institutions in the Eurozone, provides for bank resolution (including resolution planning) to be managed through a Single Resolution Board (“**SRB**”) and a single resolution fund,

which is financed by the banking sector. Within the SRM, the SRB is competent for resolution planning and resolution, mainly with regard to banks directly supervised by the ECB. For the remaining institutions, the national resolution authorities remain responsible under the oversight of the SRB.

Central Securities Depositories Regulation (“CSDR”)

The CSDR, which was adopted in 2014, creates a uniform European regulatory framework for CSDs for the first time, including a uniform authorisation process that required CSDs operating under national authorisations to renew their licence under the harmonised framework in September 2017. Moreover, the CSDR introduced an obligation of dematerialisation for most securities (meaning that financial instruments exist only as book entry records), harmonised settlement periods for most transactions in such securities and settlement discipline measures. Another consequence of CSDR is that CSDs are required to reapply for authorisation for additional licences to provide banking-type ancillary services. Several of these obligations are however, not yet applicable.

The EC and ESMA were tasked with specifying the requirements in additional technical standards. ESMA released draft regulatory technical standards in relation to the settlement discipline regime as well internal rules and authorisation requirements. These provisions were accepted by the EC and published in the Official Journal.

Uncleared Margin Rules (“UMRs”)

Under the UMRs, certain uncleared OTC derivatives are subject to initial and variation margin requirements. The UMRs are currently being phased in. The Basel Committee on Banking Supervision and the International Organisation of Securities Commissions have agreed to extend by a year the final implementation of the margin requirements to September 2021, although as at the date of this document, the deadline within the EU is September 2020. Cleared instruments such as exchange traded derivatives and centrally-cleared OTC swaps are not within the scope of the UMRs.

Brexit

For further information in relation to Brexit, please refer to Part II (*Risk Factors*), of this document, and the risk factor under the heading “*Uncertainty regarding Brexit and the outcome of future arrangements between the EU and the United Kingdom could have a material adverse effect on LSEG and Refinitiv, and therefore the Combined Business*”.

Regulatory and legal environment in the US

LSEG’s entities currently operate various market infrastructure providers in the US, including: (i) two DCOs and a foreign board of trade (“**FBOT**”), all registered with the CFTC; (ii) a clearing agency registered with the Securities and Exchange Commission (“**SEC**”); and (iii) a brokerage firm registered with the SEC, the Financial Industry Regulatory Authority (“**FINRA**”) and 50 states and 2 territories of the US.

Various agencies and regulatory bodies of the US federal government have taken, and continue to take, actions to address the 2008 financial crisis and its aftermath. These actions include, but are not limited to, the enactment of Dodd-Frank, which was signed into law on 21 July 2010 and which imposes a new regulatory framework on the US financial services industry and the securities and commodity derivatives markets in particular. Dodd-Frank mandates that prudential banking regulators (including the Board of Governors of the Federal Reserve System), the SEC and the CFTC issue implementing rules and regulations. The regulators have adopted a substantial number of these rules and regulations, but several significant rules remain in proposed form. As a result, the compliance dates of certain rules and regulations have been deferred.

These changes, individually or collectively, have altered, and will continue to alter, the manner in which LSEG’s US registered entities operate, particularly when considered cumulatively with similar legislative and regulatory initiatives in Europe and elsewhere in the world. The cumulative effect of these recent regulatory changes and the related costs of compliance are uncertain at this time.

The reform of the financial system has affected, among other areas, the regulation of CCPs and broker-dealers. These regulatory changes include, but are not limited to, the following:

Derivatives clearing organisations (“DCOs”)

Title VII of Dodd-Frank has amended the Commodity Exchange Act in significant respects to address all aspects of the trading and clearing of derivatives. It establishes a trading and clearing mandate for those categories of swaps designated by the CFTC as subject to mandatory clearing (currently, certain categories of

interest rate swaps and credit default swaps). Pursuant to Title VII of Dodd-Frank, the CFTC has adopted a range of new regulatory requirements relating to the classification of swaps, the obligation to trade certain categories of swaps on regulated trading platforms known as designated contract markets (“**DCMs**”) and SEFs, the registration of market participants who trade material amounts of swaps or make a market in swaps as major swap participants or swap dealers (“**SDs**”), the operation of DCOs, the reporting of swap transaction information to registered swap data repositories (“**SDRs**”) and documentation requirements and responsibilities relating to the foregoing.

Section 725(c) of Dodd-Frank (which amended Section 5b(c)(2) of the Commodity Exchange Act) sets forth core principles with which a DCO must comply. The implementing regulations establish standards for compliance, financial resources/capital, participant and product eligibility, risk management, settlement procedures, treatment of funds, default rules and procedures, rule enforcement, system safeguards, reporting, record-keeping, public information, information sharing, merger control considerations and legal risk.

In February 2016 the CFTC and EC announced a common approach regarding requirements for CCPs. The agreement is designed to ensure that European CCPs and US CCPs will be able to continue to provide services to counterparties located in the US and the EU, respectively. On 15 March 2016, the EC adopted an equivalence decision under EMIR with respect to CFTC requirements (Commission Implementing Decision (EU) 2016/377), which applies from 5 April 2016. A number of US CCPs have since applied for and been recognised under EMIR. Once recognised, US CCPs may continue to provide clearing services to clearing members of trading venues in the EU within the terms of ESMA’s recognition, subject principally to compliance with applicable US requirements. At the same time, on 16 March 2016, the CFTC approved a substituted compliance framework for dually-registered CCPs located in the EU, together with a comparability determination with respect to certain EU rules. The determination became effective upon official publication on 22 March 2016. The determination will permit EU CCPs already registered with the CFTC as DCOs and those seeking registration to provide services to US clearing members and clients while complying with certain corresponding EU requirements set forth in EMIR. Simultaneously, the CFTC issued a no-action letter (No. 16-26 of 16 March 2016) providing limited relief for DCO/CCPs from the application of CFTC regulations to discrete aspects of a DCO/CCP’s non-US clearing activities. Two CCPs in LSEG, namely LCH Limited and LCH SA, are both dual-regulated notwithstanding this regime. More recently, in July 2019, the CFTC published for comment two proposals intended to reduce the regulatory obligations to which certain registered DCOs located outside of the US would be subject. The relief provided under the proposals would be available to a DCO/CCP that is subject to comparable, comprehensive supervision and regulation by its home country regulator and that is not deemed to pose a substantial risk to the US financial system. A non-US DCO/CCP would be deemed to pose a substantial risk to the US financial system if: (i) the DCO/CCP holds 20 per cent. or more of the required initial margin of US clearing members for swaps across all registered and exempt DCOs; and (ii) 20 per cent. or more of the initial margin requirements for swaps at that clearing organization is attributable to US clearing members. Final CFTC action on the proposals is uncertain although it is unlikely that the impact of the proposals on LSEG will be material.

*Foreign Boards of Trade (“**FBOTs**”)*

FBOTs are subject to a new registration system under Dodd-Frank and no longer rely on a no-action process to operate. In determining whether to register an FBOT, the CFTC evaluates whether the FBOT’s home regulatory authority oversees the FBOT in a manner that is comparable to the CFTC’s oversight of DCMs, and specifically whether the FBOT’s regulator supports and enforces regulatory objectives that are substantially equivalent to those supported and enforced by the CFTC, such as prevention of market manipulation and safeguards against customer and market abuse. The new application procedures and registration requirements ensure that the process by which FBOTs are permitted to provide members and other participants located in the US with direct access to their trading systems is standardised, fair and consistent to registration applicants and transparent to the general public.

Clearing Agencies

Clearing agencies are subject to multiple regulatory regimes. Any clearing agency that clears or settles securities and security-based swaps (“**SBS**”), including single-name credit-default swaps, is required to register with the SEC under section 17A of the Securities Exchange Act of 1934 and under Title VII of Dodd-Frank. The clearing of SBS is subject to rules similar but not identical to those applicable to DCOs in respect of swaps. Several proposed rules have not been finalised, and the compliance date of other rules have been deferred as a result.

In addition, Title VIII of Dodd-Frank gives the Board of Governors of the Federal Reserve new authority with respect to the risk management of clearing agencies designated as systemically important by the FSOC. In the case of a clearing agency that is regulated by the SEC and is also regulated by the CFTC as a DCO, only one regulator will be the supervisory agency authorised to prescribe and implement the enhanced risk management standards under Title VIII. The Federal Reserve may review the SEC's prudential requirements for clearing agencies, and if it determines that the SEC's prudential requirements are insufficient, it may formally recommend new risk management standards for the SEC to adopt. There are currently no CCPs within LSEG that have been designated as systemically important.

The SEC has adopted final rules establishing minimum standards for the operation, governance, and risk management practices of registered clearing agencies, including clearing agencies designated as systemically important. The SEC has also adopted final rules that establish a process for clearing agencies to provide information to the SEC about SBS swaps that the clearing agencies plan to accept for clearing. It has also adopted prudential rules enhancing the oversight of systemically important clearing agencies or those that engage in complex transactions, such as SBS. The SEC has also finalised its regime for the reporting and public dissemination of SBS transaction data to SBS repositories ("**Regulation SBSR**"). However, the compliance date of Regulation SBSR has been deferred.

Broker-dealers

Broker-dealers are subject to registration and other requirements under the Securities Exchange Act of 1934. They are subject to supervision and enforcement by the SEC and must also maintain registration with FINRA as a self-regulatory organisation. SEC and FINRA rules and regulations and guidelines are subject to frequent changes. In addition, those rules and guidelines continue to evolve through regulatory notices and interpretive, exemptive and no-action letters.

LSEG's US registered broker dealer is subject to extensive regulatory requirements that apply to all aspects of its business activity, including: capital requirements; the use and safekeeping of customer funds and securities; the suitability of customer investments; record-keeping and reporting requirements; employee-related matters; limitations on extensions of credit in securities transactions; prevention and detection of money laundering and terrorist financing; procedures relating to research analyst independence; procedures for the clearance and settlement of trades; and communications with the public. The US registered broker-dealer is also subject to the SEC's net capital rule, which requires broker-dealers to maintain a specified level of minimum net capital in relatively liquid form, as well as the net capital requirements of FINRA and, in some cases, other self-regulatory organisations.

In August 2015, the SEC adopted final rules relating to the process for SBS dealers and major SBS participants to register with the SEC. In addition to addressing the registration process, the final rules contain additional requirements for non-US SBS dealers and major SBS participants that are intended to promote the ability of the SEC to obtain access to books and records and conduct examinations.

Dodd-Frank expands the extraterritorial jurisdiction of US courts over actions brought by the SEC or the US with respect to violations of the antifraud provisions in the Securities Act of 1933, the Securities Exchange Act of 1934 and the US Investment Advisers Act of 1940 (the "**Advisers Act**"). It also provides that the SEC may require that all broker-dealers, when providing personalised investment advice about securities to retail customers (and any other customers as the SEC may by rule provide) will be subject to the same standard of conduct applicable to an investment adviser under the Advisers Act. In June 2019, the SEC adopted Regulation Best Interest, which will require broker-dealers to act in the best interest of a retail customer when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. Regulation Best Interest is intended to enhance the broker dealer standard of conduct beyond existing suitability obligations and make it clear that a broker-dealer may not put its financial interests ahead of the interests of a retail customer when making recommendations. The compliance date for Regulation Best Interest is 30 June 2020.

Cross-border effects of US derivatives regulation

The interplay between the US and EU regulatory frameworks relating to derivatives trading is uncertain. The equivalence regime is in its nascent stages. MiFIR will require certain derivative transactions between financial counterparties (such as, amongst others, investment firms, credit institutions and insurance companies) and/or certain non-financial counterparties (established in the EU and whose transactions in OTC derivative contracts exceed EMIR's prescribed clearing threshold) in sufficiently liquid derivatives to be executed on a qualifying EU trading venue or a trading venue located in a third country that has been declared equivalent by the EC for

such purposes and that meets the requirements of the MiFID II/MiFIR regime. This trading obligation will also apply to counterparties which enter into derivatives that have been declared subject to the trading obligation with non-EU financial institutions or other non-EU entities that would be subject to the clearing obligation if they were established in the EU. It will further apply to non-EU entities that would be subject to the clearing obligation if they were established in the EU, which enter into derivatives transactions pertaining to a class of derivatives that has been declared subject to the trading obligation, provided that the contract has a direct, substantial and foreseeable effect within the EU or where such obligation is necessary or appropriate to prevent the evasion of any provision of MiFIR. The Dodd-Frank framework for derivatives, for its part, applies to any transaction in which a US nexus is present, with limited recourse to substituted compliance or considerations of equivalence. Broadly, where a US person is involved in a transaction, the Dodd-Frank framework applies a series of entity and transaction-level requirements to the relevant swap.

Although the CFTC has adopted final rules implementing a substantial portion of Dodd-Frank's requirements with respect to swaps, CFTC regulation and its interpretation continues to evolve and uncertainties remain, particularly with regard to the extraterritorial application of CFTC regulations.

The SEC has finalised a more limited portion of its Dodd-Frank rulemaking with respect to SBS, and generally is finalising rules on extraterritorial application in tandem with each particular area of substantive regulation.

SECTION B: INDUSTRY, COMPETITION, REGULATORY AND LEGAL FRAMEWORKS IN WHICH REFINITIV OPERATES

Industry and Competition

Industry Overview

Refinitiv is a global provider of financial markets data and infrastructure, serving over 40,000 institutions in approximately 190 countries. Refinitiv offers data and insights, trading platforms, and open data and technology platforms that connect a thriving global financial markets community, driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.

In particular, Refinitiv's Data Platform and Workspace segment provides clients with information, analytics and data products that inform investment decisions and capital allocation. Refinitiv's Venues & Transactions segment also equips customers with trading venues across multiple asset classes, such as FX and fixed income, and multi-asset class workflow solutions, such as order management and execution management systems. Finally, Refinitiv's Risk segment offers services that address the compliance and regulatory needs of its customers, in particular, around due diligence compliance processes, client on-boarding and other financial crime risk management programs.

Data Platform and Workspace

Refinitiv's Data Platform and Workspace segment offers market data and information services focused on producing, collecting, refining, analysing, marketing and distributing financial and non-financial data to financial market participants. These information services come in various forms, including real time and trading data (for example order book information, price data and trading volumes and statistics), market and company news and research, analytics products, non-real time data feed services including pricing, reference and valuation data products, as well as the development, calculation and dissemination of indexes and benchmark rates.

Venues & Transactions

Refinitiv's Venue & Transactions segment operates leading OTC trading venues within the FX markets, enabling trading for various types of participants across a wide range of financial instruments, from spot to derivatives. The Venues & Transactions segment also:

- offers fixed income OTC trading through its approximate 54 per cent. economic interest in Tradeweb, which offers electronic marketplaces for trading fixed income, derivatives, money market and equity products, connecting major investment banks with institutional customers;
- has a dealer-to-dealer trading platform, as well as a retail platform, again through Tradeweb, including Tradeweb Direct;
- offers workflow tools to support clients' capital markets activities across multiple asset classes, including order management and trading execution management systems; and
- addresses wealth management advisors' needs with a complete suite of integrated, intelligent solutions to manage retail brokerage operations including workflow and productivity tools, transaction processing, reporting and archiving and data delivery (this solution, BETA, is available in the US only).

Risk

Refinitiv's Risk segment provides a range of risk related solutions, which support clients' compliance and regulatory needs. These solutions allow clients to detect, assess and minimise money laundering risks, allow them to prevent KYC fraud and address supplier, partner and distributor risks, and also enable audit, compliance and operational risk processes to help customers mitigate risk.

Market Trends

A number of high level trends continue to impact Refinitiv's industry and shape its strategy and plans, as described under the heading "*Market Trends*", in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document, and are as follows: (i) global trading driven by the growth and redistribution of global wealth; (ii) increasing demand for multi-asset class solutions and coverage across the investment value

chain; (iii) digitisation, AI and automation driving demand for data-driven solutions; and (iv) continued regulatory change.

Global trading driven by the growth and redistribution of global wealth

For detail in respect of this market trend, please refer to the paragraph headed “*Global trading driven by the growth and redistribution of global wealth*”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document.

Implications for Refinitiv: As a leader in market and financial data, news, analytics and workflow solutions that serve as a key infrastructure for the trading and investment markets, Refinitiv benefits from an increasingly global customer base, which results in a large volume of transactions passing through its systems daily. Refinitiv also has an established presence across emerging markets globally, making it well positioned to capitalise on opportunities, including the electrification of trading and a growing buy-side segment. Refinitiv has a track record of investing across emerging markets to ensure it retains highly rated content and capabilities, such as FXT, a leading FX desktop, and Dealing, a global professional trading community with more than 16,000 trading professionals around the world. Refinitiv has also invested in emerging market-specific applications such as the Auctions app on Refinitiv Workspace, to help central banks, finance ministries and corporations manage their fixed income and FX issuance processes electronically.

Increasing demand for multi-asset class solutions and coverage across the investment value chain

For detail in respect of this market trend, please refer to the paragraph headed “*Increasing demand for multi-asset class solutions and coverage across the investment value chain*”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document.

Implications for Refinitiv: The electrification of trading, particularly in the OTC markets, is leading to greater trading volumes on Refinitiv’s electronic trading platforms in its Venues & Transactions segment, especially for Tradeweb, Matching and FXall. It is also leading to improved adoption of its workflow solutions, such as REDI Technologies, as well as increased demand for more and better data through the pre trade and post-trade stages, provided by Refinitiv Data Platform and Workspace. Sell-side pressure to reduce costs is leading clients to seek purpose-built solutions, such as Refinitiv Workspace. Additionally, the demand of wealth management firms for desktop solutions, such as Thomson Reuters Knowledge Direct’s data feeds, to navigate the increasingly complex financial ecosystem and to remain competitive is increasing demand for Refinitiv’s applications. Refinitiv is well-positioned to aggregate, organise and distribute data to its customers, covering multiple asset classes across the investment value chain, in response to this demand. This trend may also present an opportunity for adoption of the latest Refinitiv Workspace solutions, as the need for Refinitiv’s data and content accelerates.

Digitisation, AI and automation driving demand for data-driven solutions

For detail in respect of this market trend, please refer to the paragraph headed “*Digitisation, AI and automation driving demand for data-driven solutions*”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document.

Implications for Refinitiv: A need for greater and more accurate data is increasing demand for Refinitiv’s Data Platform and Workspace offerings. Refinitiv’s offering targeted at investment managers and buy-side professionals, such as Refinitiv Workspace, Datastream and Starmine, is expected to perform well given investment managers’ need to access data and quantitative analytics to support their investment strategies. Refinitiv benefits from high retention rates for feeds used in client systems and workflows. Technological development has also created new opportunities for Refinitiv, in particular driving an increasing emphasis on a fully integrated workflow with sophisticated analytics. Refinitiv will continue to take advantage of this trend through continued investment in Refinitiv Data Platform and Workspace, to further leverage the developer community and its platform tools, as well as its extensive network of third-party partnerships. Cloud storage and computing power available on demand offer a way to reduce costs and for customers to consume Refinitiv’s data in a more agile, flexible and integrated way. This is also driving business opportunities from machine learning and AI, driving consumption of and the desire for, access to data from, multiple sources, combined with demand for sophisticated data analytics, offering new use cases. Refinitiv expects to continue to shift to an open platform and cloud-based workflow solution.

Continued regulatory change

The following points set out LSEG's assessment of likely regulatory changes and their implications for Refinitiv.

- *Brexit update:* In respect of Refinitiv's Venues and Transactions segment, Refinitiv established Financial & Risk Transaction Services Ireland Limited ("**FRTSIL**") in Ireland. FRTSIL has obtained authorisation from the Central Bank of Ireland as an investment firm operating an MTF. FRTSIL has also entered the Temporary Permission Regime in the UK. Accordingly, Refinitiv will be able to continue to access the European and UK markets irrespective of the outcome of the Brexit negotiations between the UK and the EEA. FRTSIL has also obtained a number of secondary licences in other jurisdictions including, but not limited to, Hong Kong, Singapore, Switzerland, Australia and Canada. Accordingly, FRTSIL is licensed to provide services to EEA and UK clients as well as clients located in other key jurisdictions. FRTSIL has been providing access to such clients since 30 September 2019. Additionally, Tradeweb established Tradeweb EU B.V. in the Netherlands. Tradeweb EU B.V. has obtained authorisation in the Netherlands from the Netherlands Authority for the Financial Markets and the De Nederlandsche Bank as an investment firm operating an MTF and an OTF. Tradeweb EU B.V. started servicing clients in January 2019. The operations of these new trading venues permit Refinitiv to continue to access EEA, as well as UK-based market participants intending to access Refinitiv's venues. In relation to Refinitiv's benchmark business, Refinitiv is currently authorised in the UK as a benchmark administrator under the EU Benchmark Regulation. The UK benchmark administrator is considering contingency measures for a Hard Brexit. The EU Benchmark Regulation provides for a transitional period, initially running until 1 January 2020 (but this may be further extended including as a result of the UK benchmark administrator becoming a third-country/non-EU administrator as a result of Brexit), during which firms involved in benchmark administration are able to continue providing benchmarks to supervised entities until they apply for authorisation or registration. Therefore, in the event of a Hard Brexit, there may be a longer period to implement contingency measures for benchmark administrators.

Implications for Refinitiv: As part of a structured Brexit programme formed by Refinitiv, it continues to engage with UK and EU Brexit policy leads on financial market infrastructure considerations. Refinitiv's key objectives are: (i) continued access for clients to its trading venues; (ii) providing continuity of cross-border financial services; and (iii) planning for potential changes in the Benchmark Regulation regime. Refinitiv continues to maintain an ongoing dialogue with the UK, the EU and other authorities with respect to Brexit.

- *Cross-border market access:* For details in respect of cross-border market access, please refer to the paragraph headed "*Continued regulatory change*", in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory change also applies to Refinitiv.

Implications for Refinitiv: As a global financial market infrastructure business, market access rules impact how customers across jurisdictions access Refinitiv's products and services. Refinitiv promotes harmonisation and cross-border rules that support open and global markets. Refinitiv remains closely engaged with authorities at national and multilateral levels to promote open, cross-border access to its global offerings.

- *Benchmark regulation:* for details in respect of the Benchmark Regulation, please refer to the paragraph headed "*Continued regulatory change*", in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory change also applies to Refinitiv.

Implications for Refinitiv: Refinitiv Benchmark Services (UK) Limited ("**RBSL**") is a global benchmarks provider and is authorised by the FCA as a benchmark administrator under the Benchmark Regulation. Refinitiv views the Benchmark Regulation positively, as it raises standards across the industry. RBSL is constantly monitoring the changing regulatory landscape to facilitate the widest possible consumption of its benchmarks and related services.

- *Market changes and reforms in Asia:* A number of jurisdictions across Asia (e.g., Indonesia, India and China) are implementing new legislative and regulatory changes for undertaking business in their respective jurisdictions. Examples of such changes include, but are not limited to, requirements to establish a local office or subsidiary where a company has operations in the jurisdiction, ensuring dedicated senior management oversight of the relevant business, complying with additional reporting requirements and introducing personal data protection laws.

Implications for Refinitiv: Such changes are closely monitored by Refinitiv, who have frequent and open dialogue with regulators and legislative authorities in these jurisdictions. Refinitiv closely monitors the impact of these changes and, in situations where changes to its businesses may be required, such decisions are carefully considered and implemented accordingly. Examples of such changes include, but are not limited to, the establishment of a local office or subsidiary, ensuring dedicated senior management oversight, and complying with additional reporting requirements.

- *Outsourcing:* In recent years, authorities in a number of jurisdictions have introduced new or stricter rules and regulations regarding outsourcing of critical activities by regulated entities. For instance, MiFID II has introduced detailed requirements associated with outsourcing, including in relation to the terms of outsourcing agreements, rights of termination, rights of information and rights to inspect and access books and premises of service providers. In addition, there is increased oversight of outsourcing arrangements and outsourcing service providers. The FCA referred to outsourcing as a particular area of supervisory focus in January 2019.

Implications for Refinitiv: Changes in rules and regulations affecting outsourcing arrangements have implications for Refinitiv both as a regulated financial services provider and also as a provider of outsourced services to other regulated financial services providers. Accordingly, Refinitiv continues to monitor and engage with regulators on changes to the rules and regulations affecting outsourcing arrangements and intends to change its processes and products and services to comply with any amended requirements in this area.

- *Open Access:* for details in respect of Open Access, please refer to the paragraph headed “*Continued regulatory change*”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory change also applies to Refinitiv.

Implications for Refinitiv: Refinitiv is currently in compliance with the Open Access requirements applicable under MiFIR. Tradeweb’s EU trading venues provide trade feeds to clearing houses authorised and/or recognised in the EU that wish to clear transactions in financial instruments traded on its trading venues. Pursuant to MiFIR’s provisions on access to benchmarks, Refinitiv also provides information relating to the benchmarks it operates to trading venues outside of the Refinitiv group on a non-discriminatory basis.

- *Emerging technology:* for details in respect of emerging technology, please refer to the paragraph headed “*Continued regulatory change*”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory change also applies to Refinitiv.

Implications for Refinitiv: Regulatory initiatives related to emerging technology have various implications for Refinitiv’s operations and services. These include compliance obligations in relation to the services that Refinitiv provides to its customers. Refinitiv continues to monitor and engage with regulators and leading industry working groups on these matters and in relation to the development of applicable regulatory frameworks. Refinitiv also works closely with potential new entrants and closely monitors market trends in the emerging technology space.

- *Operational resilience and cyber security:* for details in respect of operational resilience and cyber security, please refer to the paragraph headed “*Continued regulatory change*”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory change also applies to Refinitiv.

Implications for Refinitiv: One of Refinitiv’s priorities is to continue to invest to ensure cyber resilience and compliance with applicable regulations. Refinitiv has in place significant data and cyber operational controls and standards, in order to comply with the current cyber and data protection requirements of applicable regulations. Refinitiv continues to monitor and engage with regulators and leading industry working groups on the development of regulatory frameworks and appropriate harmonisation of standards across jurisdictions.

Competition

Refinitiv's business is subject to intense competition across all markets for all of its products, with competitors ranging in size from smaller, highly specialised, single-product businesses to multi-billion dollar companies. Refinitiv's main competitors are identified below:

- Refinitiv's Data Platform and Workspace segment competes with a wide range of large and specialist providers which primarily include Bloomberg, FactSet, S&P Global (including its Market Intelligence business), FIS, ICE Data Services, SIX Financial, Dow Jones, and some new entrants, such as Money.net, Symphony, OpenFin and Xignite.
- Brands and product lines within Refinitiv's Venues & Transactions segment compete with a wide range of competitors. The segment's foreign exchange solutions primarily compete with large inter-dealer brokers, such as NEX Group's (formerly ICAP's) EBS platform, State Street's Currenex and Deutsche Borse's 360T, Bloomberg, and other electronic communication networks such as State Street's FXConnect. The segment also competes with single-dealer portals and bank voice execution for volume. Tradeweb's principal competitors in its institutional client sector include, among others, MarketAxess and Bloomberg. Tradeweb's retail and wholesale marketplaces also face competition from the principal venues in those areas, including ICE and CME/NEX. REDI Technologies' execution management capabilities' principal competitors include Bloomberg, ITG, FlexTrade and Portware (owned by FactSet). BETA's principal competitors include Pershing and Broadridge.
- Refinitiv's Risk segment competes with a wide variety of global, regional and niche competitors. The Risk segment's key competitors include Dow Jones (which is owned by News Corp.) and LexisNexis (which is owned by RELX Group).

The breadth and depth of Refinitiv's suite of products and applications offer benefits to its customers and, in response, Refinitiv's competitors are making investments to improve existing, and develop new, products, services and technology to attract new business. Key aspects of Refinitiv's current competitive landscape are summarised below:

- New and emerging technologies can allow start-up companies to enter the market more quickly than they would have been able to in the past.
- International competitors are targeting and entering the US market with great force.
- Smaller and newer competitors are seeking to differentiate themselves from the breadth of Refinitiv's offerings through specialisation. As a result, these competitors may be able to adopt new or emerging technologies, including AI and analytic capabilities, or address customer requirements more quickly.
- Some competitors are aggressively marketing their products as a lower cost alternative and offering price incentives to acquire new business.
- To better serve the needs of their existing customers and to attract new customers, competitors continue to enhance, invest and improve their products and services (such as by adding new content and functionalities), develop new products and services, compete aggressively on price, invest in technology, and acquire additional businesses and partner with other businesses in key sectors to allow them to offer a broader array of products and services.

The market segments for Refinitiv's data, information, software, services and products are highly competitive and are subject to rapid technological changes and evolving customer demands and needs. In this competitive landscape, commercial concessions including discounting list prices or additional investments might be required. Refinitiv will need to continue to work hard to address these changing customer needs in an evolving regulatory and technological landscape.

Regulatory and Legal Environment

Refinitiv is subject to a number of US federal and state laws, as well as laws and regulations in other jurisdictions. In addition, a number of Refinitiv entities are regulated in other jurisdictions. Each regulated entity has licences in jurisdictions in which, and in some cases into which, it undertakes business or offers services. Refinitiv also has a number of businesses which, while not regulated, provide services to regulated clients for whom Refinitiv applies an appropriate programme of compliance to assist them in meeting their own regulatory obligations. Various Refinitiv entities are subject to regulations that provide broad regulatory, administrative and enforcement powers to supervisory agencies of the jurisdictions in which they operate. Refinitiv is subject to the rules and regulations administered by, but not limited to, the FCA, the SEC, the

Central Bank of Ireland, the CFTC, the Australian Securities and Investment Commission, the Hong Kong Monetary Authority, the Hong Kong Securities & Futures Commission, the Japanese Financial Services Agency, the Bank Negara Malaysia, the Monetary Authority of Singapore, the Swiss Financial Market Supervisory Authority and regulatory authorities in various Canadian provinces.

In addition to the regulators summarised above, Refinitiv is also subject to regulation by self-regulatory organisations such as FINRA and the National Futures Association (“NFA”), as well as various national and local securities, and other regulators (such as regulatory agencies and bodies like the US Department of Labor) in the US and other foreign jurisdictions where it does business.

The regulatory environment in which Refinitiv’s businesses operate remains subject to change and heightened regulatory scrutiny. Regulatory developments globally have resulted, or are expected to result in, greater regulatory oversight and internal compliance obligations for firms across the financial services industry. In addition, there is enhanced legislative and regulatory oversight regarding aspects of Refinitiv’s business, including the operation of trading venues and the administration of benchmarks. These legal and regulatory changes have impacted, and may in the future impact, the manner in which Refinitiv is regulated and the manner in which it operates and governs its businesses.

The discussion set out below provides a general overview of the primary laws and regulations impacting Refinitiv’s businesses. Certain Refinitiv subsidiaries may be subject to one or more elements of this regulatory framework depending on the nature of their businesses, the products and services they provide or the geographic locations in which they operate. To the extent the discussion includes references to statutory and regulatory provisions, such references are to those statutory and regulatory provisions only and to their provisions as at the Latest Practicable Date.

Regulatory and legal environment in the EEA

Certain Refinitiv subsidiaries are required to comply with EU financial services legislation. There is enhanced legislative and regulatory oversight regarding financial services across international markets, including in the EU.

Certain Refinitiv subsidiaries in the UK, Ireland and the Netherlands are investment firms which are authorised to conduct financial services business under national laws implementing MiFID II. Such subsidiaries are regulated by the relevant national authority in their member state, and are subject to rules which impose certain capital, operational and compliance requirements and allow for disciplinary action in the event of non-compliance.

Refinitiv also has a UK subsidiary authorised by the FCA as a benchmark administrator. This authorisation has been granted under the EU Benchmark Regulation and the UK subsidiary is subject to the operational and compliance requirements of the EU Benchmarks Regulation and to the oversight of the FCA.

The regulatory framework in which Refinitiv operates in the EEA is derived from EU directives and regulations in the financial services area. EU directives do not automatically apply throughout the EEA and must be implemented into the national laws of EEA member states, by such member states. EU regulations have direct effect in EU member states (though this is not the case for Iceland, Liechtenstein and Norway). There may be differences in approach and/or additional national requirements as regards the implementation and supervision of such EU legislation. A non-exhaustive list of the key aspects of the EEA regulatory framework applicable to Refinitiv are summarised in the following paragraphs.

MiFID, MiFID II and MiFIR

Please refer to the paragraphs headed “*MiFID, MiFID II and MiFIR*”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory framework applies to Refinitiv as well as LSEG.

In addition, MiFID II and MiFIR have introduced a regime for the authorisation and regulation of data reporting services. MiFID II and MiFIR created a passporting framework for authorised data reporting service providers. Such service providers include persons authorised to provide the service of publishing trade reports on behalf of investment firms pursuant to their post trade transparency obligations. A number of Refinitiv entities are regulated under MiFID II and MiFIR. Refinitiv Transaction Services Limited, Tradeweb Europe Limited, Financial & Risk Transaction Services Ireland Limited and Tradeweb EU BV are entities within the Refinitiv group that are regulated as investment firms authorised to operate trading venues under MiFID II and MiFIR. The requirements under MiFID II and MiFIR in relation to trading venues include requirements relating to transparency and non-discriminatory access given to CCPs and pre and post trade transparency requirements.

In addition, Tradeweb Europe Limited and Tradeweb EU BV are regulated as data reporting service providers under MiFID II and MiFIR and are subject to various additional requirements, including requirements relating to the provision of market data on a non-discriminatory and reasonable commercial basis.

Market Abuse

Please refer to the paragraph headed “Market Abuse”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory framework applies to Refinitiv as well as LSEG.

Benchmarks

Please refer to the paragraph headed “Benchmarks”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This regulatory framework applies to Refinitiv as well as LSEG.

A Refinitiv company, Refinitiv Benchmark Services (UK) Limited, is authorised as a benchmark administrator. Accordingly, the rules of the Benchmark Regulation requiring the authorisation of and imposing governance and control requirements on benchmark administrators, apply to Refinitiv Benchmark Services (UK) Limited. As a benchmark administrator, Refinitiv Benchmark Services (UK) Limited is subject to various governance, conflict of interest and record-keeping requirements, as well as control requirements in relation to the determination of the benchmark it operates.

Brexit

Please refer to the paragraph headed “Brexit”, in Section A (*Industry, Competition, Regulatory, and Legal Frameworks in which LSEG Operates*), of this Part V (*Industry, Competition, Regulatory and Legal Frameworks*), of this document. This applies to Refinitiv as well as LSEG.

Refinitiv has obtained necessary licences and put in place necessary arrangements in the EEA and the UK to continue providing services to its EEA and UK clients, irrespective of the outcome of the Brexit negotiations between the UK and the EEA.

GDPR

The GDPR lays down rules relating to the protection of natural persons with regard to the processing of personal data and rules relating to the free movement of personal data. It seeks to ensure a consistent and high level of protection of natural persons and to remove the obstacles to flows of personal data within the EU. The GDPR replaces and repeals the 1995 EU directive (which was implemented in the United Kingdom by the Data Protection Act 1998), which was inconsistently implemented and applied in EU member states. The GDPR is an EU regulation and thus is directly applicable in all EU member states. The GDPR represents a material change in the way personal data is regulated in Europe, as well as outside of Europe, to the extent that goods or services are being provided to EU citizens and their personal information is collected and processed during the course of that interaction. Refinitiv’s GDPR governance programme covers other upcoming regulatory changes (including Brexit) and the data privacy impact that this will have on its current business model following Brexit. Refinitiv is monitoring the draft EU e-Privacy Regulation, which will replace the current EU e-Privacy Directive, and may impact how firms can electronically market to customers, and how cookies and other tracking technologies are used in websites.

Fifth Money Laundering Directive (“MLDV”)

MLDV came into effect on 9 July 2018 and, being a directive, must be transposed by EU member states (by 10 January 2020). MLDV amends the Fourth Money Laundering Directive (“MLDIV”) and aims to strengthen the EU anti-money laundering and counter-terrorist financing framework. A number of Refinitiv entities are subject to MLDIV and will be subject to MLDV. Refinitiv has anti-money laundering compliance policies and procedures in place.

Regulatory and legal environment in the US

Several Refinitiv subsidiaries currently operate as market intermediaries, infrastructure providers or investment advisers that are registered in the US with the SEC, CFTC and various self-regulatory organisations, including FINRA and the NFA.

As is the case in the EEA, there is enhanced legislative and regulatory interest in financial services in the US and any future laws or regulations could potentially increase the regulatory burden on Refinitiv and require it to adopt new or different approaches to its operations.

Most recently, various agencies and regulatory bodies of the US federal government have taken, and continue to take, actions in response to the 2008 financial crisis. These actions include, but are not limited to, the enactment of Dodd-Frank, which was signed into law on 21 July 2010 and which imposes a new regulatory framework on the US financial services industry and the securities and commodity derivatives markets in particular. Dodd-Frank mandates that prudential banking regulators (including the Board of Governors of the Federal Reserve System), the SEC and the CFTC issue implementing rules and regulations. These regulators have adopted a substantial number of these rules and regulations, but several significant rules have not been finalised and remain in proposed form. As a result, the commencement dates of certain rules and regulations have been deferred and are currently unknown.

These changes, individually or collectively, have altered, and will continue to alter, the manner in which Refinitiv's US registered entities operate. Together with similar legislative and regulatory initiatives in the EU and elsewhere, the cumulative effect of these recent regulatory changes, and the related costs of compliance for Refinitiv, are uncertain.

Swap execution facilities (“SEFs”)

Section 733 of Dodd-Frank introduced a new category of registered entity, the swap execution facility, under the US Commodity Exchange Act (“CEA”). SEFs include trading systems or platforms on which multiple participants have the ability to execute or trade swaps by accepting bids and offers made by multiple participants in the facility or system. Refinitiv and its subsidiaries operate three registered SEFs. As a condition of registration, a SEF must satisfy numerous “core principles” set forth in the CEA. To the extent that trading facilities may be subject to US regulation as SEFs as well as EU regulation as MTFs or OTFs, the CFTC and the EU have worked to address the circumstance in which the same entity may be required to register under both the US and European regimes. In December 2017, the CFTC and the EC took action to implement mutual recognition of derivatives trading venues. On 5 December 2017, the EC issued an equivalence decision finding that certain designated contract markets and SEFs are eligible for compliance with the EU trading obligation for derivatives. On 8 December 2017, the CFTC issued an order of exemption, pursuant to its authority under Section 5h(g) of the CEA, exempting certain MTFs and OTFs from the SEF registration requirement (the “CFTC Order”). The exemption was based on the CFTC's finding that MTFs and OTFs that are authorised within the EU are subject to comparable, comprehensive supervision and regulation on a consolidated basis by appropriate governmental authorities within their respective member states. The CFTC has subsequently amended the list of MTFs and OTFs identified in the CFTC Order to include additional MTFs. In November 2018, the CFTC issued proposed amendments to its existing regulations related to SEFs to, among other things, apply the SEF registration requirements to certain swap broking entities and aggregators of single-dealer platforms, and allow SEFs to offer flexible execution methods for all swaps that they list for trading. Consultation in respect of the proposed amendments has closed and the proposed amendments are pending.

Introducing brokers (“IBs”)

Refinitiv subsidiaries currently operate three registered IBs. IBs solicit or accept orders for futures, options or swaps contracts, although they do not accept any money, securities, or property (or extend credit in respect of them) to margin, guarantee, or secure trades or contracts that result or may result. IBs are also required to be members of the NFA. As an entity registered with the CFTC and an NFA member, an IB is subject to regulatory requirements including, among other things, KYC, regulated sales practices, supervision, record-keeping and reporting.

Broker-Dealers

Broker-dealers are subject to registration and other requirements under the US Securities Exchange Act of 1934. They are subject to supervision and enforcement by the SEC and must also maintain registration with FINRA as a self-regulatory organisation. SEC and FINRA rules, regulations and guidelines are subject to frequent changes. In addition, they continue to evolve through regulatory notices from the SEC/FINRA and interpretive, exemptive and no-action letters.

Refinitiv's subsidiaries operate four registered broker-dealers. US registered broker dealers are subject to extensive regulatory requirements that apply to all aspects of their business activity, including: (i) capital requirements (which require a broker-dealer to maintain a specified level of minimum net capital in relatively

liquid form); (ii) the use and safekeeping of customer funds and securities, rules regulating the suitability of customer investments (which require recommended securities transactions to be suitable for each customer based on the customer's specific facts and circumstances); (iii) record-keeping and reporting requirements; (iv) requirements relating to employees and employee investments, limitations on extensions of credit in securities transactions; (v) the prevention and detection of money laundering and terrorist financing; (vi) the application of procedures relating to research analyst independence; (vii) the application of procedures for the clearance and settlement of trades; and (viii) requirements in relation to communications with the public. These requirements are imposed by the SEC, FINRA and, in some cases, other self-regulatory organisations.

Some of Refinitiv's broker-dealer subsidiaries are also registered with the SEC as ATSS, which are exchange-like trading platforms that are exempted from registration as national securities exchanges provided they comply with prescribed conditions. As registered ATSS, these broker-dealers must comply with various conduct, reporting, disclosure and other obligations, as required by the SEC under Regulation ATS.

Investment Adviser

One of Refinitiv's subsidiaries, Refinitiv Global Markets ("RGM"), is a registered SEC investment adviser under the Advisers Act. RGM has two divisions: (i) IFR Markets ("IFR"); and (ii) Municipal Market Data ("MMD"). IFR electronically publishes real time commentary and technical and fundamental analysis in respect of the global commodity and fixed income (cash, futures and derivatives) markets. MMD electronically publishes real time commentary and technical and fundamental analysis of the municipal cash, futures and US Treasury markets. MMD also creates a suite of indicative yield curves providing an opinion to the market regarding where MMD sees fair value. In addition to receiving published advice, subscribers to RGM products and services are able to contact RGM's analysts to discuss the published information. RGM is registered at federal level and is therefore exempt from state level registration requirements.

The supervised persons associated with RGM are subject to various regulations that impact how they operate, including as regards their practices related to supervision, rendering investment advice, sales and marketing methods, personal trading practices, treatment of material non-public information and record-keeping and financial reporting.

Cross-border effects of US derivatives regulations

The interplay between the US and EU regulatory frameworks relating to derivatives trading is uncertain. The equivalence regime is in the early stages of being developed. MiFIR sets out a regime which requires certain derivatives transactions in sufficiently liquid derivatives between financial counterparties (such as investment firms, credit institutions and insurance companies, amongst others) and certain non-financial counterparties (established in the EU and whose transactions in OTC derivatives contracts exceed EMIR's prescribed clearing threshold) to be executed on a qualifying EU trading venue or a trading venue located in a third country that has been declared equivalent by the EC for such purposes, and that meets the requirements of MiFID II/MiFIR. This trading obligation will also apply to counterparties who enter into derivatives that have been declared to be subject to the obligation, with non-EU financial institutions or other non-EU entities that would be subject to the clearing obligation set out in EMIR if they were established in the EU. It will also apply to non-EU entities, that would be subject to the clearing obligation under EMIR if they were established in the EU, who enter into derivatives transactions relating to a class of derivatives that have been declared to be subject to the trading obligation, provided that the contract has a direct, substantial and foreseeable effect within the EU or where such obligation is necessary or appropriate to prevent the evasion of any provision of MiFIR. The OTC derivatives that are subject to the MiFIR trading obligation must have been specified. ESMA maintains a register of derivatives that have been declared to be subject to the trading obligation in MiFIR, as well as the trading venues on which those derivatives can be traded and the dates on which the obligation takes effect, according to the category of counterparty. The EC has declared that certain CFTC-authorized SEFs and designated contract markets are equivalent for the purposes of the MiFIR trading obligation, which includes SEFs operated by Tradeweb entities.

The Dodd-Frank framework for derivatives applies to any transaction in which a US nexus is present, with limited recourse to substituted compliance or the ability for there to be an equivalence determination. Broadly, where a US person is involved in a transaction, the Dodd-Frank framework applies a series of entity and transaction-level requirements to the relevant swap.

Although the CFTC has adopted final rules implementing a substantial portion of Dodd-Frank's requirements with respect to swaps, the CFTC regulation and its interpretation continues to evolve and uncertainties remain, particularly with regard to their extraterritorial application.

The SEC has finalised a more limited portion of its Dodd-Frank rulemaking with respect to SBS, and compliance with these rules have generally been deferred. The SEC is finalising rules regarding the extraterritorial application of Dodd-Frank alongside each area of substantive regulation.

Privacy and USA Patriot Act

Many aspects of Refinitiv's business are subject to the comprehensive legal requirements of multiple different functional regulators concerning the use and protection of personal information, including client and employee information. Refinitiv has implemented policies and procedures in response to such requirements. Refinitiv endeavours to safeguard the data entrusted to it in accordance with applicable laws and its internal data protection policies, including taking steps to reduce the potential for identity theft or other improper use or disclosure of personal information, while seeking to collect only the data that is necessary to properly achieve its business objectives and to best serve its clients.

The California Privacy Act of 2018, which was passed in June 2018 and comes into effect in January 2020, grants consumers a right to request: (i) that a business disclose the categories and specific pieces of personal information that it collects about the consumer; (ii) the categories of sources from which that information is collected; (iii) the business purposes for collecting or selling the information; and (iv) the categories of third-parties with whom the information is shared. The California Privacy Act further grants consumers a right to request that a business that sells a consumer's personal information, or discloses it for a business purpose, discloses the categories of information that it collects and the identity of third-parties to which the information was sold or disclosed, among other rights. The far-reaching impact of the California Privacy Act across many business lines provides a new compliance challenge for Refinitiv's businesses.

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, commonly referred to as the USA Patriot Act, provides the federal government powers to address terrorist threats through enhanced domestic security measures, expanded surveillance powers and increased information sharing, and broadened anti-money laundering requirements applicable to financial institutions. In addition, Refinitiv is subject to applicable anti-money laundering legislation in the US.

Other non-US and non-European regulation

Some of Refinitiv's subsidiaries and their activities are also subject to other local country regulations, including those of Australia, Brazil, Canada, China, Hong Kong, Malaysia, Japan, Russia, Singapore, Switzerland and Thailand.

Other regulations

Telecommunications licences

Refinitiv also offers certain connectivity services (branded Delivery Direct) typically to its larger clients which, depending on the local national telecommunications regulatory framework at a given location, can bring these services within the scope of telecommunications regulation. The national regulatory environment can require specific authorisations and compliance with a number of ongoing obligations, for example, payment of regulatory fees and filing of regular reports. Accordingly, Refinitiv maintains a number of telecommunications authorisations, including in Canada, Singapore and Hong Kong.

PART VI
HISTORICAL FINANCIAL INFORMATION RELATING TO REFINITIV

SECTION A - AUDITED, COMBINED HISTORICAL FINANCIAL INFORMATION RELATING TO REFINITIV

This Section A of Part VI (*Historical Financial Information Relating to Refinitiv*), of this document contains audited, combined historical financial information relating to Refinitiv Parent for the three financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, which has been prepared in accordance with IFRS. In accordance with the requirements of the Listing Rules, the Directors believe that no material adjustment needs to be made to the Refinitiv financial information contained in Section A of this Part VI (*Historical Financial Information relating to Refinitiv*) to achieve consistency with LSEG plc's accounting policies.

Combined Income Statement

For the year ended 31 December 2018

	<u>Notes</u>	<u>Underlying</u>	<u>Non-underlying</u>	<u>Total</u>
		<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Revenue	5	6,205	—	6,205
Cost of sales		<u>(870)</u>	<u>—</u>	<u>(870)</u>
Gross profit		5,335	—	5,335
Operating expenses before depreciation and amortisation . .	6, 8	(3,270)	(470)	(3,740)
Share of profit after tax of associates	13	1	—	1
Earnings before interest, tax, depreciation, and amortisation		2,066	(470)	1,596
Depreciation and amortisation	6, 8	<u>(670)</u>	<u>(485)</u>	<u>(1,155)</u>
Operating profit		1,396	(955)	441
Finance income	9	<u>51</u>	<u>—</u>	<u>51</u>
Finance expense	9	<u>(238)</u>	<u>—</u>	<u>(238)</u>
Profit before tax		1,209	(955)	254
Taxation	8, 10	(314)	233	(81)
Profit for the year		895	(722)	173
Profit for the year attributable to:				
Holdings/Thomson Reuters		796	(703)	93
Non-controlling interests		<u>99</u>	<u>(19)</u>	<u>80</u>

Combined Income Statement

For the year ended 31 December 2017

	<u>Notes</u>	<u>Underlying</u>	<u>Non-underlying</u>	<u>Total</u>
		US\$m	US\$m	US\$m
Revenue	5	5,946	—	5,946
Cost of sales		<u>(839)</u>	<u>—</u>	<u>(839)</u>
Gross profit		5,107	—	5,107
Operating expenses before depreciation and amortisation . . .	6, 8	(3,528)	(9)	(3,537)
Share of profit after tax of associates	13	<u>2</u>	<u>—</u>	<u>2</u>
Earnings before interest, tax, depreciation, and amortisation		1,581	(9)	1,572
Depreciation and amortisation	6, 8	<u>(518)</u>	<u>(331)</u>	<u>(849)</u>
Operating profit		1,063	(340)	723
Finance income	9	8	—	8
Finance expense	9	<u>(8)</u>	<u>—</u>	<u>(8)</u>
Profit before tax		1,063	(340)	723
Taxation	8, 10	<u>(66)</u>	<u>115</u>	<u>49</u>
Profit for the year		<u>997</u>	<u>(225)</u>	<u>772</u>
Profit for the year attributable to:				
Refinitiv Holdings/Thomson Reuters		926	(215)	711
Non-controlling interests		<u>71</u>	<u>(10)</u>	<u>61</u>

Combined Income Statement

For the year ended 31 December 2016

	<u>Notes</u>	<u>Underlying</u>	<u>Non-underlying</u>	<u>Total</u>
		US\$m	US\$m	US\$m
Revenue	5	5,879	—	5,879
Cost of sales		(843)	—	(843)
Gross profit		5,036	—	5,036
Operating expenses before depreciation and amortisation . . .	6, 8	(3,408)	(170)	(3,578)
Share of profit after tax of associates	13	2	—	2
Earnings before interest, tax, depreciation, and amortisation		1,630	(170)	1,460
Depreciation and amortisation	6, 8	(530)	(342)	(872)
Operating profit		1,100	(512)	588
Finance income	9	11	—	11
Finance expense	9	(5)	—	(5)
Profit before tax		1,106	(512)	594
Taxation	8, 10	(227)	163	(64)
Profit for the year		879	(349)	530
Profit for the year attributable to:				
Refinitiv Holdings/Thomson Reuters		813	(336)	477
Non-controlling interests		66	(13)	53

Combined Income Statement of Comprehensive Income

For the years ended 31 December

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Profit for the financial year		<u>173</u>	<u>772</u>	<u>530</u>
Other comprehensive income/(loss)		—	—	—
Items that will not be subsequently reclassified to profit or loss:				
Defined benefit pension scheme remeasurement (loss)/gain	16	(85)	(114)	99
Income tax relating to these items	10	<u>14</u>	<u>2</u>	<u>(1)</u>
		<u>(71)</u>	<u>(112)</u>	<u>98</u>
Items that may be subsequently reclassified to profit or loss				
Exchange gain/(loss) on translation of foreign operations		<u>(262)</u>	<u>398</u>	<u>(361)</u>
Cash flow hedges		(36)	—	—
		<u>(298)</u>	<u>398</u>	<u>(361)</u>
Other comprehensive gains/(losses) net of tax		<u>(369)</u>	<u>286</u>	<u>(263)</u>
Total comprehensive income/(loss) for the financial year		<u>(196)</u>	<u>1,058</u>	<u>267</u>
Attributable to Refinitiv Holdings/Thomson Reuters		(276)	995	217
Attributable to non-controlling interests		<u>80</u>	<u>63</u>	<u>50</u>
Total comprehensive income/(loss) for the financial year		<u>(196)</u>	<u>1,058</u>	<u>267</u>

Combined Balance Sheet

As at 31 December

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Assets				
Non-current assets				
Property, plant and equipment	11	506	395	429
Intangible assets	12	20,176	12,588	12,305
Investment in associates	13	7	12	11
Deferred tax assets	15	22	20	19
Derivative financial instruments	17	34	12	140
Investments in financial assets	17	5	11	4
Retirement benefit asset	16	439	434	288
Other non-current receivables	19	47	36	29
		<u>21,236</u>	<u>13,508</u>	<u>13,225</u>
Current assets				
Trade and other receivables	17,19	1,064	590	567
Cash and cash equivalents	17,20	1,192	381	347
Total assets		<u>23,492</u>	<u>14,479</u>	<u>14,139</u>
Liabilities				
Current liabilities				
Trade and other payables	17,21	1,545	750	732
Contract liabilities	22	122	—	—
Derivative financial instruments	17	4	30	11
Borrowings	17,23	91	—	—
Provisions	25	128	38	94
		<u>1,890</u>	<u>818</u>	<u>837</u>
Non-current liabilities				
Borrowings	17,23	12,915	—	—
Derivative financial instruments	17	41	29	6
Contract liabilities	22	24	—	—
Deferred tax liabilities	15	668	388	590
Retirement benefit obligations	16	133	196	197
Other non-current payables	21	153	70	53
Provisions	25	65	54	57
		<u>13,999</u>	<u>737</u>	<u>903</u>
Total liabilities		<u>15,889</u>	<u>1,555</u>	<u>1,740</u>
Net assets		<u>7,603</u>	<u>12,924</u>	<u>12,399</u>
Net Parent Investment, other reserves and non-controlling interests				
Net Parent Investment		5,741	15,093	14,976
Other reserves		(99)	(2,666)	(3,062)
Total Net Parent Investment		<u>5,642</u>	<u>12,427</u>	<u>11,914</u>
Non-controlling interests		<u>1,961</u>	<u>497</u>	<u>485</u>
Total Net Parent Investment, other reserves and non-controlling interests		<u>7,603</u>	<u>12,924</u>	<u>12,399</u>

Combined Cash Flow Statement
For the years ended 31 December

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Cash flow from operating activities				
Cash generated from operations	26	1,737	1,562	1,469
Interest paid		(128)	—	—
Corporation tax paid		(23)	—	—
Withholding tax paid		(6)	—	—
Net cash inflow from operating activities		<u>1,580</u>	<u>1,562</u>	<u>1,469</u>
Cash flow from investing activities				
Purchase of property, plant and equipment	11	(160)	(148)	(145)
Purchase of intangible assets	12	(265)	(312)	(270)
Proceeds from sale of businesses		6	—	2
Acquisition of businesses	28	(16,626)	(189)	(106)
Cash inflow from acquisition of businesses	28	—	7	—
Other investing activities		—	3	1
Net cash outflow from investing activities		<u>(17,045)</u>	<u>(639)</u>	<u>(518)</u>
Cash flow from financing activities				
Dividends paid to non-controlling interests		(79)	(66)	(57)
Net transfers from/(to) Refinitiv Holdings/ Thomson Reuters		3,301	(826)	(888)
Proceeds from the issue of debt	26	13,472	—	—
Debt issuance costs	24	(413)	—	—
Net cash inflow/(outflow) from financing activities		<u>16,281</u>	<u>(892)</u>	<u>(945)</u>
Increase in cash and cash equivalents		816	31	6
Cash and cash equivalents at beginning of year		381	347	351
Exchange gain on cash and cash equivalents		(5)	3	(10)
Cash and cash equivalents at end of year		<u>1,192</u>	<u>381</u>	<u>347</u>
Supplemental cash flow information:				
Income taxes settled by Net Parent Investment		197	159	190
Non-cash transfer of net assets included in Net Parent Investment		(19)	10	77

Combined Statement of Changes in Net Parent Investment

	<u>Other reserves</u>	<u>Net Parent Investment</u>	<u>Non-controlling interests</u>	<u>Total</u>
	US\$m	US\$m	US\$m	US\$m
1 January 2016	(2,704)	15,053	485	12,834
Profit for the year	—	477	53	530
Other comprehensive losses for the year	(358)	98	(3)	(263)
Equity transactions with non-controlling interests	—	21	7	28
Dividends paid to non-controlling interests	—	—	(57)	(57)
Net transfers to Thomson Reuters	—	(673)	—	(673)
31 December 2016	(3,062)	14,976	485	12,399
Profit for the year	—	711	61	772
Other comprehensive gains for the year	396	(112)	2	286
Equity transactions with non-controlling interests	—	43	15	58
Dividends paid to non-controlling interests	—	—	(66)	(66)
Net transfers to Thomson Reuters	—	(525)	—	(525)
31 December 2017	(2,666)	15,093	497	12,924
Impact of adopting new accounting standards (Note 2)	—	47	—	47
1 January 2018	(2,666)	15,140	497	12,971
Profit for the year	—	93	80	173
Other comprehensive losses for the year	(369)	—	—	(369)
Net transfers from Refinitiv Holdings	—	6,268	—	6,268
Acquired NCI	—	—	1,954	1,954
Dividends paid to non-controlling interests	—	—	(79)	(79)
Other	—	19	16	35
Changes in ownership interests related to the 2018 Transaction (Note 1)	<u>2,936</u>	<u>(15,779)</u>	<u>(507)</u>	<u>(13,350)</u>
31 December 2018	<u>(99)</u>	<u>5,741</u>	<u>1,961</u>	<u>7,603</u>

The notes on pages 125 to 187 form an integral part of this Section A of Part VI (*Historical Financial Information Relating to Refinitiv*), of this document.

Other reserves comprise the following:

Foreign exchange translation reserve of US\$18 million (loss) (2017: US\$2,680 million (loss); 2016: US\$3,117 million (loss)), a reserve reflecting the impact of foreign currency changes on the translation of foreign operations.

Hedging reserve of US\$36 million (loss) (2017: US\$ nil; 2016: US\$ nil), a reserve representing the cumulative fair value adjustment recognised in respect of cash flow hedges undertaken in accordance with hedge accounting principles.

Re-measurement gain on available-for-sale investments of nil (2017: US\$23 million, 2016: US\$51 million), a reserve representing the adjustment recognised upon re-measuring available for sale investments.

Pension related accumulated other comprehensive loss of US\$45 million (2017: US\$9 million loss, 2016: US\$4 million gain), a reserve representing the cumulative adjustment recognised in respect of pensions.

Notes to the Combined Historical Financial Information

1. Basis of preparation and accounting policies

General business description

On 30 January 2018, Thomson Reuters and Refinitiv Holdings (an exempted company controlled by certain investment funds affiliated with Blackstone) entered into the Prior Transaction Agreement in respect of the 2018 Transaction, pursuant to which Refinitiv Holdings would acquire all of the equity interests of certain specified entities and assets and liabilities that were primarily related to the Thomson Reuters Financial & Risk Business, and Thomson Reuters would indirectly acquire an approximate 45 per cent. interest in Refinitiv Holdings.

The 2018 Transaction closed on the 2018 Transaction Closing Date (being 1 October 2018). Refinitiv Holdings contributed its investment in the Thomson Reuters Financial & Risk Business to Refinitiv Parent, a direct wholly owned subsidiary of Refinitiv Holdings. For the purpose of this Part VI (*Historical Financial Information Relating to Refinitiv*), prior to the 2018 Transaction Closing Date, references to “Refinitiv” within this combined historical financial information refer to the Thomson Reuters Financial & Risk Business, while references to “Refinitiv” on or after the 2018 Transaction Closing Date refer to Refinitiv Holdings and its subsidiaries which together are operating under the brand name “Refinitiv”.

Refinitiv Parent was incorporated on 21 March 2018 and has a registered address of 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands.

Nature of operations

Refinitiv is a leading global provider of market and financial data and infrastructure, delivering data, insight and analytics tailored to strategic workflows across its four core customer communities: trading professionals, investment and advisory, wealth and risk and compliance management. Refinitiv serves over 40,000 customer institutions and 400,000 end users across approximately 190 countries including buy and sell-side firms, market infrastructure companies, governments, financial technology firms and corporations. The Refinitiv Data Platform and Workspace segment provides access to feeds, data management solutions, analytics and value-add services across its clients’ end-to-end businesses processes. Refinitiv’s Venues and Transactions segment includes the Matching and FXall trading platforms and the Tradeweb fixed income trading platform (in which Refinitiv owns a majority interest), among others. It also includes trading workflow solutions including multi-asset class execution management systems and order management systems and portfolio analytics. Refinitiv’s Risk segment includes the World-Check suite of products containing over four million records, serving the compliance and regulatory needs of customers, in particular screening and KYC compliance, client on-boarding and other financial crime risk management programs.

Basis of preparation

The combined historical financial information has been prepared in accordance with IFRS as adopted by the EU for inclusion in the circular of LSEG plc dated 6 November 2019, on the basis of the accounting policies consistent with those adopted by LSEG plc in its financial information for the financial year ended 31 December 2018. The accounting policies applied are set out in Note 1. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Due to a change in capital structure of Refinitiv Holdings on the 2018 Transaction Closing Date, the historical financial information is prepared on a combined basis which reflects the following:

- (a) *As of and for the year ended 31 December 2018*, the combined financial information of the Thomson Reuters Financial & Risk Business for the period from 1 January 2018 to 30 September 2018 and the financial information of Refinitiv for the period from the 2018 Transaction Closing Date to 31 December 2018, which includes certain costs borne by Refinitiv Holdings, namely transaction costs of approximately US\$79 million and the revaluation of 2018 Transaction related foreign exchange and interest rate swaps (gain of approximately US\$30 million); and
- (b) *As of and for the years ended 31 December 2017 and 31 December 2016*, the combined financial information of the Thomson Reuters Financial & Risk Business.

IFRS does not provide for the preparation of combined financial information. Accordingly, in preparing the combined historical financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to SIR 2000

(Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board, have been applied.

This combined historical financial information is the first set of IFRS financial information for Refinitiv Parent. The financial information for the F&R business for financial years ended 31 December 2016 and 31 December 2017 had previously been prepared and issued under IFRS as, during those financial periods, it was part of the Thomson Reuters group which reports its financial information under IFRS. Accordingly, as the business presented herein has already prepared and issued information under IFRS, no further IFRS 1 disclosures are included.

This combined historical financial information is prepared on a going concern basis and under the historical cost convention, as modified for the impact of acquisition accounting and the revaluation of certain financial instruments. Specifically, for periods prior to the 2018 Transaction Closing Date, the combined historical financial information has been derived from the accounting records of Thomson Reuters, using the historical statements of income and the historical bases of assets and liabilities of the Thomson Reuters Financial & Risk Business.

The combined historical financial information is presented in millions of US dollars (“US\$”) except when otherwise indicated. References to “£” are to British pound sterling. Average and year-end closing translation rates for principal overseas currencies are as follows:

	<u>Year ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Spot rates			
EUR to USD	1.14	1.20	1.05
GBP to USD	1.27	1.35	1.24
Average rates			
EUR to USD	<u>1.18</u>	<u>1.13</u>	<u>1.11</u>
GBP to USD	<u>1.34</u>	<u>1.29</u>	<u>1.35</u>

The principal methodology underlying the combined historical financial information for the nine months ended 30 September 2018, as of and for the years ended 31 December 2017 and 31 December 2016 include the following:

- The combined income statements include all revenues and costs directly attributable to Refinitiv as well as an allocation of expenses from Thomson Reuters related to centralised facilities, technology functions, and administrative services. Thomson Reuters allocated these costs to Refinitiv using methodologies that are considered to be appropriate and reasonable, including a pro rata basis of revenue, salaries and wages, or head count. In addition, Thomson Reuters provides editorial content which is featured in Refinitiv’s products. The cost of such content is included in “Operating expenses” in the combined income statements and has been derived using Thomson Reuters’ best estimate of costs to produce the content. Such amounts are not necessarily representative of costs that would have been incurred if Refinitiv had operated independently of Thomson Reuters.
- The combined balance sheets include the attribution of certain assets and liabilities that have historically been held at the corporate level by Thomson Reuters, but which are specifically identifiable or attributable to Refinitiv. Thomson Reuters’ cash management and financing activities are centralised. Accordingly, no cash, cash equivalents, marketable securities, debt, or related interest expense have been allocated, except for certain cash accounts that are retained by the businesses because they were not available for general use by Thomson Reuters.
- “Net Parent Investment” is shown in lieu of shareholders’ equity in the combined balance sheets because a direct ownership relationship did not exist. Current assets and current liabilities associated with allocations of costs from Thomson Reuters and affiliates are recorded within “Net Parent Investment”.
- Transactions between Thomson Reuters and Refinitiv are considered to be effectively settled in cash at the time the transaction is recorded. The net effect of the settlement of these intercompany transactions is reflected in the combined statements of cash flows as a financing activity and in the combined balance sheets as “Net Parent Investment”.
- The combined historical financial information include the attribution of current and deferred income taxes of Thomson Reuters in a manner that is systematic, rational, and consistent with the asset and liability

method. Accordingly, the income tax provision has been prepared following the ‘separate return method’, which computes income tax balances of each member of the consolidated group as if the group member was a separate taxpayer and a stand-alone enterprise. As a result, actual tax transactions included in Thomson Reuters’ consolidated financial statements may not have been included in the combined historical financial information. Similarly, the tax treatment of certain items reflected in the combined historical financial information may not be reflected in Thomson Reuters’ consolidated financial statements and tax returns. Therefore, items such as net operating losses, credit carry-forwards, and derecognition of deferred tax assets may exist in the combined historical financial information that may or may not exist in Thomson Reuters’ consolidated financial statements.

Going concern

This historical financial information has been prepared on the going concern basis.

After making appropriate enquiries, the Directors have a reasonable expectation that Refinitiv has adequate resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of this historical financial information. For these reasons the Directors continue to adopt the going concern basis in preparing Refinitiv’s historical financial information.

The cash flow projections are the sole responsibility of the Directors based upon their present plans, expectations and intentions. In this context, the Directors have prepared and considered cash flow projections for Refinitiv for a period extending one year from the date of approval of this historical financial information. Based on these cash flows, and having regard to the provision of the debt facilities as described in Note 23 to this historical financial information, the Directors are satisfied that Refinitiv is able to meet its liabilities as and when they fall due for the foreseeable future and for a minimum period of twelve months from the date of this historical financial information.

Recent accounting developments

The following major standards and amendments have been issued by the International Accounting Standards Board (“IASB”) and the IFRS Interpretations Committee (“IFRIC”) and endorsed by the EU and were adopted in this combined historical financial information effective 1 January 2018.

- IFRS 9, ‘Financial instruments’ on classification and measurement and amendments regarding general hedge accounting (“IFRS 9”)
- IFRS 15, ‘Revenue from contracts with customers’ (“IFRS 15”)

The impact of adopting IFRS 9 and IFRS 15 on Refinitiv’s financial results is described in detail in Note 2. No other standards or amendments had a material effect on Refinitiv’s results.

The following standards and interpretations have been issued by the IASB and IFRIC, but have not been adopted either because they were not endorsed by the EU at 31 December 2018 or they are not yet mandatory and Refinitiv has not chosen to early adopt. Refinitiv plans to adopt these standards and interpretations when they become effective. The impact on Refinitiv’s combined historical financial information of the future standards, amendments and interpretations is still under review, and where appropriate, a description of the impact of certain standards and amendments is provided below:

<u>International accounting standards and interpretations</u>	<u>Effective date</u>
IFRS 16, ‘Leases’	1 January 2019
IFRIC 23, ‘Uncertainty over Income Tax Treatments’	1 January 2019
Amendments to IAS 28: Long-term interest in Associates and Joint Ventures	1 January 2019
Amendments to IAS 19: Plan amendment, Curtailment or Settlement	1 January 2019
Amendments to IFRS 9: Prepayment features with negative compensation	1 January 2019
IFRS 17, ‘Insurance Contracts’	1 January 2021

With the exception of IFRS 16, the changes in the other standards are not expected to have a material effect on Refinitiv.

IFRS 16, ‘Leases’

IFRS 16, ‘Leases’ is effective for the financial year ended 31 December 2019 and will require all lease amounts to be recognised on the balance sheet. Currently, IAS 17, ‘Leases’ only requires lease amounts

categorised as finance leases to be recognised on the balance sheet, with leases categorised as operating leases not recognised.

Amounts previously recognised in respect of lease expenses in operating expenses will now be recognised as a combination of depreciation and lease interest expense. This will affect earnings before interest, tax, depreciation and amortisation (EBITDA) and profit before tax on adoption.

Based on current estimations and judgments, Refinitiv has estimated that on 1 January 2019 it will recognise lease liabilities of approximately US\$521 million, with corresponding right of use assets of US\$488 million adjusted for prepaid and accrued balances, provisions, and business combination fair value adjustments.

Throughout 2019, Refinitiv will finalise its implementation of IFRS 16 through its review of key areas of estimation and judgment, including the assessment of lease terms, discount rates and the completeness of contracts. The results of this review may impact approximately 10 per cent. to 15 per cent. of Refinitiv's contract portfolio, and therefore, the exact financial impact of adopting IFRS 16 as estimated below may be revised.

The current expected impact on transition is as follows:

<u>Estimated effect on the 2019 income statement</u>	<u>US\$m Increase/ (decrease)</u>	<u>Description</u>
Operating lease expense	(190)	Operating lease expense
Depreciation	165	Depreciation of the right of use asset
Finance expense	36	Finance expense on lease liabilities
Profit before tax	(11)	
Estimated effect on the balance sheet as at		
1 January 2019		
Right of use asset	488	Net book value of right of use assets
Total assets	488	
Lease liabilities	(521)	Present value of future lease obligations
Provision	(33)	
Net assets	—	
Net parent investment	—	Opening balance adjustment on adoption
Total net parent investment	—	

Accounting policies

Income Statement - Revenue

Refinitiv adopted IFRS 15 on 1 January 2018. The impact of adopting the standard is detailed in Note 2. Accounting policies did not materially change as a result of the adoption.

The main source of Refinitiv's revenue is from selling information, software and services. Revenue is measured based on the consideration specified in a contract with a customer. Amounts deducted from revenue relate to discounts, value added tax, and other sales related taxes.

Refinitiv recognises revenue when control of Refinitiv's products or services is transferred to customers. Further details of Refinitiv's revenue accounting policy are set out below:

Recurring Revenue Recurring revenues, which represent a majority of Refinitiv's revenues, primarily consist of fees to access products or services delivered electronically through Refinitiv Data Platform and Workspace, Refinitiv's Risk solutions and, in part, Refinitiv's Software and Connectivity services. These products are generally provided under one-year initial subscription arrangements, which most customers renew at the end of each subscription term for an annual term.

Recurring revenue is generally recognised on a ratable basis over the contract term as this is the time period that the customer can use and benefit from the service. Arrangements are generally billed annually, or quarterly, in advance.

Recoveries Revenue . Recoveries revenue consists of fees for third-party content, such as exchange data that is distributed directly to customers, and communications fees. Recoveries revenue is generally recognised on a ratable basis over the contract term.

The contract terms and billing arrangements for Recoveries are similar to Recurring revenue.

Transactions Revenue Transactions revenues are recognised primarily at a point in time based on their type, as follows:

Volume-based fees related to fixed income trading venues, currency trading venues and brokerage processing solutions are recognised based on usage;

Fees from software licenses with no future obligations are recognised at the point of delivery, which is when the software is available to consume the license; and

Professional fees from service and consulting arrangements are recognised as services are performed, generally based on hours incurred relative to total hours expected to be incurred, reflecting the continuous transfer of control to the customer.

Transactions revenue is generally billed in arrears on a monthly or quarterly basis.

Refinitiv also considers the following:

Multiple performance obligations

Certain customer contracts include multiple products and services, which are accounted for as separate performance obligations when they are distinct. A product or service is distinct if a customer can benefit from it either on its own or with other readily available resources, and the promise to transfer the good or service is separately identifiable in the contract. In making the determination, management considers whether Refinitiv regularly sells a good or service separately and whether the goods or services are highly interrelated. The transaction price is allocated to the separate performance obligations based on the relative standalone selling price.

Refinitiv typically has more than one standalone selling price for individual products and services due to the stratification of its offerings by customer. As a result, management determines the standalone selling price by considering market conditions and other factors, including the value of its contracts, the product or service sold, the customer's market, geographic location, and the number and types of users in each contract.

A series of distinct goods or services is accounted for as a single performance obligation if the items in the series are substantially the same, have the same pattern of transfer and: (i) each distinct item in the series represents a performance obligation that would be satisfied over time, and (ii) the measure to satisfy the performance obligation for each distinct item in the series is the same.

Certain Transactions revenue arrangements include installation or implementation services. If these services are distinct, consideration is allocated to them and revenue is recognised as the services are performed.

Sales involving third-parties

Revenue from sales of third-party content or services delivered by Refinitiv is recorded on a gross basis as Refinitiv Holdings is the principal to these transactions because it supports the delivery of the service and generally has pricing discretion.

As permitted by the practical expedient in IFRS 15, Refinitiv does not adjust the promised amount of consideration for the effects of significant financing components in contracts where Refinitiv expects, at contract inception, the period between the transfer of a promised good or service to a customer and when the customer pays for that service to be one year or less.

Cost of sales

Cost of sales relate to the production and servicing of Refinitiv's offerings, including the production and maintenance of data, third-party content fees, exchange fees, production and distribution costs, and royalty fees.

Contract costs

Incremental costs of obtaining a customer contract, such as sales commissions paid to employees, are recognised as an intangible asset if the benefit of such costs is expected to be longer than one year. The

associated asset is amortised over a period consistent with the transfer to the customer of the products and services under the contract and is presented as an intangible asset on the balance sheet. Refinitiv amortises the contract costs over the period from which a customer benefits from existing software technology supporting the underlying product or service.

Refinitiv also applies the practical expedient in IFRS 15 to recognise the incremental cost of obtaining a contract as an expense when incurred, if the amortisation period is one year or less.

Non-underlying items

Items of income and expense that are material by size and/or nature and are not considered to be incurred in the normal course of business are classified as non-underlying items on the face of the income statement within their relevant category. The separate reporting of these items together with amortisation of purchased intangible assets helps give an indication of Refinitiv's sustainable performance. Non-underlying items are disclosed in Note 8.

Pension costs

Refinitiv operates defined benefit and defined contribution pension schemes. For the defined benefit schemes the service cost, representing benefits accruing to employees, is included as an operating expense. The interest cost and expected return on plan assets is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions or differences between actual and expected returns on assets are recognised at each period end net of tax in the statement of comprehensive income. The net asset or liability recognised on the balance sheet comprises the difference between the present value of pension obligations and the fair value of scheme assets. For defined contribution schemes, the expense is charged to the income statement as incurred.

Share-based compensation

Prior to the 2018 Transaction Closing Date, Thomson Reuters maintained certain share-based compensation plans under which it received services from employees as consideration for its equity instruments. The share-based compensation expense was based on the grant-date fair value and was recognised over the requisite service period. Where Refinitiv's employees participated in the plans, the allocated costs were included in the income statement. Total share-based compensation expense for the years ended 31 December 2018, 2017 and 2016 were US\$23 million, US\$18 million and US\$30 million, respectively. The combined balance sheets do not include Thomson Reuters' equity instruments related to stock-based compensation plans. On the 2018 Transaction Closing Date, Refinitiv granted time-based and performance-based Class C and D shares to certain employees under a Management Incentive Plan (the "MIP"). The share-based compensation expense for the time-based shares was based on the grant-date fair value and is recognised as services are rendered by the employees. The share-based compensation expense for the performance-based shares is dependent on the probability at each reporting date of a triggering event occurring.

The combined historical financial information do not include certain share-based compensation disclosures on the basis that such disclosures were not considered to be material.

Foreign currencies

The combined historical financial information are presented in US Dollars, which is Refinitiv's presentation currency. Foreign currency transactions are converted into the functional currency of the reporting entity using the rate ruling at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except for differences arising on pension fund assets or liabilities which are recognised in other comprehensive income.

The results and financial position of all Refinitiv entities that have a functional currency different from the presentation currency are converted into the presentation currency as follows:

- (a) assets and liabilities including goodwill, purchased intangible assets and fair value adjustments are converted at the closing balance sheet rate;
- (b) income and expenses are translated and recorded in the income statement at the average rate for the period; and

(c) all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Finance income and expense

Finance income and expense comprise interest earned on cash deposited with financial counterparties and interest paid on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the financial period, and calculated using the effective interest rate method.

Recurring fees and charges levied on committed bank facilities, the cash management transactions, and the payment services provided by Refinitiv's banks, are charged to the income statement as accrued. Credit facility arrangement fees are capitalised and then amortised back to the income statement over the term of the facility subject to projected utilisation. Fees and charges are included within other finance costs.

Fair value gains and losses on financial instruments include the movement in the market valuations of derivative instruments not held as cash flow hedges.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are included in the combined historical financial information at cost less accumulated depreciation and any provision for impairment.

Computer hardware, buildings and building improvements, and furniture, fixtures and equipment are depreciated to residual value on a straight line basis over the estimated useful economic lives of the assets which are as follows:

- (a) Computer equipment - 3 to 5 years;
- (b) Buildings and building improvements - 10 to 40 years; and
- (c) Furniture, fixtures and equipment - 5 to 7 years.

Leasehold improvements are included at cost and depreciated to residual value over the shorter of the period of the lease or the useful economic life of the asset.

Investment in associates

An associate is a company over which Refinitiv has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the company, but is not control nor joint control over those policies. Refinitiv's investments in associates are accounted for using the equity method.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis. Lease incentives are spread over the term of the lease. Refinitiv will adopt IFRS 16, 'Leases' on 1 January 2019. The estimated impact of adoption is detailed in Note 1.

Intangible assets

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired. These may include trade names, customer relationships, databases and content, all of which are recorded as intangible assets and held at cost less accumulated amortisation. These assets are amortised on a straight line basis over their useful economic lives. Prior to the 2018 Transaction Closing Date, useful lives were as follows:

- (a) Customer relationships - 3 to 25 years;
- (b) Trade names - 2 to 25 years; and
- (c) Databases, content and other - 3 to 30 years; and

(d) Software and contract costs - 2 to 30 years.

Post the 2018 Transaction Closing Date, useful lives are:

- (a) Customer relationships - 12 to 15 years;
- (b) Trade names - 15 to 25 years;
- (c) Databases, content and other - 5 to 25 years; and
- (d) Software - 2 to 10 years.

The useful economic lives are based on management's best estimates such as attrition rates on customer relationships, product upgrade cycles for software and technology assets, market participant perspective for brands, and pace of change of regulation for business.

Third-party software costs for the development and implementation of systems which enhance the services provided by Refinitiv are capitalised and amortised over their estimated useful economic life of 3 years.

Internal product development expenditure is capitalised if the costs can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable, and Refinitiv has sufficient resources to complete the development and to use or sell the asset. The assets are recorded at cost including labour, directly attributable costs and any third-party expenses, and amortised over their useful economic life of 3 years.

Intangible assets are assessed for any indicators of impairment at each balance sheet date. Where indicators of impairment for a particular intangible asset are identified, a full impairment assessment is performed, with any diminution in value recognised in the income statement. When performing any impairment assessment, in addition to considering matters particular to the relevant group's business area, management evaluates the overall value of the asset from the perspective of a market participant. Accordingly, any reduction in value recorded represents Refinitiv's view of the market fair value of the intangible asset.

Current and non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised within 1 year from the reporting date, or intended for trade or consumption and realised in the course of Refinitiv's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of Refinitiv's operating cycle and those liabilities due within 1 year from the reporting date. All other liabilities are classified as non-current liabilities.

Current and deferred taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where Refinitiv operates and generates taxable income.

Full provision is made, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined historical financial information. Deferred taxation is determined using tax rates that are substantively enacted at the balance sheet date and are expected to apply when the asset is realised or liability settled. Deferred tax assets are recognised to the extent it is probable that they will be recoverable against future taxable profits.

Financial instruments

On 1 January 2018, Refinitiv adopted IFRS 9, 'Financial Instruments'. The impact of adopting the new standard is detailed in Note 2. Refinitiv has elected to continue to apply hedge accounting under IAS 39.

Refinitiv classifies its financial instruments as FVPL, FVOCI or amortised cost. The classification depends on Refinitiv's business model for managing its financial instruments and whether the cash flows generated are SPPI.

Initial recognition:

- Financial assets at amortised cost are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Refinitiv's cash and cash equivalents and trade and other receivables fall within this category.

- Financial assets at FVOCI are assets where the objective is achieved by both collecting the contractual cash flows or selling the asset. The contractual cash flows received are solely payments of principal and interest. This category includes investments in financial assets which are used under the business model to both collect the contractual cash flows and also to sell. Any profit or loss recognised in other comprehensive income on debt instruments is recycled to the income statement if the asset is sold. Any profit or loss on an equity investment remains in other comprehensive income and is not recycled.
- Financial assets at FVPL include all other financial assets not classified as amortised cost or FVOCI. This category includes derivatives. There is no change on the previous treatment for these instruments.
- Financial liabilities at FVPL are liabilities that must be held at fair value. This includes derivatives.
- Financial liabilities at amortised cost are all financial liabilities that are not included within financial liabilities at fair value through profit or loss. This comprises Refinitiv's trade and other payables balances, borrowings and other payables.

Subsequent measurement:

Refinitiv adopts a forward-looking approach to estimate impairment losses on financial assets. An expected credit loss ("ECL") is calculated based on the difference between the contractual cash flows due and the expected cash flows. The difference is discounted at the asset's original effective interest rate and recognised as an allowance against the original value of the asset.

- The ECL for trade receivables, contract assets and cash and cash equivalents is calculated using IFRS 9's simplified approach using lifetime ECL. The allowance is based on Refinitiv's historic experience of collection rates, adjusted for forward-looking factors specific to each counterparty and the economic environment at large to create an expected loss matrix.
- For financial assets held at FVOCI, Refinitiv's policy is to calculate a 12 month ECL on these assets. If there is a significant increase in credit risk, then a lifetime ECL will be calculated. A significant increase in credit risk is considered to have occurred when contractual payments are more than 30 days past due.
- The ECL for financial assets held at amortised cost is measured using the general approach. Refinitiv calculates an allowance based on the 12 month ECL at each reporting date until there is a significant increase in the financial instrument's credit risk, at which point Refinitiv will calculate a loss allowance based on the lifetime ECL, as described above for FVOCI assets.
- No ECL is calculated for assets held at FVPL as any expected loss is already recognised in the fair value.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and investments with an original maturity at the date of purchase of three months or less.

Fair value measurement

All assets and liabilities for which fair value is measured are categorised within the fair value hierarchy which is described in detail in Note 17.

For assets and liabilities that are recognised at fair value on a recurring basis, Refinitiv determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at each balance sheet date.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance sheet date. The method of recognising the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument, and if so the nature of the item being hedged.

Refinitiv has embedded foreign currency derivatives primarily in certain revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. Refinitiv records

these derivative instruments at fair value in the balance sheet as either assets or liabilities. Changes in the fair value of derivative instruments are recognised in the income statement, netted against revenue.

Refinitiv designates hedges of interest rate movements associated with highly probable forecast transactions as cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity.

In order to qualify for hedge accounting, a transaction must meet strict criteria as regards documentation, effectiveness, probability of occurrence, and reliability of measurement. Refinitiv documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. Effectiveness testing is conducted at each reporting date and at the commencement and conclusion of any hedge in order to verify that the hedge continues to satisfy all the criteria for hedge accounting to be maintained. The ineffective portion is recognised in the income statement within finance costs.

Amounts accumulated in equity are recycled in the income statement in the period when the hedged item affects profit or loss (for example, when the forecast transaction that is hedged takes place). When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost, less any loss allowance. Refinitiv's approach to calculating credit loss allowances is described above within the financial instruments policy.

Recoveries of amounts previously written off are credited in the income statement.

Other receivables are initially recognised at fair value and subsequently at amortised cost, less any loss allowance as described above.

Contract liabilities

Revenue relating to future periods is classified as a contract liability on the balance sheet to reflect Refinitiv's obligation to transfer goods or services to a customer for which it has received consideration, or an amount of consideration is due, from the customer.

Contract liabilities are amortised and recognised as revenue in the income statement over period the services are rendered.

Borrowings

Borrowings are initially recorded at the fair value of amounts received, net of direct issue costs and transaction costs (including upfront facility fees). Subsequently, these liabilities are carried at amortised cost, and interest is charged to the income statement over the period of the borrowings using the effective interest rate method. Similarly, direct issue costs and transaction costs (including upfront facility fees) are charged to the income statement over the period of the borrowings using the effective interest rate method.

Provisions

A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision shall be the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, i.e., the present value of the amount that Refinitiv would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third-party.

All provisions are discounted where the time value of money is considered material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Dividend distributions

Dividend distributions are recognised as a liability in Refinitiv's combined historical financial information in the period in which the dividends are approved by Refinitiv Holdings' shareholders.

Net Parent Investment

Prior to the 2018 Transaction Closing Date, the "Net Parent Investment" represents Thomson Reuters' historical investment in Refinitiv, accumulated net earnings after taxes, and the net effect of transactions with Thomson Reuters. Post Acquisition, the Net Parent Investment represents Refinitiv Holdings' contribution of its investment in the Thomson Reuters Financial & Risk Business to Refinitiv Parent accumulated net earnings after taxes and certain of Refinitiv Holdings' activity related to transaction costs and foreign exchange and interest rate swaps.

2. Adoption of new accounting standards and interpretations

On 1 January 2018, Refinitiv adopted IFRS 15, 'Revenue from contracts with customers' and IFRS 9, 'Financial instruments'. The impact of adopting the new standards has been reflected through transition adjustments to Net Parent investment at the start of the current period. The table below provides a summary of the impact at the date of transition:

		<u>As previously reported</u>	<u>IFRS 15</u>	<u>IFRS 15</u>	<u>After Adoption</u>
	<u>Notes</u>	<u>31 December 2017</u>	<u>Contract Costs</u>	<u>Distinct term licences</u>	<u>1 January 2018</u>
		<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Intangible assets (revised)	12	12,588	63	—	12,651
Trade and other receivables	19	590	—	2	592
Deferred tax assets	15	20	—	—	20
Other assets		1,281	—	—	1,281
Total assets		14,479	63	2	14,544
Deferred tax liabilities	15	388	18	—	406
Other liabilities		1,167	—	—	1,167
Total liabilities		1,555	18	—	1,573
Net Parent Investment		15,093	45	2	15,140
Other reserves		(2,666)	—	—	(2,666)
Non-controlling interests		497	—	—	497
Total		12,924	45	2	12,971

Further details on the impact of each of the new accounting standards is provided below.

IFRS 15 Revenue from contracts with customers - impact of adoption

Refinitiv adopted IFRS 15 with effect from 1 January 2018. This new accounting standard requires Refinitiv to recognise revenue when Refinitiv transfers promised goods or services to customers in an amount that reflects the consideration to which Refinitiv expects to be entitled in exchange for those goods or services. The new guidance requires more detailed revenue disclosures and policies to identify Refinitiv's performance obligations to customers.

Refinitiv has adopted IFRS 15 prospectively from 1 January 2018 under the modified retrospective approach, and consequently the comparative amounts in Refinitiv's combined historical financial information remain unchanged and are reported under IAS 18, 'Revenue'. As permitted by IFRS 15, Refinitiv applied the new standard to contracts that were not completed as at the 1 January 2018 transition date.

IFRS 15 has impacted Refinitiv's combined historical financial information from 1 January 2018 in the following ways:

Contract costs

The adoption of the new standard required Refinitiv's incremental sales commission costs that were previously expensed when incurred, to be capitalised when they are expected to be recovered. The capitalised contract

costs are amortised over a period consistent with the transfer of goods and services to the customer, which Refinitiv has determined to be 3 years. As a result Refinitiv recorded a US\$63 million adjustment to “Net Parent Investment” as at 1 January 2018, as presented in the statement of changes in “Net Parent Investment”.

Tradeweb Credit Initiative

In 2014 Tradeweb Markets, expanded its electronic trading platform to include new credit products. As part of this, the member banks of Tradeweb Markets contributed capital in exchange for shares in Tradeweb Markets. The member banks were also eligible for an earnout over a 4 year period. The earnout was contingent on achieving certain milestones and revenue generated by the platform over the 4 year period. As part of the IFRS 15 adoption, this was recognised as a reduction to revenue, rather than an expense.

Distinct term licences

Revenue for certain term licences of intellectual property is recognised at the time control is transferred to the customer, rather than over the licence term.

The table below shows the amounts by which Refinitiv’s combined historical financial information is affected as at and for the year ended 31 December 2018 as a result of adopting IFRS 15.

<u>Effect on the income statement</u>	Year ended 31 December 2018			
	IFRS 15 reported	Credit Initiative	Contract costs	IAS 18
	US\$m	US\$m	US\$m	US\$m
Revenue	6,205	22	—	6,227
Cost of sales	(870)	—	—	(870)
Gross profit	5,335	22	—	5,357
Operating expenses before depreciation, and amortisation . . .	(3,740)	(22)	(33)	(3,795)
Share of profit after tax of associates	1	—	—	1
Earnings before interest, tax, depreciation, and amortisation	1,596	—	(33)	1,563
Depreciation, and amortisation	(1,155)	—	28	(1,127)
Operating profit	441	—	(5)	436
Finance income	51	—	—	51
Finance expense	(238)	—	—	(238)
Profit before tax	254	—	(5)	249
Taxation	(81)	—	(2)	(83)
Profit for the year	173	—	(7)	166

<u>Effect on the balance sheet</u>	At 31 December 2018		
	IFRS 15 reported	Contract costs	IAS 18
	US\$m	US\$m	US\$m
Intangible assets	20,176	(68)	20,108
Deferred tax assets	22	—	22
Other assets	3,294	—	3,294
Total assets	23,492	(68)	23,424
Deferred tax liabilities	668	(19)	649
Other liabilities	15,221	—	15,221
Total liabilities	15,889	(19)	15,870
Net Parent Investment	5,741	(49)	5,692
Other reserves	(99)	—	(99)
Non-controlling interests	1,961	—	1,961
Total	7,603	(49)	7,554

IFRS 9 Financial instruments - impact of adoption

On 1 January 2018 Refinitiv adopted IFRS 9, 'Financial instruments' and applied the standard retrospectively. Refinitiv has elected to continue to apply hedge accounting under IAS 39.

Refinitiv has not restated comparative amounts in the combined historical financial information, as this would require the use of hindsight in factors influencing measurement such as fair values and expected credit loss calculations and therefore is proscribed by the standard. IFRS 9 did not have a material impact on the combined historical financial information and therefore no adjustments have been made.

Amounts presented in Refinitiv's combined historical financial information as at 31 December 2017 have been updated to adopt the new terminology under IFRS 9. The previously reported 'cash, trade and other receivables', 'other financial liabilities', and 'available for sale' categories are now referred to as 'financial assets at amortised cost', 'financial liabilities at amortised cost', and 'financial assets at fair value through other comprehensive income' ("**FVOCI**") respectively in Note 17.

The new standard requires financial instruments to be classified as fair value through profit or loss ("**FVPL**"), FVOCI or amortised cost, each of which are explained further below. The classification depends on the Thomson Reuters Financial & Risk Business's business model for managing its financial instruments and whether the cash flows generated are "solely payments of principal and interest" ("**SPPI**").

- Financial assets at amortised cost are assets that are held to collect the contractual cash flows (solely payments of principal and interest); this includes Refinitiv's cash and cash equivalents and trade and other receivables. At the date of transition, US\$811 million previously reported as cash, trade and other receivables are now referred to as financial assets at amortised cost.
- Financial assets at FVOCI are assets used by the business mainly to collect the contractual cash flows, but also to be sold from time to time. Previously these assets were classified as 'available for sale'. At the date of transition, US\$11 million of assets previously designated as available for sale are now referred to as FVOCI with no change in valuation. Any profit or loss recognised in other comprehensive income on debt instruments is recycled to the income statement if the asset is sold. Any profit or loss on an equity investment remains in other comprehensive income and is not recycled.
- Financial assets at FVPL are either assets that are designated as FVPL on recognition, or that are traded on a regular basis. This category includes derivative instruments held by Refinitiv. There is no change on the previous treatment for these instruments. At the date of transition US\$124 million of assets remained as fair value through profit or loss.
- Financial liabilities at amortised cost are all financial liabilities that are not included within financial liabilities at fair value through profit or loss. This comprises Refinitiv's trade and other payables balances. There was no change on the previous treatment for these instruments.
- Financial liabilities at FVPL includes derivative instruments held by Refinitiv. There was no change on the previous treatment for these instruments.

IFRS 9 adopts a new approach to calculating impairment losses on financial instruments, with Refinitiv required to adopt a forward-looking approach to estimate ECLs. ECLs are based on the difference between the contractual cash flows due and the expected cash flows, the difference is then discounted at the asset's original effective interest rate. The impact of the new approach on Refinitiv's combined historical financial information is not material and no adjustments have been made.

The table below illustrates the changes to the classification of Refinitiv's financial assets under IFRS 9 and IAS 39 at the date of initial application of IFRS 9:

Instrument	Description	IAS 39	IFRS 9
Assets			
Cash	Own cash and short term deposits	Amortised cost	Amortised cost
Cash equivalents	Money market accounts	FVPL	FVPL
Trade and other receivables including certain financial assets	Trade receivables, deposits and advances, and other receivables	Amortised cost	Amortised cost
Investments in financial assets	Typically comprise investments in debt	Available for sale	FVOCI
Embedded derivatives	Foreign currency derivatives	FVPL	FVPL
Liabilities			
Trade and other payables	Trade payables, and accruals	Amortised cost	Amortised cost
Embedded derivatives	Foreign currency derivatives	FVPL	FVPL

3. Financial risk management

Refinitiv seeks to protect its financial performance and the value of its business from exposure to capital, credit, concentration, liquidity, and market (including foreign exchange, cash flow and fair value interest rate) risks.

Refinitiv's financial risk management approach is not speculative and adopts a '3 lines of defence' model. It is performed both at a Refinitiv level, where the treasury function identifies, evaluates, and hedges financial risks from a Refinitiv perspective and also locally, where operating units manage their regulatory and operational risks.

On 23 June 2016 the UK voted to exit the EU. The UK companies within Refinitiv, as members of the EU or EEA, rely on a number of rights that are available to them to conduct business with other EU or EEA members. Refinitiv companies have analysed the potential impacts and considered contingency plans that they may choose to execute should these rights not be replaced by rights that persist outside EU membership.

Capital risk

Risk description

Refinitiv's capital base comprises equity and debt capital.

Refinitiv recognises the risk that its entities may not maintain sufficient capital to meet their obligations or they may make investments that fail to generate a positive or value enhancing return.

Refinitiv considers that:

- (a) negative yields on its investments of cash, or
- (b) a scarcity of debt or equity (driven by its own performance or financial market conditions)

either separately or in combination are the principal risks to managing its capital.

Risk management approach

Refinitiv focuses upon its overall cost of capital as it seeks, within the scope of its risk appetite, to provide superior returns to its shareholders, and fulfil its obligations to the relevant regulatory authorities and other stakeholders. Maintaining access to capital and flexibility to invest for growth is a key management consideration.

A summary of Refinitiv's capital structure is presented below:

	31 December 2018
	US\$m
Book value of capital	
Total Net Parent Investment	5,642
Refinitiv debt	13,006

Refinitiv invests in opportunities in our portfolio of products and services that we believe have the highest potential for strategic growth. We have made significant investments designed to improve and enhance the functionality and performance of a number of our existing flagship products, as well as enhanced the reliability and resiliency of the technology infrastructure that we use to deliver products and services.

We believe that capital held by Refinitiv companies is sufficient to comfortably support current regulatory frameworks. The level of amounts set aside by Refinitiv for these purposes remains subject to on-going review with regulators, particularly in Europe. A summary of Refinitiv's regulatory and operational capital is shown below:

	31 December 2018
	US\$m
Regulatory and operational capital	
Total regulatory and operational capital	48
Amount included in cash and cash equivalents	156

To maintain the financial strength to access new capital at reasonable cost and sustain an investment grade credit rating, Refinitiv monitors its net leverage ratio which is operating net debt (i.e., net debt after excluding cash and cash equivalents set aside for regulatory and operational purposes) to pro forma adjusted EBITDA (Refinitiv earnings before net finance charges, taxation, impairment, depreciation and amortisation, foreign exchange gains or losses and non-underlying items, prorated for acquisitions or disposals undertaken in the period) against a target range of 1–2 times. Refinitiv is also mindful of potential impacts on the key metrics employed by the credit rating agencies in considering increases to its borrowings.

As at 31 December 2018, net leverage was 5.8 times and remains well within Refinitiv's target range. Refinitiv is comfortably in compliance with its bank facility ratio covenants (net leverage and interest cover) and these measures do not inhibit Refinitiv's operations or its financing plans.

Credit and concentration risk

Risk description

Risk management approach

Refinitiv attempts to minimise credit exposure as follows:

- Cash investments are placed with high-quality financial institutions with limited exposure to any one institution. At 31 December 2018, approximately 95 per cent. of cash and cash equivalents were held by institutions that were rated at "A-" or higher by at least one of the major credit rating agencies.
- Refinitiv assesses the creditworthiness of its customers. No allowance for credit losses on financial assets was required as of 31 December 2018, other than the provision for expected credit losses (bad debt provision).

At 31 December 2018, Refinitiv's maximum exposure with respect to credit, assuming no mitigating factors, would be the aggregate of the following:

	31 December 2018	31 December 2017	31 December 2016
	US\$m	US\$m	US\$m
Cash and cash equivalents	1,192	381	347
Trade and other receivables	1,064	590	567
Derivative financial instruments	34	12	140
Investments in financial assets	5	11	4
Maximum exposure to credit	2,295	994	1,058

Liquidity risk

Risk description

Refinitiv's operations are exposed to liquidity risk to the extent that they are unable to meet their daily payment obligations.

Risk management approach

Refinitiv maintains sufficient liquid resources to meet its financial obligations as they fall due and to invest in capital expenditure, meet its pension commitments, support acquisitions or repay borrowings.

Management monitors forecasts of Refinitiv's cash flow and overlays sensitivities to these forecasts to reflect assumptions about more difficult market conditions or stress events.

Treasury policy requires that Refinitiv maintains adequate credit facilities provided by a diversified lending group to cover its expected funding requirements.

During the year ended 31 December 2018, Refinitiv entered into a US\$6,500 million term loan, €2,355 million term loan, and a US\$750 million committed revolving credit facility. It also issued US\$1,250 million and €860 million senior first lien notes, and US\$1,575 million and €365 million senior notes. At 31 December 2018, the US\$750 million revolving credit facility remained unutilised.

The table below analyses Refinitiv's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table reflect the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	US\$m	US\$m	US\$m	US\$m	US\$m
<u>At 31 December 2018</u>					
Borrowings	91	92	276	13,958	14,417
Trade and other payables	1,545	—	—	—	1,545
Derivative financial instruments	4	1	40	—	45
	<u>1,640</u>	<u>93</u>	<u>316</u>	<u>13,958</u>	<u>16,007</u>
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	US\$m	US\$m	US\$m	US\$m	US\$m
<u>At 31 December 2017</u>					
Trade and other payables	750	—	—	—	750
Derivative financial instruments	30	28	1	—	59
	<u>780</u>	<u>28</u>	<u>1</u>	<u>—</u>	<u>809</u>
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	US\$m	US\$m	US\$m	US\$m	US\$m
<u>At 31 December 2016</u>					
Trade and other payables	732	—	—	—	732
Derivative financial instruments	11	2	4	—	17
	<u>743</u>	<u>2</u>	<u>4</u>	<u>—</u>	<u>749</u>

Market risk—Foreign Exchange

Risk description

Refinitiv's operations are global in nature. The combined historical financial information is expressed in US Dollars, but a significant portion of our business is conducted in other currencies.

Changes in the exchange rates for such currencies into US Dollars can increase or decrease revenues, operating profit, net earnings and the carrying values of assets and liabilities.

Additionally, Refinitiv may price customers' orders in one currency but allow customers to pay the equivalent price in another currency. In such cases, changes in exchange rates from order to billing create currency exposure.

Risk management approach

Refinitiv seeks to match the currency of its debt liabilities to the currency of its earnings and cash flows which to an extent protects its key ratios (net leverage and interest coverage) and balances the currency of its assets with its liabilities.

A material proportion of Refinitiv's debt is held in US Dollars and Euros as noted below.

<u>Currency of debt</u>	<u>31 December 2018</u>	<u>31 December 2017</u>	<u>31 December 2016</u>
	US\$m	US\$m	US\$m
Euro denominated drawn debt	3,960	—	—
US Dollar denominated drawn debt	9,046	—	—

In addition to projecting and analysing its earnings and debt profile by currency, Refinitiv reviews sensitivities to movements in exchange rates which are appropriate to market conditions. Refinitiv has considered movements in the Euro over the year ended 31 December 2018 and, based on actual market observations, has concluded that a 10 per cent. movement in rates is a reasonable level to illustrate the risk to Refinitiv.

<u>Decrease/(increase) to earnings</u>	<u>GPB</u>	<u>EUR</u>	<u>USD</u>	<u>Other</u>	<u>Total</u>
Impact on earnings from embedded derivatives	—	1	(59)	—	(58)
Impact on earnings from cash and cash equivalents	—	1	(3)	3	1
Impact on earnings from other financial assets	1	1	10	—	12
Total impact on earnings	1	3	(52)	3	(45)

Changes in exchange rates had a 1 per cent. favourable impact on the change in combined revenues between 2017 and 2016.

The translation effects of changes in exchange rates on the combined balance sheet were net translation losses of US\$337 million (2017 - net translation gains of US\$398 million 2016 - net translation losses of US\$361 million), which were recorded within "Accumulated other comprehensive loss" in the combined balance sheet.

Market risk - Cash Flow and Fair Value Interest Rate Risk

Risk description

Refinitiv's interest rate risk arises through the impact of changes in market rates on cash flows associated with cash and cash equivalents, and borrowings held at floating rates.

Risk management approach

Refinitiv has limited exposure to fluctuations in interest rates with respect to cash and cash equivalents, the majority of which were comprised of non-interest bearing assets.

To hedge its exposures in expected future cash flows due to the changes in interest rates, Refinitiv enters into interest rate swap derivatives, which swaps the US dollar monthly floating rate interest payments into US dollars fixed interest payments. The interest rate swaps, which cover a portion of Refinitiv's debt, were designated as cash flow hedges and are recorded in the balance sheet at their fair value.

As at 31 December 2018, net interest expense cover by EBITDA was measured over the 12 month period at 2.6 times and the floating rate component of total debt was 44 per cent..

In its review of the sensitivities to potential movements in interest rates, Refinitiv has considered interest rate volatility over the last year and prospects for rates over the next 12 months and has concluded that a 1 percentage point upward movement (with a limited prospect of material downward movement) reflects a reasonable level of risk to current rates. At 31 December 2018, at Refinitiv level, if interest rates on cash and cash equivalents and borrowings had been 1 percentage point higher with all other variables held constant, post-tax profit for the year would have been US\$43 million lower (2017: US\$1 million higher, 2016;

US\$1 million higher) mainly as a result of higher interest expense on floating rate borrowings partially offset by higher interest income on floating rate cash and cash equivalents.

4. Significant judgements and estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances, and expectations of future events.

Estimates:

For the year ended 31 December 2018, the following areas require the use of estimates:

Impairment of purchased intangible assets and goodwill - these assets form a significant part of the balance sheet and are key assets for the cash generating business in Refinitiv. The recoverable amounts of relevant cash generating units are based on value in use calculations using management's best estimate of future performance and estimates of the return required by investors to determine an appropriate discount rate. Details are provided in Note 12;

Defined benefit pension asset or liability - determined based on the present value of future pension obligations using assumptions determined by Refinitiv with advice from an independent qualified actuary. Sensitivity analysis is provided in Note 16; and

Intangible assets (computer software) - a significant portion of ongoing expenditures relates to software that is developed as part of electronic databases, delivery systems, and internal infrastructures, and, to a lesser extent, software sold directly to customers. As part of the software development process, management must estimate the expected period of benefit over which capitalised costs should be amortised. The basis of these estimates includes the timing of technological obsolescence, competitive pressures, historical experience, and internal business plans for the use of the software. Due to rapidly changing technology and the uncertainty of the software development process itself, future results could be affected if management's current assessment of its software projects differs from actual performance.

Judgements:

In preparing the combined historical financial information for the year ended 31 December 2018, the following judgements have been made:

Revenue recognition - management exercises significant judgement when assessing whether multiple products and services in customer contracts are distinct performance obligations that should be accounted for separately, or whether they must be accounted for together. In making the determination, management considers, for example, whether Refinitiv regularly sells a good or service separately, or whether the goods or services are highly interrelated. Furthermore, Refinitiv has more than one standalone selling price ("SSP") for individual products and services due to the stratification of its offerings by customer. As a result, management determines the SSP taking into consideration market conditions and other factors, including the value of its contracts, the product or service sold, customer's market, geographic location, and the number and types of users in each contract.

Assessment of the probability of an exit event - as the timing of expense recognition related to performance-based shares granted to employees under the MIP is affected by management's assessment as to the probability of an exit event (change of control or an IPO), management exercises significant judgement when assessing whether an exit event may be probable. Such an assessment is based on the facts and circumstances and takes into account all available evidence as regards the likelihood of an exit event.

Recognition of pension surplus - for funded plans, surpluses are recognised only to the extent that the surplus is considered recoverable. Recoverability is primarily based on the extent to which Refinitiv can unilaterally reduce future contributions to the plan or receive a refund in future. For Refinitiv's two UK plans, a legal opinion on the recoverability was obtained. It was concluded that, based on the legal facts, for both plans an accounting policy choice can be made to either recognize the surplus or not. Having considered the legal opinion on the underlying facts and circumstances, management elected to recognize the pension surpluses for all years presented in the combined historical financial information.

Recoverability of the pension asset - the noted pension surpluses relate to entities residing in the UK and as such UK tax law applies in measuring the deferred tax relating to the pension. UK tax law applies different tax rates depending how the surplus is expected to be recovered in the future. The Company determined the pension surplus would be recovered through reduced future contributions and as such has measured the related

deferred tax at the main UK corporate income tax rate expected to be applicable when the deferred tax reverses (i.e., 17 per cent.) for all years presented in the combined historical financial information.

5. Segmental Information

Operating segments are components of an enterprise for which discrete financial information is evaluated by the chief operating decision maker (“CODM”) for purposes of making decisions regarding resource allocation and assessing performance. As the CODM evaluates revenues by business unit, but profitability in aggregate, Refinitiv is operated as a single reportable segment.

Segment considerations will be re-assessed by LSEG plc following Completion.

Refinitiv’s revenue from contracts with customers disaggregated by major product and service line, and timing of revenue recognition for the year ended 31 December 2018 is shown below:

	<u>2018</u>
	US\$m
Revenue from external customers	
Major product & service lines	
Recurring	4,743
Transactions	996
Recoveries and Other	<u>466</u>
Total revenue from contracts with customers	<u>6,205</u>

The disaggregated revenue table presented above for the year ended 31 December 2018 is a new requirement as a result of Refinitiv adopting IFRS 15 on 1 January 2018. Refinitiv has used the modified retrospective approach to transition to IFRS 15 and therefore no comparative disclosures are presented.

Geographical disclosures

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Revenue from external customers			
US	2,277	2,305	2,271
Other	<u>235</u>	<u>189</u>	<u>180</u>
Americas (North America, Latin America, South America)	2,512	2,494	2,451
United Kingdom	924	1,095	1,163
Other	<u>1,585</u>	<u>1,323</u>	<u>1,258</u>
Europe, Middle East and Africa	2,509	2,418	2,421
Asia Pacific	1,184	1,034	1,007
Total	<u>6,205</u>	<u>5,946</u>	<u>5,879</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Non-current operating assets			
US	10,486	7,289	7,321
Other	<u>176</u>	<u>210</u>	<u>206</u>
Americas (North America, Latin America, South America)	10,662	7,499	7,527
United Kingdom	889	2,052	1,928
Other	<u>7,865</u>	<u>2,064</u>	<u>1,912</u>
Europe, Middle East and Africa	8,754	4,116	3,840
Asia Pacific	1,273	1,380	1,378
Total	<u>20,689</u>	<u>12,995</u>	<u>12,745</u>

Non-current operating assets consist of property, plant and equipment, intangible assets, and investment in associates.

6. Expenses by nature

Expenses comprise the following:

<u>Underlying items</u>	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Employee costs	7	1,472	1,232	1,392
Real estate		261	294	263
External services		212	155	162
Allocation of costs from Thomson Reuters and affiliates		1,043	1,432	1,462
Other costs		282	415	129
Operating expenses before depreciation, and amortisation		3,270	3,528	3,408
Underlying depreciation, and amortisation	11, 12	670	518	530
Total operating expenses		<u>3,940</u>	<u>4,046</u>	<u>3,938</u>

Other costs include foreign exchange losses of US\$12 million (2017: US\$3 million (gain); 2016: US\$24 million loss).

7. Employee costs

Employee costs comprise the following:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Salaries and other benefits	1,248	1,061	1,193
Social security costs	113	97	105
Pension costs	88	56	64
Share-based compensation	23	18	30
Total	<u>1,472</u>	<u>1,232</u>	<u>1,392</u>

Staff costs include the costs of contract staff who are not on the payroll but fulfil a similar role to employees.

The average number of employees in Refinitiv from total operations was:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
US	3,406	2,743	3,068
India	4,412	2,338	2,184
United Kingdom	2,562	1,704	1,519
Philippines	1,309	1,132	1,026
Poland	1,387	1,100	927
Other	6,353	4,105	4,152
Total	<u>19,429</u>	<u>13,122</u>	<u>12,876</u>

Average staff numbers are calculated from the date of acquisition for subsidiary companies acquired in the year and up to the date of disposal for businesses disposed in the year.

8. Non-underlying items

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Amortisation of purchased intangible assets	12	485	331	342
Transaction costs		79	—	—
Separation costs		206	—	—
Restructuring costs		<u>185</u>	<u>9</u>	<u>170</u>
Total affecting operating profit		<u>955</u>	<u>340</u>	<u>512</u>
Tax effect on items affecting profit before tax				
Deferred tax on amortisation of purchased intangible assets		(34)	(94)	(100)
Current tax on amortisation of purchased intangible assets		(96)	(18)	(13)
Tax effect on other items affecting profit before tax		(103)	(3)	(50)
Total tax effect on items affecting profit before tax		<u>(233)</u>	<u>(115)</u>	<u>(163)</u>
Total charge to income statement		<u>722</u>	<u>225</u>	<u>349</u>

Transaction costs include consultant and a finder's fee to Blackstone for company searches that lead to the acquisition of the Thomson Reuters Financial & Risk Business. These transaction costs relate to "other costs" and are excluded from the amount of "other costs" disclosed in Note 6.

During 2018, Refinitiv incurred separation costs in relation to the separation of the Thomson Reuters Financial & Risk Business from Thomson Reuters. Separation costs primarily consist of professional fees, legal, accounting, and consulting fees, additional insurance, and information technology charges. Approximately US\$29 million of these costs are employee related and are excluded from the employee costs amounts disclosed in Notes 6 and 7. Approximately US\$91 million relates to external services and is excluded from the amount disclosed in Note 6 for "external services". The remaining US\$86 million relates to "other costs" and is excluded from the amount of "other costs" disclosed in Note 6.

Refinitiv's restructuring charges are related to severance costs which are not part of normal operations. The costs in 2016 and 2017 relate to the 2016 program to "right-size" the business, which was completed in early 2017. The costs incurred in 2018 primarily relate to a restructuring program entered into after the acquisition of the Thomson Reuters Financial & Risk Business. The purpose of this restructuring program was to reduce headcount and the program continued into 2019. All of these restructuring costs are employee related and are excluded from the employee costs disclosed in Notes 6 and 7.

Further details on the recognition of deferred tax in relation to the amortisation of purchased intangible assets are provided in Note 15.

9. Net finance expense

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Finance income				
Expected return on defined benefit pension scheme assets	16	12	7	8
Bank deposit and other interest income		9	1	1
Other finance income		<u>30</u>	<u>—</u>	<u>2</u>
		<u>51</u>	<u>8</u>	<u>11</u>
Finance expense				
Interest payable on bank and other borrowings		(207)	—	—
Defined benefit pension scheme interest cost	16	(1)	(2)	(5)
Other finance expenses		<u>(30)</u>	<u>(6)</u>	<u>—</u>
		<u>(238)</u>	<u>(8)</u>	<u>(5)</u>
Net finance expense		<u>(187)</u>	<u>—</u>	<u>6</u>

Presented within finance expense are amounts in relation to defined benefit schemes which are measured at fair value. Following the 2018 Transaction Closing Date, finance expense primarily relates to interest expense on borrowings - see Note 23 for further details on debt arrangements entered into during 2018. At 31 December 2018, the unamortised debt arrangement fees were US\$428 million.

10. Taxation

The standard 2018 United Kingdom corporation tax rate was 19 per cent. (2017: 19.25 per cent.; 2016: 20 per cent.). The United Kingdom is the tax jurisdiction of Refinitiv Parent and a significant operating jurisdiction.

	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Taxation charged to the income statement				
Current tax:				
UK corporation tax for the year		50	22	54
Overseas tax for the year		179	136	136
Adjustments in respect of previous years		<u>1</u>	<u>1</u>	<u>—</u>
		230	159	190
Deferred tax:				
Deferred tax for the year	15	(145)	92	(15)
Adjustments in respect of previous years		15	(90)	(4)
Deferred tax liability on amortisation of purchased intangible assets and goodwill		<u>(19)</u>	<u>(210)</u>	<u>(107)</u>
Taxation charge/(credit)		<u>81</u>	<u>(49)</u>	<u>64</u>

The adjustments in respect of previous years' corporation tax are mainly in respect of tax returns submitted to the relevant tax authorities.

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Taxation on items not credited/(charged) to income statement			
Deferred tax (charge)/credit:			
Tax on employee benefits and deferred compensation	(23)	24	7
Translation and other, net	(1)	8	3
Tax on other liabilities	<u>(11)</u>	<u>—</u>	<u>—</u>
	<u>(35)</u>	<u>32</u>	<u>10</u>

Factors affecting the tax charge for the year

The income statement tax charge for the year differs from the standard rate of corporation tax in the United Kingdom of 19 per cent. (2017: 19.25 per cent., 2016: 20 per cent.) as explained below:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Profit before taxation	<u>254</u>	<u>723</u>	<u>594</u>
Profit multiplied by standard rate of corporation tax in the UK	48	139	119
Expenses not deductible/(Income not taxable)	39	12	9
Adjustment arising from change in tax rates	19	(90)	(5)
Overseas earnings taxed at lower rate	(95)	(144)	(61)
Adjustments in respect of previous years	(6)	3	1
Withholding taxes	23	26	20
Tax effect of partnership structure	(14)	(13)	(10)
Increase (decrease) in income tax uncertainties	20	12	(10)
Currency exchange impacts	—	2	—
Non-deductible interest in the UK and US	45	—	—
Other	<u>2</u>	<u>4</u>	<u>1</u>
Income tax	<u>81</u>	<u>(49)</u>	<u>64</u>

The UK Finance Bill 2016 was enacted in September 2016, reducing the standard rate of corporation tax further to 17 per cent. effective from 1 April 2020. Accordingly, the UK deferred tax balances at 31 December 2018 have been stated at 19 per cent. or 17 per cent. dependent on when the temporary differences are expected

to reverse. The deferred tax balances in other countries are recognised at the substantively enacted rates at the balance sheet date.

The effective income tax rate in 2016 and 2017 was lower than the UK corporate income tax rate due significantly to the lower tax rates and differing tax rules applicable to certain of Refinitiv's operating subsidiaries outside the UK. The effective income tax rate in 2018 was higher than the UK corporate income tax rate due primarily to non-deductible expenses, including interest expense limitations, offset partially by lower tax rates applicable to certain of Refinitiv's operating subsidiaries outside the UK. Refinitiv's effective tax rate depends on the laws of numerous countries and the provisions of multiple income tax conventions between various countries in which Refinitiv operates. Because of the requirements of income tax accounting under IAS 12, 'Income Taxes', income tax expense can differ significantly from taxes paid in any reporting period.

On 22 December 2017 H.R.1, commonly referred to as the Tax Cuts and Jobs Act, was enacted in the US which reduced the US corporate income tax rate to 21 per cent. from 35 per cent.. The effect of this rate change was an income tax benefit to Refinitiv due to the net deferred tax liability balance present in that jurisdiction. In 2018, H.R. 1 and the UK corporate interest restriction rules gave rise to interest expense limitation carryforwards for which it was determined are not probable of being utilised, resulting in a US\$45 million income tax effect.

Uncertain tax positions

Refinitiv is subject to taxation in numerous jurisdictions and is routinely under audit by many different tax authorities in the ordinary course of business. There are many transactions and calculations during the course of business for which the ultimate tax determination is uncertain, as taxing authorities may challenge some of Refinitiv's positions and propose adjustments or changes to its tax filings. As a result, Refinitiv maintains provisions for uncertain tax positions that it believes appropriately reflect its risk. These provisions have been included in other non-current payables or deferred tax liabilities within the combined balance sheets based upon the expected method of settlement with the tax authorities. Refinitiv Parent has a tax indemnity asset for all tax liabilities incurred through the 2018 Transaction Closing Date in the predecessor company. This tax indemnity balance is included in "Other non-current assets" within the combined balance sheet. As of 31 December 2018 Refinitiv Parent has a tax indemnity receivable of US\$75 million in relation to the uncertain tax positions recognised.

Refinitiv believes that it is reasonably possible that its tax indemnity receivable will increase to approximately US\$86 million and that its uncertain tax position reserve will increase by approximately US\$15 million by 31 December 2019. Whereas the potential increase in both items relates to withholding tax uncertainties in Egypt, and transfer pricing risks in France, the tax indemnity receivable is also offset by the expected recognition of previously unrecognised tax benefits as a result of the lapse of the statute of limitations in various jurisdictions.

11. Property, plant and equipment

	<u>Computer hardware</u>	<u>Buildings and building improvements</u>	<u>Furniture, fixtures and equipment</u>	<u>Total</u>
	US\$m	US\$m	US\$m	US\$m
Cost:				
1 January 2016	1,431	549	229	2,209
Additions	93	41	15	149
Disposals	(55)	—	(4)	(59)
Foreign exchange and other, net	<u>(183)</u>	<u>(38)</u>	<u>(66)</u>	<u>(287)</u>
31 December 2016	1,286	552	174	2,012
Additions	107	24	11	142
Acquisitions	2	1	4	7
Disposals	(14)	—	(1)	(15)
Foreign exchange and other, net	<u>41</u>	<u>8</u>	<u>(2)</u>	<u>47</u>
31 December 2017	1,422	585	186	2,193
Additions	126	7	23	156
Disposals	(1)	—	—	(1)
Foreign exchange and other, net	154	—	7	161
Elimination on Acquisition (Note 28)	(1,645)	(587)	(215)	(2,447)
Arising on Acquisition (Note 28)	<u>233</u>	<u>176</u>	<u>102</u>	<u>511</u>
31 December 2018	<u>289</u>	<u>181</u>	<u>103</u>	<u>573</u>
Accumulated depreciation:				
1 January 2016	1,244	338	147	1,729
Charge for the year	115	49	17	181
Disposals	(55)	—	(4)	(59)
Foreign exchange and other, net	<u>(187)</u>	<u>(23)</u>	<u>(58)</u>	<u>(268)</u>
31 December 2016	1,117	364	102	1,583
Charge for the year	104	50	19	173
Disposals	(14)	—	(1)	(15)
Foreign exchange and other, net	<u>54</u>	<u>(1)</u>	<u>4</u>	<u>57</u>
31 December 2017	1,261	413	124	1,798
Charge for the year	133	45	24	202
Disposals	(1)	—	—	(1)
Foreign exchange and other, net	134	(2)	14	146
Elimination on Acquisition (Note 28)	<u>(1,481)</u>	<u>(446)</u>	<u>(151)</u>	<u>(2,078)</u>
31 December 2018	<u>46</u>	<u>10</u>	<u>11</u>	<u>67</u>
Net book values:				
31 December 2018	<u>243</u>	<u>171</u>	<u>92</u>	<u>506</u>
31 December 2017	<u>161</u>	<u>172</u>	<u>62</u>	<u>395</u>
31 December 2016	<u>169</u>	<u>188</u>	<u>72</u>	<u>429</u>

As at 31 December 2018, Refinitiv held no items of equipment under finance leases (2017: nil; 2016: nil). As at 31 December 2018, buildings and building improvements includes approximately US\$120 million of cost and US\$10 million of accumulated depreciation relating to leasehold improvements, asset retirement obligations and work-in-progress. No comparative amounts for 2016 and 2017 are calculable due to the assets being an allocated balance from Thomson Reuters.

12. Intangible assets

	Purchased intangible assets					Total US\$m
	Goodwill	Customer relationships	Trade names	Databases, content and other	Software and contract costs	
	US\$m	US\$m	US\$m	US\$m	US\$m	
Cost:						
1 January 2016	12,481	4,657	93	996	2,638	20,865
Acquisitions	62	25	2	3	19	111
Additions	—	—	—	—	301	301
Disposals	—	—	—	(4)	(57)	(61)
Foreign exchange	(381)	(114)	—	(64)	(138)	(697)
31 December 2016	12,162	4,568	95	931	2,763	20,519
Acquisitions	124	38	5	8	18	193
Additions	—	—	—	—	310	310
Disposals	—	—	(12)	(12)	(51)	(75)
Foreign exchange	504	165	—	30	(222)	477
31 December 2017	12,790	4,771	88	957	2,818	21,424
Impact of adopting new accounting standard (Note 2)	—	—	—	—	63	63
1 January 2018 (restated)	12,790	4,771	88	957	2,881	21,487
Additions	—	—	—	—	370	370
Foreign exchange and other, net	(182)	(76)	(3)	(31)	5	(287)
Elimination on Acquisition (Note 28)	(12,630)	(4,714)	(88)	(952)	(3,174)	(21,558)
Arising on Acquisition (Note 28)	9,095	4,100	518	3,388	3,498	20,599
31 December 2018	9,073	4,081	515	3,362	3,580	20,611
Accumulated amortisation:						
1 January 2016	2,756	2,387	81	704	1,959	7,887
Amortisation charge for the year	—	301	8	33	349	691
Disposals	—	—	—	(4)	(57)	(61)
Foreign exchange	(76)	(56)	3	(43)	(131)	(303)
31 December 2016	2,680	2,632	92	690	2,120	8,214
Amortisation charge for the year	—	297	5	29	345	676
Disposals	—	—	(12)	(12)	(51)	(75)
Foreign exchange	97	95	(3)	36	(204)	21
31 December 2017	2,777	3,024	82	743	2,210	8,836
Amortisation charge for the year	—	296	9	180	468	953
Elimination on Acquisition (Note 28)	(2,744)	(3,210)	(84)	(766)	(2,508)	(9,312)
Foreign exchange and other, net	(33)	(38)	—	3	26	(42)
31 December 2018	—	72	7	160	196	435
Net book values:						
31 December 2018	9,073	4,009	508	3,202	3,384	20,176
31 December 2017	10,013	1,747	6	214	608	12,588
31 December 2016	9,482	1,936	3	241	643	12,305

Goodwill

Details of goodwill arising in each of the years ended 31 December 2018, 2017, and 2016 is provided in Note 28. Goodwill generally represents synergies and the value of the acquired workforce. Prior to the 2018 Transaction Closing Date, goodwill was an allocated number. Refer to Note 1 for details regarding the principal assumptions underlying the combined historical financial information.

Purchased intangible assets

The fair values of the purchased intangible assets were principally valued using an income approach and are being amortised over their useful economic lives, which do not normally exceed 30 years. Refinitiv's purchased intangible assets include:

- Customer relationships, which primarily consist of customer contracts and customer relationships arising from such contracts.
- Trade names, which consist of purchased brand names that Refinitiv continues to use.
- Databases, content and other, which primarily consist of repositories of Refinitiv's specific financial and customer information, favourable leasehold interests and broker-dealer licenses (in 2017 and prior periods, 'other' included rights to Refinitiv's intellectual content, favourable leasehold interests and liquidity contracts).

Software, contract costs and other

The cost of internally generated software in the year includes US\$196 million (2017: US\$87 million; 2016: US\$98 million) representing assets not yet brought into use. No amortisation has been charged on these assets and instead they are tested for impairment annually.

During the year, additions relating to internally generated software amounted to US\$75 million (2017: US\$308 million; 2016: US\$293 million).

During the year, Refinitiv capitalised US\$33 million of incremental contract costs in respect of revenue generating contracts with customers and recognised a US\$28 million amortisation charge relating to contract cost assets. No impairment was recognised in the period in relation to contract cost assets.

Impairment tests for goodwill

Refinitiv has one CGU to which goodwill is allocated and monitored by management. The valuation techniques, significant assumptions, and sensitivities applied in the goodwill impairment test are described below. The selection and application of valuation techniques and the determination of significant assumptions require judgement.

The recoverable value of the CGU was based on fair value, less costs of disposal, using a weighted average of the income approach and the market approach. IFRS 13, 'Fair Value Measurement', defines fair value as a market-based measurement, rather than an entity-specific measurement. Therefore, the fair value of the CGU must be measured using the assumptions that market participants would use, rather than those related specifically to Refinitiv. In particular, the discount and tax rates used in the income approach reflect market participant assumptions. To calculate these market participant assumptions, publicly available data was gathered from companies operating in businesses similar to the CGU, which includes key competitors. As certain inputs to the valuation are not based on observable market data, the recoverable value of the CGU is categorised in Level 3 of the fair value measurement hierarchy.

Refinitiv assumed a discount rate in order to calculate the present value of its projected cash flows for the income approach. The discount rate represented a WACC for comparable companies operating in similar industries as the CGU, based on publicly available information. The WACC is an estimate of the overall required rate of return on an investment for both debt and equity owners and serves as the basis for developing an appropriate discount rate. Determination of the WACC requires separate analysis of the cost of equity and the cost of debt. The cost of equity reflects the long-term risk-free interest rate associated with US Treasury bonds and considers a risk premium based on an assessment of risks related to the projected cash flows of the CGU.

Factors that affected the discount rate include maturity, stability, and competitiveness of the markets in which Refinitiv operates.

Based on the results of the impairment tests performed, management believes there is no impairment of the carrying value of the goodwill.

While calculations involving discounted cash flows are sensitive to changes in assumptions, the sensitivity analysis demonstrates that no reasonably possible change in the perpetual growth, discount rate, or income tax assumptions would cause the carrying amounts of the CGU to exceed its recoverable amount.

13. Investment in associates

	<u>US\$m</u>
1 January 2016	12
Foreign exchange and other, net	(3)
Share of profit after tax	<u>2</u>
31 December 2016	11
Foreign exchange and other, net	(1)
Share of profit after tax	<u>2</u>
31 December 2017	12
Foreign exchange and other	(2)
Share of profit after tax	1
Elimination on Acquisition	(12)
Arising on Acquisition (Note 28)	<u>8</u>
31 December 2018	<u>7</u>

14. Non-controlling interests

Tradeweb Markets is the only subsidiary that has material non-controlling interests within Refinitiv.

Summarised financial information for non-controlling interests is provided below.

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Profit for the year attributable to non-controlling interests	80	61	53
Total comprehensive income attributable to non-controlling Interests	80	63	50
Dividend paid to non-controlling interests in the year	<u>(79)</u>	<u>(66)</u>	<u>(57)</u>
Summarised balance sheet:			
Non-current assets	4,309	879	905
Current assets	688	438	416
Current liabilities	391	188	212
Non-current liabilities	34	143	84
Total equity	<u>4,572</u>	<u>986</u>	<u>1,025</u>
Attributable to:			
Equity holders of the company	<u>2,611</u>	<u>489</u>	<u>540</u>
Non-controlling interests	<u>1,961</u>	<u>497</u>	<u>485</u>

The balances above include goodwill, purchased intangible assets and associated amortisation, impairments and deferred tax attributable to non-controlling interests.

Net increase/(decrease) in cash and cash equivalents 58 29 (15)

The summarised total comprehensive income of Tradeweb Markets is provided below.

Summarised statement of total comprehensive income:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Total income			
Profit for the year	159	84	93
Other comprehensive income excluding exchange on translation of foreign operations	—	—	—
Total comprehensive income excluding exchange translation of foreign operations	159	84	93
Gains/(losses) on translation of foreign operations	(4)	3	(5)
Total comprehensive income	155	87	88
Attributable to:			
Equity holders of the company	75	24	38
Non-controlling interests	80	63	50

15. Deferred tax

The movements in deferred tax assets and liabilities during the year are shown below:

	<u>Accelerated tax depreciation</u>	<u>Intangible assets and goodwill</u>	<u>Other</u>	<u>Employee benefits and deferred compensation</u>	<u>Investment in partnerships and equity investments</u>	<u>Net loss carry forwards and tax attributes</u>	<u>Total</u>
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
1 January 2016	95	(769)	(34)	17	—	8	(683)
Deferred tax recognised on acquisition of businesses	—	(4)	—	—	—	—	(4)
Tax credited/(charged) to the income statement	(4)	107	27	(4)	—	—	126
Tax (charged)/credited to other comprehensive income:							
Defined benefit scheme							
remeasurement gain	—	—	—	(1)	—	—	(1)
Foreign exchange	(11)	12	—	(4)	—	—	(3)
Other OCI movement	—	—	—	(6)	—	—	(6)
31 December 2016	80	(654)	(7)	2	—	8	(571)
Deferred tax recognised on acquisition of businesses	32	(5)	—	—	—	—	27
Tax credited/(charged) to the income statement	(33)	210	28	(7)	—	10	208
Tax (charged)/credited to other comprehensive income:							
Defined benefit scheme							
remeasurement gain	—	—	—	2	—	—	2
Foreign exchange	3	(17)	2	3	—	1	(8)
Other OCI movement	—	—	—	(26)	—	—	(26)
31 December 2017	82	(466)	23	(26)	—	19	(368)
Impact of adopting new accounting standards (Note 2)	—	—	(18)	—	—	—	(18)
1 January 2018 (restated)	82	(466)	5	(26)	—	19	(386)
Tax credited/(charged) to the income statement	16	51	(2)	(6)	—	4	63
Foreign exchange	—	1	—	15	—	—	16
Other balance sheet movements	—	—	—	—	—	(15)	(15)
Elimination on Acquisition	(98)	414	(3)	18	—	(8)	323
Deferred tax on Acquisition	(244)	(253)	(23)	(1)	(249)	18	(752)
Tax credited/(charged) to the income statement	2	11	5	10	9	48	85
Tax (charged)/credited to other comprehensive income:							
Other OCI movement	—	—	11	9	—	—	20
31 December 2018	(242)	(242)	(7)	19	(240)	66	(646)

The following table summarises the net deferred tax asset (liability):

Assets at 31 December 2018	22
Liabilities at 31 December 2018	(668)
Net liabilities at 31 December 2018	(646)
Assets at 31 December 2017	20
Liabilities at 31 December 2017	(388)
Net liabilities at 31 December 2017	(368)
Assets at 31 December 2016	19
Liabilities at 31 December 2016	(590)
Net liabilities at 31 December 2016	(571)

The deferred tax assets are recoverable against future taxable profits and are due after more than 1 year.

On 30 January 2018, Thomson Reuters entered into the Prior Transaction Agreement with Refinitiv, which was controlled by certain investment funds affiliated with Blackstone, pursuant to which Refinitiv would acquire all of the equity interests of certain assets and liabilities associated with the Thomson Reuters Financial & Risk Business and Thomson Reuters would indirectly acquire a 45 per cent. interest in Refinitiv. The 2018 Transaction closed on the 2018 Transaction Closing Date and was accounted for as a business combination under IFRS 3. The Thomson Reuters Financial & Risk Business was transferred to Refinitiv in exchange for cash consideration of US\$16,626 million and Refinitiv stock of US\$2,101 million. As part of the 2018 Transaction, there was a sale of intellectual property from a Swiss subsidiary to the US and UK and a sale of trademarks licensed from Canada to the US and UK which gave rise to a step-up in tax basis related to these assets (i.e., intangible assets and computer software). The 2018 Transaction did not give rise to a step-up to fair market value for tax purposes in any other assets and resulted in the recording of deferred tax for differences between the historical tax basis and the stepped-up financial reporting basis which primarily related to investments in partnerships.

The deferred balances presented above to 30 September 2018 are presented on a carve-out basis and were prepared following the “separate return method”, which computes income tax balances of each member of the group as if the group member were a separate taxpayer and a standalone enterprise. The tax treatment of certain items reflected in the combined historical financial information may not be reflected in the consolidated financial statements and tax returns of Thomson Reuters. Therefore, items such as net operating losses, credit carryforwards, and derecognition of deferred tax assets may exist in the combined historical financial information that may or may not exist in Thompson Reuter’s consolidated financial statements through 30 September 2018. As a result of the above transaction, which closed on 1 October 2018, deferred tax assets and liabilities were re-determined based on updated book and tax bases and were recorded on an actuals basis through 31 December 2018. These adjustments that result from the transaction are effectuated through the “Elimination on Acquisition” and “Deferred Tax on Acquisition” lines in the deferred rollforward above.

The net deferred tax liability of US\$646 million (2017: US\$368 million, 2016: US\$571 million) is mainly attributable to intangible assets and goodwill, employee benefits and deferred compensation, and investments in partnerships and equity investments. There is a deferred tax liability of US\$242 million (2017: US\$(466) million, 2016: US\$(654) million) on the purchased intangible assets of the acquired subsidiary. This liability is amortised at the same rate as the purchased intangible assets. The employee benefits and deferred compensation total a deferred tax asset of US\$19 million (2017: deferred tax liability of US\$26 million, 2016: deferred tax asset of US\$2 million) and deferred tax recognised on the acquisition of business created a deferred tax liability of US\$240 million related to investment in partnerships.

Refinitiv has unrecognised deferred tax assets in respect of interest expense carryforwards of US\$40 million (2017: nil, 2016: nil), US separate state tax credit carry forwards of US\$3 million (2017: nil, 2016: nil), and other operating loss carry forwards of US\$5 million (2017: nil, 2016: nil) within certain Refinitiv subsidiaries. The assets would be recognised in the future only if suitable taxable income were to arise within Refinitiv.

Refinitiv has not provided deferred tax on the unremitted earnings or other temporary differences associated with investments in subsidiaries. Refinitiv is able to control the timing and reversal of such differences. The retained earnings attributable to overseas affiliates at 31 December 2018 are estimated at US\$143 million.

16. Retirement benefit obligations

Substantially all of Refinitiv's employees participate in defined benefit and defined contribution employee future benefit plans. Costs for future employee benefits are accrued over the periods in which the employees earn the benefits. Defined benefit plans provide pension and other post-employment benefits to covered employees. Significant plans are valued under IAS 19, 'Employee Benefits' using the projected unit credit method.

The combined balance sheets include the assets and liabilities of the RPF and SPS, covering UK employees (collectively, the "**Large UK plans**"), as well as various smaller plans closely associated with Refinitiv's operations.

The following discussion relates to the material plans, which primarily relate to the Large UK plans. The "other plans" column in the subsequent tables contain other material plans only. Non-material plans are not presented in this footnote.

Defined benefit schemes

Benefits payable are generally based on salary and years of service, although each plan has a unique benefits formula. Employees in the Large UK plans (and in some smaller global plans) may also make voluntary contributions to augment future benefits. The normal retirement age is typically in the range of 60 to 65 years and benefits are generally payable in annuity or lump sum upon retirement. Most plans include provisions for early retirement, death, survivor, and disability benefits. Under the Large UK plans, vested benefits of former employees who are not yet of retirement age are held in deferment. Eligible benefits under the Large UK plans increase based on inflation.

Except where required by law, virtually all defined benefit plans are closed to new employees. However, most new employees are eligible to participate in defined contribution plans.

Refinitiv bears the cost of the Large UK plans (less employee contributions). However, the responsibility for the management and governance of each of the Large UK plans lies with an independent trustee board (the "**Trustees**"). The Trustees are responsible for carrying out triennial valuations (unless circumstances require an earlier review) and securing funding for benefit payments. In order to develop funding valuations and investment policies, the Trustees consult with the plans' actuary (who is independent of Refinitiv's actuary), the plans' investment advisors (also independent of Refinitiv's investment advisors), and Refinitiv. The Trustees and Refinitiv are required to agree on a schedule of contribution in support of funding objectives. Refinitiv has separate funding agreements with the Trustees that provide for ongoing contributions to fund current service accruals and scheduled deficit recovery contributions to remedy prior funding deficits over a period of several years. These arrangements are updated in conjunction with the triennial valuations.

Additionally, Refinitiv provides guarantees to the Trustees in conjunction with triennial valuation and funding agreements. As of 31 December 2018, the aggregate maximum liability under the guarantees was £700 million for the RPF and £120 million for the SPS.

Other international locations operate various pension plans in accordance with the local regulations and practices.

Defined contribution schemes

Refinitiv sponsors various defined contribution savings plans that provide for matching contributions. Total expense related to defined contribution plans for the year ended 31 December 2018 was US\$46 million (2017: US\$39 million; 2016: US\$41 million), which approximates the cash outlays related to the plans.

Amounts recognised in the income statement from continuing operations are as follows:

		2018			
<u>Notes</u>	<u>RPF</u>	<u>SPS</u>	<u>Other plans</u>	<u>Total</u>	
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	
Defined contribution schemes	—	—	46	46	
Defined benefit scheme - current/past service cost and expenses	48	5	(7)	46	
Total pension charge included in employee costs	48	5	39	92	
Net finance (income)	9	(11)	—	(11)	
Total recognised in the income statement	<u>37</u>	<u>5</u>	<u>39</u>	<u>81</u>	
		2017			
<u>Notes</u>	<u>RPF</u>	<u>SPS</u>	<u>Other plans</u>	<u>Total</u>	
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	
Defined contribution schemes	—	—	39	39	
Defined benefit scheme - current/past service cost, expenses and curtailments	18	1	14	33	
Total pension charge included in employee costs	18	1	53	72	
Net finance (income)/expense	9	(7)	1	(5)	
Total recognised in the income statement	<u>11</u>	<u>2</u>	<u>54</u>	<u>67</u>	
		2016			
<u>Notes</u>	<u>RPF</u>	<u>SPS</u>	<u>Other plans</u>	<u>Total</u>	
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	
Defined contribution schemes	—	—	41	41	
Defined benefit scheme - current/past service cost, expenses and curtailments	12	1	11	24	
Total pension charge included in employee costs	12	1	52	65	
Net finance (income)/expense	9	(8)	1	(3)	
Total recognised in the income statement	<u>4</u>	<u>2</u>	<u>56</u>	<u>62</u>	

During 2018, the following events impacted certain of the defined benefit schemes as follows:

- On 26 October 2018, the UK High Court issued a ruling in a case relating to how guaranteed minimum pensions provided to pension plan participants should be equalised across genders. The ruling relates to defined benefit pension schemes operated by the Lloyds Banking Group but impacts other UK defined benefit pension plans. As a result of the ruling, Refinitiv recognised an additional US\$9 million of past service costs for the Large UK plans during 2018.
- On 21 August 2018, the trustees of the RPF entered into a £623 million (US\$810 million) bulk annuity policy (the “**Annuity Policy**”) covering approximately 97 per cent. of the RPF’s pensioner (retiree) liabilities with Canada Life (“**CL**”), an insurance company. The purpose of the arrangement was to reduce pension volatility by transferring longevity risk to CL and further improve inflation and benefit increase matching.
- Refinitiv decided to guarantee future discretionary pension increases, up to and including the increase at 1 January 2024, and committed to contributions to fund these pension increases. This decision resulted in additional pension expense of approximately US\$34 million for 2018 which was recorded as a past service cost.

Defined benefit assets/(obligations) for pension scheme:

	2018			
	RPF	SPS	Other	Total
	US\$m	US\$m	plans	US\$m
Fair value of assets:				
Equities (quoted)	—	—	91	91
Equities (unquoted)	55	—	2	57
Bonds (quoted)	—	—	23	23
Bonds (unquoted)	1,491	—	—	1,491
Property	1	—	24	25
Cash	79	40	6	125
Pensioner buy in policy	787	—	—	787
Other	514	346	145	1,005
Total fair value of assets	2,927	386	291	3,604
Present value of funded obligations	2,567	335	404	3,306
Surplus/(deficit)	360	51	(113)	298
	2017			
	RPF	SPS	Other	Total
	US\$m	US\$m	plans	US\$m
Fair value of assets:				
Equities (quoted)	—	—	109	109
Equities (unquoted)	66	—	4	70
Bonds (quoted)	—	—	103	103
Bonds (unquoted)	2,099	—	13	2,112
Property	7	—	26	33
Cash	407	144	3	554
Pensioner buy in policy	81	—	50	131
Other	592	213	12	817
Total fair value of assets	3,252	357	320	3,929
Present value of funded and unfunded obligations	2,844	383	444	3,671
Surplus/(deficit)	408	(26)	(124)	258
	2016			
	RPF	SPS	Other	Total
	US\$m	US\$m	plans	US\$m
Fair value of assets:				
Equities (quoted)	—	—	102	102
Equities (unquoted)	399	—	6	405
Bonds (quoted)	—	—	79	79
Bonds (unquoted)	2,016	—	30	2,046
Property	32	—	25	57
Cash	102	138	6	246
Pensioner buy in policy	—	—	39	39
Other	284	182	4	470
Total fair value of assets	2,833	320	291	3,444
Present value of funded and unfunded obligations	2,566	355	416	3,337
Surplus/(deficit)	267	(35)	(125)	107

For funded plans, surpluses are recognised only to the extent that the surplus is considered recoverable. Recoverability is primarily based on the extent to which Refinitiv can unilaterally reduce future contributions to the plan or receive a refund in future. For the two UK plans RPF and SPS, a legal opinion on the recoverability was obtained. It was concluded that, based on the legal facts, for both plans an accounting policy choice can be made to either recognize the surplus or not. Refinitiv therefore decided to recognize the surplus.

Investment policy of the material plans

Plan assets consist primarily of government and corporate bonds, and various other investment vehicles. Plan assets are invested to adequately secure benefits and to minimise the need for long-term contributions to the plans. However, specific investment allocations will vary across plans.

The principal investment objectives are to ensure the availability of funds to pay pension benefits as they become due under a broad range of future economic scenarios, maximize long-term investment return with an acceptable level of risk based on our pension obligation, and diversify broadly across and within the capital markets to insulate asset values against adverse experience in any one market.

Target investment allocation ranges are guidelines, not limitations. Funded plans may have broadly diversified portfolios with investments in equities, fixed income, real estate, insurance contracts, derivatives, and other asset classes through direct ownership or through other instruments such as mutual funds, commingled funds and hedge funds. Derivatives may be used to achieve investment objectives or as a component of risk management such as for interest rate and currency management strategies.

Actuarial assumptions are set out below:

	2018		2017		2016	
	RPF	SPS	RPF	SPS	RPF	SPS
Inflation rate (per cent.)	3.20	3.20	3.40	3.40	3.35	3.35
Rate of increase in salaries (per cent.)	3.20	3.20	3.40	3.40	3.35	3.35
Rate of increase in pension payments (per cent.)	2.95	3.00	3.10	3.10	3.05	3.05
Discount rate (per cent.)	2.68	2.60	2.45	2.35	2.60	2.50
Life expectancy from age 65 (years)						
Employee retiring as of 31 December at age 65 (male)	23	24	23	24	24	24
Employee retiring as of 31 December at age 65 (female)	25	26	25	26	26	27
Employee age 40 as of 31 December at age 65 (male)	24	26	24	26	26	27
Employee age 40 as of 31 December at age 65 (female)	27	28	27	28	28	29

Discount rate

The discount rate was based on current market interest rates of high-quality corporate bonds, adjusted to reflect the duration of expected future cash outflows for pension benefit payments. To estimate the discount rate, a hypothetical yield curve that represented yields on high-quality zero-coupon bonds was constructed with durations that mirrored the expected payment stream of the benefit obligation.

Rates of inflation, increase in salaries, and pension payments

The rate of inflation, which impacts increases in eligible UK pension payments, was determined by reference to consumer and retail price indexes as well as other benchmarks. The assumption on salary growth is for the long-term over the life of the benefit plans.

Mortality assumptions

The mortality assumptions used to assess the defined benefit obligation for the Large UK plans are based on SAPS Light Tables with allowances for plan demographic specifics and longevity improvements.

Sensitivities

The sensitivities regarding the principal assumptions used to measure the RPF and SPS scheme obligations are:

<u>Assumption</u>	<u>Change in assumption</u>	<u>Impact on scheme obligations</u>					
		<u>2018</u>		<u>2017</u>		<u>2016</u>	
		<u>RPF</u>	<u>SPS</u>	<u>RPF</u>	<u>SPS</u>	<u>RPF</u>	<u>SPS</u>
Inflation rate (CPI) and salary increase . . .	Increase by 0.25 (per cent)	53	7	60	8	76	9
Discount rate	Increase by 0.25 (per cent.)	(109)	(10)	(134)	(13)	(110)	(11)
Mortality rate	Increase by 1 year	72	50	77	16	54	10

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The impact of the salary increase assumption as a standalone sensitivity has an immaterial impact on the scheme obligations.

Risks and uncertainties

The material risks and uncertainties Refinitiv is exposed to in relation to the Large UK plans are as follows:

- *Investment risk:* Returns on plan assets may not be sufficient to fund plan obligations. To mitigate such risk, plan trustees maintain investment policies and periodically review investment allocations to ensure adequate support of funding objectives. Additionally, the plan trustees review fund manager performance against benchmarks for specific investment mandates.
- *Interest rate risk:* A fall in interest rates will increase the value of the plan obligations as well as the fixed income investments used to fund the obligations. As a result, plan liabilities may increase faster than assets in a declining interest rate environment, potentially requiring Refinitiv to make additional contributions. To mitigate the risk, certain plan assets are invested in hedging assets, including derivatives so that those assets provide a hedge against any change in plan obligations. Diversified asset allocations also mitigate this risk by creating the potential to outperform increases in liabilities and to reinvest excess returns in liability-matching assets, reducing the need for Refinitiv contributions.
- *Inflation risk:* Actual salary increases and pension increases linked to inflation may exceed expectations, resulting in higher than anticipated plan obligations. To mitigate this risk, certain plan assets are invested in hedging assets, including derivatives and inflation-linked bonds.
- *Currency risk:* In some plans, obligations denominated in local currency may be partially funded by foreign investments. To hedge this currency mismatch, derivatives may be used.
- *Liquidity risk:* If a plan has insufficient cash to fund near-term benefit payments, Refinitiv may have to make additional contributions or unexpected changes in asset allocations may be required. This risk is mitigated as near-term pension payments are reasonably known and plans generally hold short-term debt securities to fund such payments.
- *Mortality risk:* Life expectancy may improve at a faster rate than expected resulting in higher plan obligations. To mitigate this risk, life expectancy assumptions are reviewed in connection with periodic valuations.

In addition to risk mitigation noted above, investment risk, interest rate risk, inflation risk and mortality risk related to the RPF are partially mitigated by the 2018 purchase of the Annuity Policy.

Changes in the present value of the defined benefit obligations during the year

	<u>RPF</u>	<u>SPS</u>	<u>Other plans</u>	<u>Total</u>
	US\$m	US\$m	US\$m	US\$m
Benefit obligation as at 1 January 2016	2,425	365	404	3,194
Past/current service cost	12	1	11	24
Interest cost	85	12	8	105
Pension expense included in the income statement	97	13	19	129
Actuarial losses - financial assumptions	566	52	15	633
Actuarial gains - experience	—	—	(2)	(2)
(Gains)/losses included in total comprehensive income	566	52	13	631
Benefits paid	(61)	(21)	(19)	(101)
Foreign exchange	(469)	(66)	(9)	(544)
Other	8	12	8	28
Benefit obligation 31 December 2016	2,566	355	416	3,337
Past/current service cost	18	1	14	33
Interest cost	69	9	6	84
Pension expense included in the income statement	87	10	20	117
Actuarial losses/(gains) - financial assumptions	92	9	(2)	99
Actuarial (gains)/losses - demographic assumptions	(43)	(13)	—	(56)
Actuarial (gains)/losses - experience	(2)	16	11	25
(Gains)/losses included in total comprehensive income	47	12	9	68
Benefits paid	(102)	(22)	(33)	(157)
Foreign exchange	246	33	27	306
Other	—	(5)	5	—
Benefit obligation as at 31 December 2017	2,844	383	444	3,671
Past/current service cost	48	5	(7)	46
Interest cost	69	9	7	85
Pension expense included in the income statement	117	14	—	131
Actuarial (gains)/losses - financial assumptions	(145)	(17)	(6)	(168)
Actuarial losses/(gains) - demographic assumptions	10	(2)	—	8
Actuarial losses/(gains) - experience	—	2	(33)	(31)
(Gains)/losses included in total comprehensive income	(135)	(17)	(39)	(191)
Benefits paid	(97)	(28)	(20)	(145)
Foreign exchange	(162)	(21)	(9)	(192)
Other	—	4	28	32
Benefit obligation as at 31 December 2018	2,567	335	404	3,306

Changes in the fair value of scheme assets during the year

	<u>RPF</u>	<u>SPS</u>	<u>Other plans</u>	<u>Total</u>
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Fair value of scheme assets as at 1 January 2016	2,627	325	285	3,237
Interest income	93	11	4	108
Pension income included in the income statement	93	11	4	108
Return on plan assets, excluding interest income	669	54	7	730
Re-measurement included in total comprehensive income	669	54	7	730
Contributions by employer	19	12	15	46
Contributions by employees	4	—	3	7
Expenses	(4)	(1)	—	(5)
Benefits paid	(61)	(21)	(19)	(101)
Exchange differences	(514)	(60)	(4)	(578)
Fair value of scheme assets as at 31 December 2016	2,833	320	291	3,444
Interest income	76	8	5	89
Pension income included in the income statement	76	8	5	89
Return on plan assets, excluding interest income	154	1	27	182
Re-measurement included in total comprehensive income	154	1	27	182
Contributions by employer	16	20	11	47
Contributions by employees	3	—	5	8
Expenses	(3)	(1)	—	(4)
Benefits paid	(102)	(22)	(33)	(157)
Exchange differences	275	31	14	320
Fair value of scheme assets as at 31 December 2017	3,252	357	320	3,929
Interest income	80	9	7	96
Pension income included in the income statement	80	9	7	96
(Loss) on plan assets, excluding interest income	(237)	(15)	(24)	(276)
Re-measurement included in total comprehensive income	(237)	(15)	(24)	(276)
Contributions by employer	108	85	12	205
Contributions by employees	3	—	3	6
Expenses	(2)	(1)	—	(3)
Benefits paid	(97)	(28)	(23)	(148)
Exchange differences	(180)	(21)	(4)	(205)
Fair value of scheme assets as at 31 December 2018	2,927	386	291	3,604

The actual loss on plan assets in the year was US\$180 million (2017: gain of US\$271 million; 2016: gain of US\$838 million).

Analysis of other comprehensive loss (income)

	2018				2017				2016			
	RPF	SPS	Other plans	Total	RPF	SPS	Other plans	Total	RPF	SPS	Other plans	Total
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Remeasurement losses/ (gains)												
Due to financial assumption changes	(145)	(17)	(6)	(168)	92	9	(2)	99	566	52	15	633
Due to demographic assumption changes	10	(2)	—	8	(43)	(13)	—	(56)	—	—	—	—
Due to experience	—	2	(33)	(31)	(2)	16	11	25	—	—	(2)	(2)
Return on plan assets (greater) less than discount rate	237	15	24	276	(154)	(1)	(27)	(182)	(669)	(54)	(7)	(730)
Total recognised in other comprehensive loss (income) before tax	102	(2)	(15)	85	(107)	11	(18)	114	(103)	(2)	6	(99)

The last actuarial valuations of the RPF and SPS schemes were carried out as at 31 December 2016 by an independent qualified actuary. According to the schedules of contributions of these valuations, Refinitiv is expected to make contributions of approximately US\$30 million for the fiscal year 2019.

The weighted average duration of the RPF and SPS schemes defined benefit obligations at the end of the reporting period is estimated to be 19 years and 14 years, respectively.

17. Financial assets and financial liabilities

Financial instruments by category

The financial instruments of Refinitiv are categorised as follows:

Financial assets 31 December 2018	Financial assets at amortised cost	Financial instruments at fair value through profit or loss	Financial assets at fair value through OCI	Total
	US\$m	US\$m	US\$m	US\$m
Trade and other receivables	965	—	—	965
Cash and cash equivalents	497	695	—	1,192
Investments in financial assets - debt instruments	—	—	5	5
Derivative financial instruments	—	34	—	34
Total	1,462	729	5	2,196

Financial assets 31 December 2017	Financial assets at amortised cost	Financial instruments at fair value through profit or loss	Financial assets at fair value through OCI	Total
	US\$m	US\$m	US\$m	US\$m
Trade and other receivables	542	—	—	542
Cash and cash equivalents	269	112	—	381
Investments in financial assets - debt instruments	—	—	11	11
Derivative financial instruments	—	12	—	12
Total	811	124	11	946

Financial assets 31 December 2016	Financial assets at amortised cost	Financial instruments at fair value through profit or loss	Financial assets at fair value through OCI	Total
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Trade and other receivables	514	—	—	514
Cash and cash equivalents	230	117	—	347
Investments in financial assets - debt instruments	—	—	4	4
Derivative financial instruments	—	140	—	140
Total	<u>744</u>	<u>257</u>	<u>4</u>	<u>1,005</u>

There were no transfers between categories during any of the years.

Prepayments within trade and other receivables are not classified as financial instruments.

Financial liabilities 31 December 2018	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	Total
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Trade and other payables	1,484	—	—	1,484
Borrowings	13,006	—	—	13,006
Derivative financial instruments	—	45	—	45
Total	<u>14,490</u>	<u>45</u>	<u>—</u>	<u>14,535</u>

Financial liabilities 31 December 2017	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	Total
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Trade and other payables	574	—	—	574
Derivative financial instruments	—	59	—	59
Total	<u>574</u>	<u>59</u>	<u>—</u>	<u>633</u>

Financial liabilities 31 December 2016	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	Total
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Trade and other payables	554	—	—	554
Derivative financial instruments	—	17	—	17
Total	<u>554</u>	<u>17</u>	<u>—</u>	<u>571</u>

There were no transfers between categories during the year.

Deferred income, social security and other tax liabilities within trade and other payables are not classified as financial instruments.

Financial assets measured at fair value 31 December 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
	US\$m	US\$m	US\$m	US\$m
Investments in financial assets - debt	—	5	—	5
Embedded derivatives	—	34	—	34
Total	—	39	—	39

Financial assets measured at fair value 31 December 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
	US\$m	US\$m	US\$m	US\$m
Investments in financial assets - debt	—	11	—	11
Embedded derivatives	—	12	—	12
Total	—	23	—	23

Financial assets measured at fair value 31 December 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
	US\$m	US\$m	US\$m	US\$m
Investments in financial assets - debt	—	4	—	4
Embedded derivatives	—	140	—	140
Total	—	144	—	144

Financial liabilities measured at fair value 31 December 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
	US\$m	US\$m	US\$m	US\$m
Derivative instruments - cash flow hedges . . .	—	40	—	40
Embedded derivatives	—	5	—	5
Total	—	45	—	45

Financial liabilities measured at fair value 31 December 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
	US\$m	US\$m	US\$m	US\$m
Embedded derivatives	—	59	—	59
Total	—	59	—	59

Financial liabilities measured at fair value 31 December 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
	US\$m	US\$m	US\$m	US\$m
Embedded derivatives	—	17	—	17
Total	—	17	—	17

Refinitiv uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs, which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities classified as Level 1, the fair value is based on market price quotations at the reporting date.

For assets and liabilities classified as Level 2, the fair value is calculated using one or more valuation techniques (e.g., the market approach or the income approach) with market observable inputs. The selection of the appropriate valuation techniques may be affected by the availability of the relevant inputs as well as the reliability of the inputs. The inputs may include currency rates, interest rate and forward rate curves and net asset values. The results of the application of the various techniques may not be equally representative of fair value, due to factors such as assumptions made in the valuation.

There have been no transfers between Level 1 and Level 2 during the current and prior period.

When observable market data is not available, Refinitiv uses one or more valuation techniques (e.g., the market approach or the income approach) for which sufficient and reliable data is available. These inputs used in estimating the fair value of Level 3 financial instruments include expected timing and level of future cash flows, timing of settlement, discount rates and net asset values of certain investments. With the exception of Refinitiv borrowings, management has assessed that the fair value of financial assets and financial liabilities categorised as 'Financial assets at amortised cost' and 'Financial liabilities at amortised cost' approximate their carrying values. The fair value of Refinitiv's business's borrowings is disclosed in Note 23.

Hedging activities and derivatives

Refinitiv is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. Refinitiv recognises all derivatives as assets or liabilities on its combined historical financial information at fair value.

Foreign exchange contracts

Refinitiv uses foreign exchange contracts to manage foreign currency risk on cash flow excluding indebtedness. Specifically, Refinitiv Parent mitigates such exposure by entering into a series of exchange contracts to purchase or sell certain currencies in the future at fixed amounts. As of 31 December 2018, 2017 and 2016, Refinitiv did not have any foreign exchange contracts.

Interest rate risk exposures

To hedge its exposures in expected future cash flows due to the changes in interest rates, Refinitiv enters into interest rate swap derivatives, which swap the US dollar monthly floating rate interest payments into US dollars fixed interest payments. The interest rate swaps, which cover a portion of Refinitiv's debt, were designated as cash flow hedges recorded in the combined balance sheet at their fair value.

As of 31 December 2018, Refinitiv had US\$3,250 million in cash flow hedges that were entered into to hedge forecasted interest payments. Refinitiv paid a fixed rate of interest and received a floating rate of interest for hedges maturing in 2021. The fair value of those hedges was US\$(40) million as of 31 December 2018. As of 31 December 2017 and 31 December 2016, Refinitiv did not have any interest rate swap derivatives.

Embedded derivatives

Refinitiv has embedded foreign currency derivatives primarily in certain revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. These derivatives are accounted for as separate instruments and are measured at fair value at the end of the reporting period using forward exchange market rates. Changes in their fair values are recognised in the income statement. For the years ended 31 December 2018, 2017 and 2016, fair value gains (losses) from embedded derivatives were US\$69 million, US\$(117) million and US\$106 million, respectively.

18. Offsetting financial assets and financial liabilities

Refinitiv is subject to master netting arrangements with certain counterparties. In certain circumstances, netting is permitted only in the event of bankruptcy or default of either party to the agreement, and such amounts are not netted in the combined statement of financial position. This information is summarised in the table below.

	Gross financial assets	Gross financial liabilities netted against assets	Net financial assets	Related financial liabilities not netted	Net amount
<u>31 December 2018</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Derivative financial assets	—	—	—	—	—
Cash and cash equivalents	1,034	—	1,034	(328)	706
Total	<u>1,034</u>	<u>—</u>	<u>1,034</u>	<u>(328)</u>	<u>706</u>

	Gross financial liabilities	Gross financial assets netted against liabilities	Net financial liabilities	Related financial assets not netted	Net amount
<u>31 December 2018</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Derivative financial liabilities	40	—	40	—	40
Unsecured notes and credit facilities	9,192	—	9,192	(328)	8,864
Total	<u>9,232</u>	<u>—</u>	<u>9,232</u>	<u>(328)</u>	<u>8,904</u>

19. Trade and other receivables

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Non-current				
Other receivables		47	36	29
Total		<u>47</u>	<u>36</u>	<u>29</u>
Current				
Trade receivables		536	537	507
Less: provision for impairment of receivables		(24)	(20)	(24)
Trade receivables—net		<u>512</u>	<u>517</u>	<u>483</u>
Other receivables		453	25	31
Prepayments		99	48	53
Total		<u>1,064</u>	<u>590</u>	<u>567</u>

The carrying amount of Refinitiv's current trade and other receivables are denominated in the following currencies:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
US Dollar	672	320	343
Euro	53	25	22
Sterling	184	137	100
Other currencies	155	108	102
	<u>1,064</u>	<u>590</u>	<u>567</u>

Movements in Refinitiv's provision for expected credit losses (bad debt provision prior to the adoption of IFRS 9 in 2018) on trade receivables are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
31 December (as previously reported)	20	24	27
Adoption of new accounting standard	—	—	—
1 January (restated)	20	24	27
Provision for impairment of receivables	39	11	10
Receivables written off during the year as uncollectible	(12)	(15)	(13)
Elimination on Acquisition	(23)	—	—
31 December	<u>24</u>	<u>20</u>	<u>24</u>

The creation and release of the provisions for impaired receivables have been included in operating expenses in the income statement. Amounts charged to the allowance account are written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables and the other categories of financial assets do not contain impaired assets.

20. Cash and cash equivalents

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Cash at bank and on hand	455	267	222
Cash equivalents	—	—	—
Short-term deposits	42	2	8
Money market accounts	695	112	117
Total	<u>1,192</u>	<u>381</u>	<u>347</u>

Of total cash and cash equivalents, US\$412 million, US\$354 million and US\$326 million are attributable to Tradeweb Markets as of 31 December 2018, 2017, and 2016, respectively. Additionally, US\$156 million, US\$111 million and US\$108 million as of 31 December 2018, 2017, and 2016, respectively, were held in subsidiaries that have regulatory restrictions and contractual restrictions or operate in countries where exchange controls and other legal restrictions apply, and were, therefore, not available for general use by Refinitiv.

21. Trade and other payables

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Non-current			
Other non-current payables	153	70	53
Total	<u>153</u>	<u>70</u>	<u>53</u>
Current			
Trade payables	393	84	77
Social security and other taxes	61	49	46
Other payables	233	31	37
Accruals	858	459	440
Deferred income ⁽¹⁾	—	127	132
	<u>1,545</u>	<u>750</u>	<u>732</u>
Total	<u>1,698</u>	<u>820</u>	<u>785</u>

(1) Since adoption of IFRS 15 on 1 January 2018 deferred income is now recognised as 'contract liabilities' which are presented in Note 22.

22. Contract liabilities

	<u>2018</u>
	<u>US\$m</u>
Non-current	
Contract liabilities ⁽¹⁾	24
	<u>24</u>
Current	
Contract liabilities ⁽¹⁾	122
	<u>122</u>
Total	<u>146</u>

(1) Prior to the adoption of IFRS 15 on 1 January 2018, contract liabilities were recognised as ‘deferred income’ and presented in Note 21.

Contract liabilities primarily relate to the consideration received from customers for which services have not yet been rendered. Changes in Refinitiv’s contract liabilities balances during the year were as follows:

	<u>Note</u>	<u>2018</u>
		<u>US\$m</u>
31 December (as previously presented)		213
Adoption of new accounting standards	2	—
1 January (restated)		213
Revenue recognised in the income statement		(245)
Increases due to consideration received (excluding amounts recognised as revenue during the year)		217
Eliminated on Acquisition		(219)
Arising on Acquisition (Note 28)		180
31 December		<u>146</u>

Refinitiv’s contract liabilities are estimated to be recognised within the following periods after 31 December 2018:

	<u>US\$m</u>
Less than one year	122
More than one year but less than five years	24
More than five years	—
Contract liabilities as at end of year	<u>146</u>

The contract liabilities’ tables presented above for the year ended 31 December 2018 are a new requirement as a result of adopting IFRS 15 on 1 January 2018. Refinitiv has used the modified retrospective approach to transition to IFRS 15 and therefore no comparative disclosures are presented.

23. Borrowings

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Current			
Term loans	<u>91</u>	—	—
	<u>91</u>	—	—
Non-current			
Term loans	8,849	—	—
Notes	<u>4,066</u>	—	—
	<u>12,915</u>	—	—
Total	<u>13,006</u>	—	—

Refinitiv has the following committed bank facilities, secured and unsecured notes:

<u>Type</u>	<u>Expiry Date</u>	<u>Value</u>	<u>Carrying value at 31 December 2018</u>	<u>Interest rate percentage at 31 December 2018</u>
		US\$m	US\$m	
Drawn value of Facilities				
Revolving Credit Facility	Oct 2023	750	—	—
Dollar Term Loan Facility	Oct 2025	6,500	6,330	LIBOR + 375bps
Euro Term Loan Facility	Oct 2025	<u>2,692</u>	<u>2,610</u>	EURIBOR + 400bps
Total committed bank facilities		<u>9,942</u>	<u>8,940</u>	
Dollar secured notes	May 2026	1,250	1,205	6.25
Euro secured notes	May 2026	983	953	4.50
Dollar unsecured notes	November 2026	1,575	1,511	8.25
Euro unsecured notes	November 2026	417	397	6.88
Total notes	—	<u>4,225</u>	<u>4,066</u>	—
Total committed facilities, and notes	—	<u>14,167</u>	<u>13,006</u>	—

Current and non-current borrowings

On 1 October 2018, Refinitiv entered into a credit agreement (the “**Credit Agreement**”) that governs the following facilities (the “**Senior Secured Credit Facilities**”):

- Dollar Term Loan Facility in an aggregate principal amount of US\$6,500 million maturing 1 October 2025 (the “**Dollar Term Loan Facility**”);
- Euro Term Loan Facility in an aggregate principal amount of €2,355 million maturing 1 October 2025 (the “**Euro Term Loan Facility**”; together with the Dollar Term Loan Facility, the “**Term Loan Facilities**”); and
- Revolving Credit Facility in an aggregate principal amount of US\$750 million maturing 1 October 2023 (the “**Revolving Credit Facility**”).

The Revolving Credit Facility includes sub-facilities for letters of credit and for short-term borrowings referred to as swing line borrowings. In addition, the Credit Agreement provides that Refinitiv has the right at any time, subject to customary conditions, to request incremental term loans or incremental revolving credit commitments of up to the greater of US\$2,000 million and an amount equal to 80 per cent. of EBITDA, subject to additional increases upon satisfaction of a certain first lien net leverage test, refinance the loans with debt incurred outside the Credit Agreement and extend the maturity date of the revolving loans and term loans.

Borrowings under the Dollar Term Loan Facility bear interest, at the option of Refinitiv, at a per annum rate equal to either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus 1/2 of 1 per cent., and (3) the LIBO rate for a one-month interest period plus 1.00 per cent. or (b) a LIBO rate determined by reference to the LIBO rate published on the applicable screen page for the interest period relevant to such borrowing, in each case, plus a per annum margin of 3.75 per cent. for LIBO rate loans and 2.75 per cent. for base rate loans. The margin for the Dollar Term Loan Facility is subject to one 25 basis point step-down upon achievement of a certain first lien net leverage ratio.

Borrowings under the Euro Term Loan Facility will bear interest at a per annum rate equal to the EURIBO rate determined by reference to the European Money Markets Institute EURIBO Rate as published on the applicable Reuters screen page for the interest period relevant to such borrowing, plus a per annum margin of 4.00 per cent.. The margin for the Euro Term Loan Facility is subject to one 25 basis point step-down upon achievement of a certain first lien net leverage ratio. In no event will the EURIBO rate for the Euro Term Loan Facility be deemed to be less than zero.

Borrowings under the Revolving Credit Facility will bear interest, at the option of Refinitiv, at a per annum rate equal to either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus 1/2 of 1 per cent. and (3) the LIBO rate for a one-month interest period plus 1.00 per cent. or (b) a LIBO rate determined by reference to the LIBO rate published on the applicable screen page for the interest period relevant to such borrowing, in each case, plus a per annum margin of 3.00 per cent. for LIBO rate loans and 2.00 per cent. for base rate loans. The margin for the Revolving Credit Facility is subject to two 25 basis point step-downs upon achievement of certain first lien net leverage ratios. In no event will the base rate or LIBO rate for the Revolving Credit Facility be deemed to be less than zero.

In addition to paying interest on outstanding principal under the Senior Secured Credit Facilities, Refinitiv will be required to pay an unused facility fee of 0.50 per cent. per annum to the lenders under the Revolving Credit Facility in respect of the commitments thereunder. The facility fee rate is subject to one 12.5 basis point step-down upon the achievement of a certain first lien net leverage ratio. Refinitiv is also required to pay customary letter of credit fees.

The term loans under each of the Dollar Term Loan Facility and the Euro Term Loan Facility are expected to amortise in equal quarterly instalments in an aggregate annual amount equal to 1.00 per cent. of the original principal amount of such term loans, with the balance being payable on maturity.

Also, on 1 October 2018, Refinitiv issued US\$1,250 million aggregate principal amount of 6.250 per cent. senior first lien notes due 2026 (the "**Dollar Secured Notes**") and €860 million aggregate principal amount of 4.500 per cent. senior first lien notes due 2026 (the "**Euro Secured Notes**" and, together with the Dollar Secured Notes, the "**Secured Notes**") under an indenture (the "**Secured Indenture**"), in addition to issuing US\$1,575 million aggregate principal amount of 8.250 per cent. senior notes due 2026 (the "**Dollar Unsecured Notes**") and €365 million aggregate principal amount of 6.875 per cent. senior notes due 2026 (the "**Euro Unsecured Notes**" and, together with the Dollar Unsecured Notes, the "**Unsecured Notes**") under an indenture (the "**Unsecured Indenture**").

The Secured Notes and the Unsecured Notes are general senior obligations, equal in right of payment with any existing and future senior indebtedness of Refinitiv US. The Secured Notes are secured on a first-priority basis by the same collateral that secures the Senior Secured Credit Facilities.

The Credit Agreement contains financial covenants to comply with a maximum ratio of first lien net indebtedness to EBITDA. All agreements contain covenants limiting Refinitiv's ability to incur additional indebtedness; to incur liens; merge or consolidate; sell, transfer or dispose of assets; pay dividends; prepay, redeem or repurchase certain subordinated indebtedness; make investments, loans and advances; enter into certain transactions with affiliates; enter into agreements which prohibit its ability to incur liens on assets; and enter into amendments to certain subordinated indebtedness in a manner materially adverse to the lenders. Refinitiv was in compliance with all covenants as of 31 December 2018.

Interest on the Secured Notes and the Unsecured Notes is payable semi-annually in cash in arrears on 15 May and 15 November of each year, beginning on 15 May 2019.

The fair values of Refinitiv's borrowings are as follows:

	2018		2017		2016	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Borrowings						
within 1 year	91	87	—	—	—	—
after more than 1 year	<u>12,915</u>	<u>12,582</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>13,006</u>	<u>12,669</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Borrowings are classified as Level 2 in Refinitiv's hierarchy for determining and disclosing the fair value of financial instruments. The fair values of borrowings are based on discounted cash flows using a rate based on borrowing cost. Floating rate borrowings bear interest at an agreed margin over the appropriate inter-bank reference rate.

24. Analysis of net debt

	2018	2017	2016
	US\$m	US\$m	US\$m
Due within 1 year			
Cash and cash equivalents	1,192	381	347
Bank borrowings	(91)	—	—
Derivative financial liabilities	<u>(4)</u>	<u>(30)</u>	<u>(11)</u>
Due after 1 year			
Bank borrowings	(12,915)	—	—
Derivative financial assets	34	12	140
Derivative financial liabilities	<u>(41)</u>	<u>(29)</u>	<u>(6)</u>
Total net debt	<u>(11,825)</u>	<u>334</u>	<u>470</u>

Reconciliation of net cash flow to movement in net debt

	2018	2017	2016
	US\$m	US\$m	US\$m
Increase/(decrease) in cash in the year	811	34	(4)
Additional drawdowns from bank credit facilities	<u>(13,472)</u>	<u>—</u>	<u>—</u>
Change in net debt resulting from cash flows	(12,661)	34	(4)
Foreign exchange movements	70	—	—
Movement on derivative financial assets and liabilities	36	(170)	(2)
Movement in bank credit facility arrangement fees	413	—	—
Reclassification of credit facility arrangement fees	(17)	—	—
Net debt at the start of the year	334	470	476
Net debt at the end of the year	<u>(11,825)</u>	<u>334</u>	<u>470</u>

25. Provisions

	<u>Employee-Related</u>	<u>Other</u>	<u>Total</u>
	US\$m	US\$m	US\$m
1 January 2018	<u>13</u>	<u>79</u>	<u>92</u>
Utilised during the year	(85)	(25)	(110)
Elimination upon acquisition	(6)	(64)	(70)
Arising on acquisition	6	63	69
Charge in the year	185	26	211
Foreign exchange and other	<u>(1)</u>	<u>2</u>	<u>1</u>
31 December 2018	<u>112</u>	<u>81</u>	<u>193</u>
Current	112	16	128
Non-current	<u>—</u>	<u>65</u>	<u>65</u>
31 December 2018	<u>112</u>	<u>81</u>	<u>193</u>

Provisions primarily relate to severance due to restructuring, legal, and asset retirement obligations on certain leased buildings.

26. Net cash flow generated from operations

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		US\$m	US\$m	US\$m
Profit before tax		254	723	594
Adjustments for depreciation, amortisation and impairment:				
Depreciation and amortisation	11, 12	1,155	849	872
Adjustments for other non-cash items:				
Loss/(profit) on disposal of investment in subsidiary		(6)	—	(2)
Share of loss/(income) of associates	13	(1)	(2)	(2)
Net finance expense/(income)	9	187	—	(6)
Movement in pensions and provisions		55	(16)	69
Net foreign exchange differences		1	(21)	20
Other		3	45	6
Movements in working capital:				
(Increase)/decrease in trade and other receivables		(194)	(3)	29
(Decrease)/increase in trade and other payables		308	(183)	(124)
Movement in other assets and liabilities relating to operations:				
Movement in derivative assets and liabilities		<u>(25)</u>	<u>170</u>	<u>13</u>
Cash generated from operations		<u>1,737</u>	<u>1,562</u>	<u>1,469</u>
Comprising:				
Ongoing operating activities		1,267	1,553	1,299
Non-underlying items		<u>470</u>	<u>9</u>	<u>170</u>

Movement in financial liabilities arising from financing activities:

	<u>As at</u>				<u>31 December</u>
	<u>1 January</u>	<u>Cash</u>	<u>Foreign</u>	<u>Other</u>	<u>2018</u>
	2018	flows	exchange	Other	2018
	US\$m	US\$m	US\$m	US\$m	US\$m
Bank borrowings	—	(13,472)	70	396	(13,006)
Derivative financial instruments	(47)	—	—	36	(11)
	<u>(47)</u>	<u>(13,472)</u>	<u>70</u>	<u>432</u>	<u>(13,017)</u>

	As at 1 January 2017	Cash flows	Foreign exchange	Other	31 December 2017
	US\$m	US\$m	US\$m	US\$m	US\$m
Derivative financial instruments	123	—	—	(170)	(47)
	<u>123</u>	<u>—</u>	<u>—</u>	<u>(170)</u>	<u>(47)</u>
	As at 1 January 2016	Cash flows	Foreign exchange	Other	31 December 2016
	US\$m	US\$m	US\$m	US\$m	US\$m
Derivative financial instruments	125	—	—	(2)	123
	<u>125</u>	<u>—</u>	<u>—</u>	<u>(2)</u>	<u>123</u>

27. Commitments and contingencies

Refinitiv has various obligations for materials, supplies, outsourcing, and other services contracted in the ordinary course of business. The future unconditional purchase obligations as of 31 December 2018 are as follows:

	31 December 2018
	US\$
2019	520
2020	471
2021	343
2022	331
2023 and thereafter	<u>8,377</u>
Total	<u>10,042</u>

In the normal course of business, Refinitiv may receive legal claims in respect of commercial, employment and other matters. Where a claim is more likely than not to result in an economic outflow of benefits from Refinitiv, a provision is made representing the expected cost of settling such claims.

28. Business combinations

Acquisitions in the year to 31 December 2018

On the 2018 Transaction Closing Date, Refinitiv Holdings acquired substantially all of the Thomson Reuters Financial & Risk Business for cash consideration of US\$16,626 million and Refinitiv Holdings stock valued at US\$2,101 million. The acquisition was funded with the proceeds from the Senior Secured Credit Facilities and the Secured Notes and the Unsecured Notes, each of which are further described in Note 23, and proceeds of US\$4,088 million from the issuance of preferred equity and equity contributions.

Refinitiv Holdings contributed its investment in the Thomson Reuters Financial & Risk Business to Refinitiv Parent, and this contribution is reflected in “Net transfers from Holdings” in the Combined Statement of Changes in Net Parent Investment.

The purchase price allocation prepared upon the acquisition by Refinitiv Holdings is reflected within this combined historical financial information as follows:

	<u>US\$m</u>
Consideration transferred consisted of the following:	
Cash consideration	16,626
Fair value of non-controlling interests	1,954
Fair value of equity issued	<u>2,101</u>
Total consideration transferred	<u>20,681</u>
Consideration acquired consisted of the following:	
Fair value of identifiable assets acquired:	
Property, plant and equipment	511
Other identifiable intangible assets	8,006
Software and contract costs	3,498
Investment in associates	8
Derivative financial instruments	39
Investments in financial assets	11
Retirement benefit asset	337
Other non-current receivables	62
Trade and other receivables	838
Cash and cash equivalents	<u>461</u>
Amount attributable to identifiable assets acquired	<u>13,771</u>
Fair value of liabilities assumed:	
Trade and other payables	(900)
Contract liabilities	(180)
Provisions	(69)
Deferred tax liabilities	(751)
Retirement benefit obligations	(156)
Other non-current payables	<u>(129)</u>
Amount attributable to liabilities assumed	<u>(2,185)</u>
Fair value of net assets acquired	<u>11,586</u>
Goodwill	<u>9,095</u>
Total fair value of net assets acquired	<u>20,681</u>

The purchase price allocation to other identifiable intangible assets acquired was as follows:

	<u>Estimated useful lives</u>	<u>Amounts</u>
		<u>US\$m</u>
Trade names	15 to 25 years	518
Customer relationships	12 to 15 years	4,100
Databases, content and other	5 to 25 years	<u>3,388</u>
Total other identifiable intangible assets		<u>8,006</u>

The fair value of assets acquired and liabilities assumed was determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market for the asset or liability. The following assumptions, the majority of which include significant unobservable inputs (Level 3), and valuation methodologies were used to determine fair value:

- Internally developed computer software, trade names, databases, and content - The income approach: relief from royalty method was used. Under this method, the value of the asset is a function of (a) the projected revenue attributable to the asset, (b) the expected economic life of the asset, (c) the royalty rate, as a percentage of revenue that would hypothetically be charged by a licensor of the asset to an unrelated licensee, and (d) a discount rate that reflects the level of risk associated with the future income attributable to the asset.

- Customer relationships - The income approach: multi-period excess earnings method was used. Under this method, the economic benefit of the asset is measured indirectly by calculating the income attributable to an asset after contributory asset charges.
- Broker-Dealer Licenses - The income approach: with or without method was used. Under this method, fair value is estimated based on income streams, such as cash flows or earnings, discounting to a present value. These discounted cash flows are calculated both with the asset and without the asset. The difference in the cash flows is discounted to the present value to determine the value of the asset.
- Land and buildings - The market approach was used. Third-party databases were utilised to identify listings of recent sales and of comparable properties within pertinent market areas.
- Building improvements, furniture, fixtures, machinery, non-office equipment and purchased computer software - The cost approach was used. Under this method the assets are valued based on the cost to a market participant to acquire a substitute asset of comparable utility, adjusted for obsolescence.
- Computer hardware and office equipment - The market approach was used. Under this method, the per cent. of Cost Method was used to establish the ratio of today's used selling price to the new cost at the time of original sale.
- Leasehold interests - The income approach: discounted cash flow method was used. This approach involves comparing the annual lease contract rent over the remaining contractual term to a market rental rate cash flow stream. The difference between the contractual and market-based cash flows is then discounted to present value to estimate the fair value of any favourable or unfavourable positions.
- Deferred revenue - The income approach: avoided costs method was used. Avoided costs represent costs that have already been incurred by the seller to generate the revenue and therefore would not burden the acquirer of the liability. A profit margin was applied and the result was then discounted to present value at a risk-adjusted rate.
- Non-controlling interest - The income approach: discounted cash flow method was used. Under this method, fair value is estimated based on income streams, such as cash flows or earnings, discounting to a present value. Lack of control and marketability discounts were also applied to account for the fact that the subject liability represents a non-marketable minority interest in the business.

The amount and timing of future cash flows used in these approaches were based on Refinitiv's most recent financial forecasts as of the Closing Date. In preparing the purchase price allocations, Refinitiv considered a report of a third-party valuation expert. Management is responsible for these internal and third-party valuations and appraisals.

Refinitiv did not make any other acquisitions during the twelve months ended 31 December 2018.

Acquisitions in the year to 31 December 2017 and 2016

The number of acquisitions completed and the related cash consideration during the years ended 31 December 2017 and 2016 were as follows:

	2017		2016	
	Number of Transactions	Cash Consideration	Number of Transactions	Cash Consideration
		US\$m		US\$m
Business acquired	3	212	3	106
Less: cash acquired	<u>—</u>	<u>(7)</u>	<u>—</u>	<u>—</u>
Business acquired, net of cash	3	205	3	106
Deferred and contingent consideration payments	—	—	—	—
Investment in business	<u>1</u>	<u>5</u>	<u>—</u>	<u>—</u>
	<u>4</u>	<u>210</u>	<u>3</u>	<u>106</u>
Consideration comprised of:				
Cash consideration	—	182	—	106
Non-cash consideration	<u>—</u>	<u>28</u>	<u>—</u>	<u>—</u>
Total consideration	<u>—</u>	<u>210</u>	<u>—</u>	<u>106</u>

Each business combination has been accounted for using the acquisition method. The results of acquired businesses are included in the combined historical financial information from the dates of acquisition. Details of net assets acquired were as follows:

<u>Net assets acquired</u>	<u>Year ended 31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>(US\$m)</u>	<u>(US\$m)</u>
Cash and cash equivalents	7	—
Trade and other receivables	12	12
Current assets	19	12
Property, plant and equipment	7	—
Intangible assets	69	49
Deferred tax assets	31	—
Total assets	126	61
Trade and other payables	(34)	(14)
Current liabilities	(34)	(14)
Deferred tax liabilities	(4)	(3)
Total liabilities	(38)	(17)
Net assets acquired	88	44
Goodwill	124	62
Total net assets and goodwill acquired	212	106

A brief description of certain acquisitions completed during the years ended 31 December 2017 and 2016 is as follows:

<u>Date</u>	<u>Company</u>	<u>Description</u>
January 2017	REDI Global Technologies LLC	A provider of a cross-asset trade execution management system for financial professionals
April 2016	World Markets Company	Provides exchange rate research and consultancy services to owners and managers of investment funds

The excess of the purchase price over the net tangible and identifiable intangible assets acquired and assumed liabilities was recorded as goodwill and reflects synergies and the value of the acquired workforce. The majority of goodwill for acquisitions completed in 2017 and 2016 is not expected to be deductible for tax purposes.

Acquisition transactions were completed by acquiring all equity interests or the net assets of the acquired business.

The revenues and operating profit of acquired businesses since the date of acquisition are not material to Refinitiv's results of operations.

29. Leases

Operating lease commitments - Refinitiv as lessee

Refinitiv leases various office properties under non-cancellable operating leases. The total future minimum lease payments under non-cancellable operating leases are due as follows:

<u>Leases expiring in:</u>	<u>Property</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>US\$m</u>	<u>US\$m</u>	<u>US\$m</u>
Less than 1 year	200	157	155
More than 1 year but less than 5 years	379	440	536
More than 5 years	<u>173</u>	<u>295</u>	<u>356</u>
	<u>752</u>	<u>892</u>	<u>1,047</u>

Operating lease payments of US\$155 million (2017: US\$155 million; 2016: US\$155 million) were charged to the income statement during the year in relation to property leases and other leased assets.

30. Transactions with related parties

Refinitiv has entered into significant transactions with Thomson Reuters, a related party.

Prior to the 2018 Transaction Closing Date, Refinitiv was managed and operated in the normal course of business in the same manner as other subsidiaries of Thomson Reuters. Accordingly, certain centralised costs have been allocated to Refinitiv and are reflected as expenses in the income statement. Management considers the allocation methodologies used to be reasonable, such that the allocations appropriately reflect Thomson Reuters' historical expenses attributable to Refinitiv for purposes of this combined historical financial information. However, the expenses reflected in this combined historical financial information may not be indicative of the actual expenses that would have been incurred during the periods presented if Refinitiv had historically operated as a stand-alone independent entity. In addition, the expenses reflected in the combined historical financial information may not be indicative of expenses that Refinitiv will incur in the future.

General corporate overhead allocation and editorial content

Thomson Reuters provides facilities, technology, editorial content and other corporate and administrative services to Refinitiv. Costs of US\$1,223 million for the year ended 31 December 2018, (2017: US\$1,666 million; 2016: US\$1,696 million) related to these services primarily include corporate overhead, audit fees, legal services, treasury, communications, human resources, tax and accounting, risk management, technology support, transaction processing, and rent, as well as costs associated with editorial content provided by Thomson Reuters which is included in Refinitiv's products. These expenses have been allocated to Refinitiv and have been included in "Cost of sales" and "Operating expenses" before depreciation and amortisation in the income statement. For 2018, US\$180 million and US\$1,043 million were included in "Cost of sales" and "Operating expenses before depreciation and amortisation", respectively. For 2017, US\$234 million and US\$1,432 million were included in "Cost of sales" and "Operating expenses before depreciation and amortisation", respectively. For 2016, US\$234 million and US\$1,462 million were included in "Cost of sales" and "Operating expenses before depreciation and amortisation", respectively. Where direct assignment of costs incurred by Thomson Reuters is not possible or practical, these costs were allocated on a pro-rata basis using revenues, salaries and wages, or headcount.

Cash management and financing

Thomson Reuters periodically sweeps Refinitiv's cash receipts and funds Refinitiv's cash disbursements. As cash is disbursed and received by Thomson Reuters, it is accounted for by Refinitiv through the "Net Parent Investment".

Historically, Refinitiv has received funding from Thomson Reuters for its operating and investing cash needs. Thomson Reuters' debt and the related interest expense are not included in the combined historical financial information, as Refinitiv is not the legal obligor of the debt and Thomson Reuters' borrowings were not directly attributable to Refinitiv's business.

Leasing transactions

One of Refinitiv Holdings' subsidiaries leases the 3 Times Square property and building in New York that is jointly managed and operated by Thomson Reuters and a third-party, 3XSQ Associates. The lease provides Refinitiv with approximately 677,000 square feet of office space until 2021 and includes provisions to terminate portions early and various renewal options. For the years ended 31 December 2018, 2017 and 2016, Refinitiv's costs under this lease arrangement for rent, taxes, and other expenses were US\$30 million, US\$40 million and US\$39 million, respectively. Amounts payable to 3XSQ Associates as of 31 December 2017 and 2016 were negligible.

Net Parent Investment

Transactions between Refinitiv and Thomson Reuters and its other businesses were considered to be effectively settled for cash at the time the transaction is recorded. The net effect of the settlement of these transactions has been accounted for through "Net Parent Investment" in the balance sheet and is reflected in the cash flow statement as a financing activity.

Net transfers to Thomson Reuters are included within "Net Parent Investment". The components of the net transfers to Thomson Reuters for the years ended 31 December 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
	<u>US\$m</u>	<u>US\$m</u>
Cash pooling and other general finance activities	(2,674)	(2,690)
Share-based compensation	18	30
Other non-cash employee benefits	114	(82)
Allocation of costs from Thomson Reuters and affiliates	1,666	1,696
Non-cash transfer of net assets from Thomson Reuters and affiliates	10	77
Acquisition, net of cash acquired	182	106
Income taxes settled through Net Parent Investment	<u>159</u>	<u>190</u>
Net transfers to Thomson Reuters	<u>(525)</u>	<u>(673)</u>

In connection with the 2018 Transaction, Refinitiv executed the Thomson Reuters News Agreement, which is a 30-year agreement with Reuters News, a business of Thomson Reuters, to receive news and editorial content for a minimum amount of US\$325 million per year. Refinitiv recorded expense of US\$81 million in "Operating expenses" in the income statement for the year ended 31 December 2018.

To facilitate the separation of Refinitiv from Thomson Reuters, both agreed to provide certain operational services to each other, including technology and administrative services, for a specified multi-year period. Also, Refinitiv and Thomson Reuters extended property leases to each other. For the year ended 31 December, 2018, Refinitiv recorded the following amounts as expense or contra-expense, as applicable, related to these transactions:

	<u>Provided by Thomson Reuters to Refinitiv: (Expense)</u>	<u>Provided by Refinitiv to Thomson Reuters: Contra-expense</u>
Transitional services	US\$(12)	US\$21
Properties leased	(13)	14

Refinitiv included US\$57 million of minimum lease payments owed to Thomson Reuters under non-cancellable leases in its disclosure of minimum lease payments (see Note 29). Thomson Reuters owed Refinitiv minimum lease payments of US\$42 million under non-cancellable lease agreements. Additionally, Refinitiv included US\$63 million of purchase obligations to Thomson Reuters related to certain operational services, including technology and administrative services, in its disclosure of future unconditional purchase obligations (see Note 27). Thomson Reuters has US\$113 million of purchase obligations to Refinitiv for similar operational services.

The balance sheet as 31 December 2018 includes a receivable from Thomson Reuters of US\$210 million and a payable to Thomson Reuters of US\$293 million related to all transactions between Refinitiv and Thomson Reuters.

Key management compensation

Compensation for directors of Refinitiv and key personnel who have authority for planning, directing and controlling Refinitiv:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	US\$m	US\$m	US\$m
Salaries and other benefits	29	11	10
Share-based payments	<u>7</u>	<u>4</u>	<u>7</u>
Total compensation	<u>36</u>	<u>15</u>	<u>17</u>

31. Events after the reporting period

Management has evaluated subsequent events through 6 November 2019 for disclosure or recognition in the combined historical financial information of Refinitiv as appropriate.

On 4 April 2019, Tradeweb completed an initial public offering of shares of its Class A common stock. Tradeweb used the net proceeds of such offering to purchase outstanding common membership units in Tradeweb Markets from certain of the investment and commercial banks that own a non-controlling interest in Tradeweb Markets. In connection with the offering, Tradeweb issued an aggregate of 96,933,192 shares of Class B common stock to Refinitiv Parent, while another wholly owned subsidiary of Refinitiv received 22,988,329 shares of Class D common stock of Tradeweb and a corresponding number of common membership units of Tradeweb Markets. After this offering, Refinitiv Holdings will continue to account for Tradeweb as a subsidiary with a non-controlling interest.

On 1 August 2019, the Stock Purchase Agreement was entered into in respect of the Transaction. The Transaction is expected to result in the Refinitiv Shareholders ultimately holding an approximate 37 per cent. economic interest in LSEG plc and less than 30 per cent. of the total voting rights in LSEG plc. The approval of LSEG Shareholders will be sought at the LSEG General Meeting. Completion is expected during the second half of 2020.

The signing of the Stock Purchase Agreement on 1 August 2019 triggered expense recognition of performance-based shares, whose vesting is conditional upon an exit event being considered probable.

32. Additional Information

Refinitiv companies

A list of Refinitiv's subsidiaries as at 31 December 2018 is given below including the percentage of each class of share held and the ownership percentages.

The share ownership percentage records the percentage of each subsidiary's share capital owned within Refinitiv. Where more than one Refinitiv company owns shares in a subsidiary, these interests have been combined. The ultimate economic interest percentage does not show actual share ownership, it records Refinitiv's effective interest in the subsidiary.

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Registered office address</u>	<u>Type of share held</u>	<u>Voting interest (per cent.)</u>	<u>Economic interest (per cent.)</u>
Alta Limited	Cook Islands	Cook Islands Trust Corporation Limited, First Floor, BCI House, P.O. Box 141, Avarua, Rarotonga, Cook Islands	Ordinary	100	100
ASX Refinitiv Charity Foundation Limited	Australia	Level 6,19 Harris Street, Pyrmont NSW 2009, Australia	Limited by Guarantee	50	0
Avox Limited	United Kingdom	Redwither Tower, Redwither Business Park, Wrexham, LL13 9XT, United Kingdom	Ordinary	100	100
Blaxmill (Eleven) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of £1 each	100	100

Name of subsidiary	Country of incorporation	Registered office address	Type of share held	Voting interest (per cent.)	Economic interest (per cent.)
Blaxmill (Nine) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of £1 each	100	100
Blaxmill (Six)	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary	100	100
Blaxmill (Ten) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of £1 each	100	100
Blaxmill (Thirteen) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of £1 each	100	100
Blaxmill (Thirty-Three) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary	100	100
Blaxmill (Twelve) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of £1 each	100	100
Blaxmill (Twenty-Eight) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of £1 each	100	100
Criminal Law Week Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares	100	100
Data Development Services Limited	Cook Islands	Cook Islands Trust Corporation Limited, First Floor, BCI House, P.O. Box 141, Avarua, Rarotonga, Cook Islands	Ordinary	100	100
EnergybankLink Pty Ltd	Australia	C/O TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Ordinary	100	100
Financial & Risk Organisation Limited	United Kingdom	Five Canada Square, Canary Wharf, London England, E14 5AQ, United Kingdom	Ordinary	100	100
Financial & Risk Transaction Services Ireland Limited	Ireland	12/13 Exchange Place, I.F.S.C., Dublin 1, D01P8H1, Ireland	Ordinary	100	100
Global World-Check	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London United Kingdom E14 5EP	Ordinary	100	100
Global World-Check Holdings (Nominee) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London United Kingdom E14 5EP	Ordinary	100	100
Global World-Check Holdings Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London United Kingdom E14 5EP	Ordinary Shares	100	100
Guangzhou Data Development Services Limited	China	No. 1005 of Unit 51, 10th Floor, Little Middle Road, No. 8,	Investment Capital	100	100

Name of subsidiary	Country of incorporation	Registered office address	Type of share held	Voting interest (per cent.)	Economic interest (per cent.)
		Tian He District, Guangzhou, China			
Infosight Singapore Pte. Ltd.	Singapore	9 Raffles Place, 00 Republic Plaza, 048619, Singapore	Ordinary	100	100
IntegraScreen (Malaysia) Sdn. Bhd.	Malaysia	18-22-A1, Gurney Tower, Persiaran Gurney, Georgetown, 10250 Penang, Malaysia	Ordinary	100	100
IntegraScreen (Panama), Inc.	Panama	The Century Tower, Via Ricardo J. Alfaro y Calle 65, Oeste Piso 10, Local 1005, Panama	Ordinary	100	100
IntegraScreen Limited	Hong Kong	16/F Cityplaza 3, 14 Taikoo Wan Road, Quarry Bay, Hong Kong	Ordinary	100	100
IntegraScreen Spolka Z.o.o.	Poland	40-084 Katowice, Ul. Opolska 22, Poland	Ordinary	100	100
Lipper Asia Limited	Cook Islands	Cook Islands Trust Corporation Limited, First Floor, BCI House, P.O. Box 141, Avarua, Rarotonga, Cook Islands	Ordinary	100	100
Lipper Australia Pty Ltd	Australia	Level 10, 60 Margaret Street, Sydney NSW 2000, Australia	Ordinary	100	100
Lipper Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of 1p each	100	100
Monitor Services Hong Kong Limited	Cook Islands	Cook Islands Trust Corporation Limited, First Floor, BCI House, P.O. Box 141, Avarua, Rarotonga, Cook Islands	Ordinary	100	100
Monitor Trading Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares	100	100
M.P.A. Technologies Inc.	United States	2710 Gateway Oaks Drive Suite 150N Sacramento CA 95833-3505 US	Shares	56	54
PT Refinitiv Services Indonesia	Indonesia	Wisma Antara, 6th Floor, Jalan Medan Merdeka Selatan, No. 17 Gambir, Jakarta, Pusat, 10110, Indonesia	Ordinary Bearer	99.5 (0.5 in process of transferring back to Refinitiv)	100
R.M.E. Bahrain Limited S.P.C	Bahrain	Flat 1002, Building 1459, Road 4626 , Block 346, Manama, Bahrain	Ordinary Share	100	100
REDI Technologies Ltd	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary	100	100
Refinitiv (Canvas) Holdings 1 Limited	Bermuda	Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda	Common	100	100
Refinitiv (Canvas) Holdings 2 Limited	Bermuda	Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda	Common	100	100
Refinitiv (Canvas) Holdings 3 Limited	Bermuda	Clarendon House, 2 Church Street,	Ordinary-B	100	100

Name of subsidiary	Country of incorporation	Registered office address	Type of share held	Voting interest (per cent.)	Economic interest (per cent.)
		Hamilton, HM 11, Bermuda			
Refinitiv (Thailand) Limited	Thailand	968 U Chu Liang Building, 34th Floor, Rama 1V Road, Silom, Bangrak, Bangkok, 10500, Thailand	A Ordinary Shares	91	55
			Preference - B	91	49
Refinitiv Asia Pte. Ltd.	Singapore	18 Science Park Drive, 118229, Singapore	Ordinary	100	100
Refinitiv Australia Pty Limited	Australia	C/O TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Ordinary	100	100
Refinitiv Austria GmbH	Austria	Boerseggasse 11, 1010, Vienna, Austria	Geschaeftsanteil (1)	100	100
Refinitiv Benchmark Services (UK) Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary	100	100
Refinitiv Brasil Servicos Economicos Limitada.	Brazil	Avenida Doutor Cardoso de Melo, 1855—4 e 12 andares, Conj 41 e 122, Vila Olimpia, Sao Paulo—SP, CEP 04548-005, Brazil	Quota	100	100
Refinitiv Canada Holdings Limited	Canada	Bay Adelaide Centre, 333 Bay Street, Suite 400, Toronto ON M5H 2R2, Canada	Unlimited Common	100	100
Refinitiv Costa Rica Sociedad De Responsabilidad Limitada	Costa Rica	San Jose, Santa Ana radial a San Antionio de Belen, Doscientos metros norte de la Cruz Roja de Santa Ana, Edificio Murano, Piso Uno, Oficina 13, Costa Rica	Ordinary	100	100
Refinitiv Cyprus Limited	Cyprus	Shakolas Emporium Park, 5 Vergina's Street, Annex 3—1st Floor, Strovolos, Nicosia, 2030, Cyprus	Ordinary	100	100
Refinitiv Czech Republic s.r.o.	Czech Republic	Vaclavské namesti 832/19, Nove Mesto, Praha 1, 110 00, Czech Republic	Shares	100	100
Refinitiv de Mexico, S.A. de C.V.	Mexico	Torre Esmeralda II. Blvd. Manuel Avila Camacho #36, Floor 19th, Lomas de Chapultepec, Mexico Federal District, 11000, Mexico	Common	100	100
Refinitiv Denmark A/S	Denmark	Vesterbrogade 1 E, 1620, Copenhagen V, Denmark	Registered Shares	100	100
Refinitiv Enformasyon Limited Sirketi	Turkey	Is Kuleleri, Kule 2, Kat 1-2, 4. Levent, Istanbul, 34330, Turkey	Ordinary	100	100
Refinitiv Europe Middle East and Africa (Central Region) Limited	Guernsey	Level 5, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ, Guernsey	Ordinary	100	100
Refinitiv Finland OY AB	Finland	Urho Kekkosen katu 5 C, P.O. Box 736, Helsinki, 00101, Finland	Ordinary	100	100
Refinitiv France Holdings SARL	France	6/8 Boulevard Haussmann, 75009 Paris, France	Ordinary	100	100

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Registered office address</u>	<u>Type of share held</u>	<u>Voting interest (per cent.)</u>	<u>Economic interest (per cent.)</u>
Refinitiv France SAS	France	6/8 Boulevard Haussmann, 75009 Paris, France	Ordinary	100	100
Refinitiv Germany GmbH	Germany	Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany	Ordinary	100	100
Refinitiv Germany Holdings GmbH	Germany	Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany	Shareholding	100	100
Refinitiv Group Nominees Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Limited by Guarantee	100 (members are directors)	100
Refinitiv Hellas S.A.	Greece	8 Othonos street, Athens, 105 57, Greece	Registered Shares	100	100
Refinitiv Holdings (Thailand) Limited	Thailand	17th floor, U Chu Liang Building, 968 Rama IV, Silom Bangrak, Bangkok, 10500, Thailand	Ordinary	100	100
			Preference—with voting rights (1 vote for every 10 shares) and 12 per cent. fixed dividend per annum on paid up capital) held by 3rd party	0	0
Refinitiv Hong Kong Limited	Cook Islands	Cook Islands Trust Corporation Limited, First Floor, BCI House, P.O. Box 141, Avarua, Rarotonga, Cook Islands	Ordinary Share	100	100
Refinitiv Hungary Kft.	Hungary	Alkotás utca 53. A torony, 6. emelet, Budapest, 1123, Hungary	Quota	100	100
Refinitiv Information Services (China) Co., Ltd.	China	Room 1806-1809, 1811, 18F, Office Tower E1 of Oriental Plaza, No. 1, East Chang An Avenue, Dong Cheng District, Beijing, 100738, China	Registered Investment	100	100
Refinitiv International Holdings SARL	Switzerland	153 Route de Thonon, 1245 Collonge-Bellerive, Geneva, Switzerland	Part(s) Sociale(s)	100	100
Refinitiv Ireland Limited	Ireland	12/13 Exchange Place, I.F.S.C., Dublin 1, D01P8H1, Ireland	Ordinary Share	100	100
Refinitiv Israel Ltd.	Israel	The Pyramid, 38 Hamasger Street, Tel-Aviv, 67211, Israel	Ordinary	100	100
Refinitiv Italy Holding S.P.A.	Italy	Piazza Armando Diaz, 2, 20123, Milano, Italy	Ordinary	100	100
Refinitiv Italy S.P.A.	Italy	Piazza Armando Diaz, 2, 20123, Milano, Italy	Ordinary	100	100
Refinitiv Japan K.K.	Japan	30/F Akasaka Biz Tower, 5-3-1 Akasaka Minato-ku, Tokyo, 107-6330, Japan	Common	100	100
Refinitiv Korea Limited	Korea, Republic of	14F Gwanhwamun, Bldg 149, Sejongdaero, Jongnogu, 03186, Korea, Republic of	Of Common Stock	100	100

Name of subsidiary	Country of incorporation	Registered office address	Type of share held	Voting interest (per cent.)	Economic interest (per cent.)
Refinitiv Latam Trading Limited	United Kingdom	The Thomson Reuters Building, South Colonnade, Canary Wharf, London E14 5EP , United Kingdom	Ordinary Shares	100	100
Refinitiv Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Share	100	100
Refinitiv Malaysia Sdn. Bhd.	Malaysia	Level 6, Menara 1 Dutamas, Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia	Ordinary	100	100
Refinitiv Middle East FZ-LLC	United Arab Emirates	Premises 501, 5th Floor, Building 01, Dubai, United Arab Emirates	Ordinary	100	100
Refinitiv Netherlands B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP, Amsterdam, Netherlands	Ordinary	100	100
Refinitiv Netherlands Finance B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP, Amsterdam, Netherlands	Ordinary	100	100
Refinitiv Netherlands Holdings B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP, Amsterdam, Netherlands	Ordinary	100	100
Refinitiv Netherlands Overseas Holdings B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP, Amsterdam, Netherlands	Ordinary	100	100
Refinitiv New Zealand Limited	New Zealand	C/o The Business Advisory Group Limited, Level 13, 34 Shortland Street, Auckland, 1010, New Zealand	Ordinary	100	100
Refinitiv Norge AS	Norway	Dronning Eufemias gate 16, Oslo, 0191, Norway	Ordinary	100	100
Refinitiv Peru SRL	Peru	Av. Jorge Basadre Grohmann 607 Int., 316 Urbanizacion Orrantia, Lima-Lima-San-Isidro, Peru	Shares	100	100
Refinitiv Poland Spolka "z.o.o."	Poland	Aleja Jana Pawla II 23, 00-854, Warsaw, Poland	Ordinary	100	100
Refinitiv Portugal Unipessoal Lda	Portugal	Avenida da Liberdade, n° 190, 2°, Coração de Jesus, 1250 141 Lisboa, Portugal	Quota	100	100
Refinitiv Romania S.R.L.	Romania	78-80 Buzesti Street, 9th Floor, Room No A1, Building Premium Point, District 1, Bucharest, Romania	Share Parts	100	100
Refinitiv RUS LLC	Russian Federation	5 Petrovka Street, Berlin Haus, Business Centre, 107031, Moscow, Russian Federation	Common Registered Shares	100	100
Refinitiv SA	Switzerland	153 Route de Thonon, 1245 Collonge-Bellerive, Geneva, Switzerland	Ordinary	100	100
Refinitiv Software (Thailand) Limited	Thailand	968 U Chu Liang Building, 23,30th Floor, Rama IV Road, Silom, Bangrak, Bangkok, 10500, Thailand	Ordinary	100	100
Refinitiv Sweden AB	Sweden	PO Box 1732, Stockholm, SE 111 87, Sweden	Issued	100	100

Name of subsidiary	Country of incorporation	Registered office address	Type of share held	Voting interest (per cent.)	Economic interest (per cent.)
Refinitiv Technology (China) Limited	China	2/F, Arca Building, ZhongGuanCun Software Park, 8 DongBeiWang West Road, Haidian District, Beijing, 100193, China	Registered Investment	100	100
Refinitiv Tecnologia em Sistemas Brasil Limitada	Brazil	Av. Doutor Cardoso de Melo, no 1.855, Andar 4, Conj. 42, Vila Olimpia, Sao Paulo, 04548-005, Brazil	Quotas	100	100
Refinitiv Transaction Services Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares	100	100
Refinitiv Transaction Services Malaysia Sdn. Bhd.	Malaysia	Lot 6. 05, Level 6, KPMG Tower, 8 First Avenue, 47800 Bandar Utama, Petaling Jaya Selangor, Malaysia	Ordinary	100	100
Refinitiv Transaction Services Pte. Ltd.	Singapore	18 Science Park Drive, 118229, Singapore	Ordinary	100	100
Refinitiv UK (Rest Of World) Holdings Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London United Kingdom E14 5EP	Ordinary	100	100
Refinitiv UK Eastern Europe Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares	100	100
Refinitiv UK Financial Limited	United Kingdom	The Thomson Reuters Building, South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary	100	100
Refinitiv UK Holding Company Limited	Bermuda	Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda	Common	100	100
Refinitiv UK Holdings Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares of 2.5p each	100	100
Refinitiv UK Overseas Holdings Limited	United Kingdom	The Thomson Reuters Building, 30 South Colonnade, Canary Wharf, London E14 5EP, United Kingdom	Ordinary Shares	100	100
Refinitiv UK Parent Limited	United Kingdom	Five Canada Square, Canary Wharf, London England, E14 5AQ, United Kingdom	Ordinary	100	100
Refinitiv, S.L.	Spain	Paseo de Recoletos 37—41, 2a planta, 28004, Madrid, Spain	Issued	100	100
Reuters Asia Pacific Limited	Mauritius	Ocorian Corporate Administrators Limited, 6th Floor Tower A, Cyber City, Ebene, 72201, Mauritius	Ordinary	100	100
Reuters Bulgaria EOOD in Liquidation	Bulgaria	2a, Saborna Street, Floor 4, Sredets District, Sofia, 1000, Bulgaria	Ordinary	100	100
Reuters Saudia Limited	Saudi Arabia	Al Thalatten Commercial Centre, 2nd Floor, Olaya Thalateen, Corner Dhabab Street, PoBox 62422,	Ordinary	75	75

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Registered office address</u>	<u>Type of share held</u>	<u>Voting interest (per cent.)</u>	<u>Economic interest (per cent.)</u>
		Riyadh 11585, Saudi Arabia			
Telfer Investments Australia Pty Limited	Australia	C/O TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Ordinary Special	100 100	100 100
Telfer Pty. Limited	Australia	C/O TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Ordinary Special	100 100	100 100
Tradeweb Commercial Information Consulting (Shanghai) Company Limited	China	Floors 3 & 4, No. 1 Lane, 65 Huanlong Road, Shanghai Free Trade Zone, China	Company Capital Only (no shares)	56	54
Tradeweb EU B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP, Amsterdam, Netherlands	Ordinary Shares	56	54
Tradeweb Europe Limited	United Kingdom	1 Fore Street Avenue, London England, EC2Y 9DT, United Kingdom	Ordinary	56	54
Tradeweb Japan KK	Japan	30F Akasaka, B12 Tower, 5-3-1 Akaska, Minato-Ku, Tokyo, 107-6330, Japan	Ordinary	56	54
Zawya Internet Content Provider LLC, Dubai	United Arab Emirates	P.O. Box 41640, Green Tower, District-Deira, Dubai	Ordinary	49	49
Zawya Limited	Cayman Islands	190 Elgin Avenue, George Town, KY1-9007, Cayman Islands	Common	100	100
Zhi Cheng Worldwide Management Consulting (Shenzhen) Co., Ltd	China	F1, Technology Building, No. 1067 Zhaoshang Road, Shekou Namhai Avenue, Nanshan District, Schenzen, 518067, China	Investment	100	100
BNX LLC	US, Delaware	25 Corte Madera Avenue, Suite 100, Mill Valley CA 94941, US	Membership interest	56	54
BondDesk Canada Holdings, Inc.	US, Delaware	251 Little Falls Drive Wilmington DE 19808 US	Shares	56	54
BondDesk Group LLC	US, Delaware	777 Third Avenue, 14th floor, New York NY 10017, US	Membership Interest	56	54
Dealerweb Inc.	US, New York	185 Hudson Street, Harborside 5, Suite 2200, Jersey City NJ 07311, US	Class A Common Stock and Class B Common Stock	56	54
DW SEF LLC	US, Delaware	1177 Avenue of the Americas, New York NY 10036, US	Limited Liability Company Interest	56	54
FX Alliance International, LLC	US, Delaware	3 Times Square, New York NY 10036, US	Shares	100	100
FX Alliance, LLC	US, Delaware	3 Times Square, New York NY 10036, US	Shares	100	100
IAG US LLC	US, Delaware	3 Times Square, New York NY 10036, US	Member Shares	100	100
Lipper Inc.	US, Colorado	707 17th Street, 22nd floor, Denver CO 80202, US	Common	100	100
MuniGroup.com, LLC	US, Delaware	25 Corte Madera Avenue, Suite 100, Mill Valley CA 94941, US	Member Interest	56	54
REDI Global Technologies LLC	US, New York	3 Times Square, New York NY 10036, US	Limited Liability Company Interest Shares	100	100

Name of subsidiary	Country of incorporation	Registered office address	Type of share held	Voting interest (per cent.)	Economic interest (per cent.)
Refinitiv Global Markets Inc.	US, Delaware	26 Thomson Place, Boston MA 02210, US	Common	100	100
Refinitiv US Fin Corp.	US, Delaware	3 Times Square, New York NY 10036, US	Common	100	100
Refinitiv US Holdings Inc.	US, Delaware	3 Times Square, New York NY 10036, US	Common Stock	100	100
Refinitiv US IP Corp.	US, Delaware	3 Times Square, New York NY 10036, US	Common Stock	100	100
Refinitiv US LLC	US, Delaware	3 Times Square, New York NY 10036, US	Limited Liability Company Shares	100	100
Refinitiv US Organization LLC	US, Delaware	3 Times Square, New York NY 10036, US	Common	100	100
Refinitiv US Personal Focus Inc.	US, Delaware	Three Times Square, New York NY 10036, US	Common Stock	100	100
Refinitiv US PME LLC	US, Delaware	3 Times Square, New York NY 10036, US	Class A Shares	100	100
			Class B Shares	100	100
Refinitiv US SEF LLC	US, Delaware	3 Times Square, New York NY 10036, US	Limited Liability Company Interest Shares	100	100
Refinitiv US Services Corp.	US, Delaware	3 Times Square, New York NY 10036, US	Common	100	100
Refinitiv US Tradeweb LLC	US, Delaware	3 Times Square, New York NY 10036, US	Shares	100	100
Tech Hackers LLC	US, Delaware	332 Springfield Avenue, Suite 200, Summit NJ 07901, US	Membership interest	56	54
TIPS LLC	US, Wyoming	332 Springfield Avenue, Suite 200, Summit NJ 07901, US	Membership interest	56	54
Tradeweb Asia Holdings Limited	Hong Kong	18/F, ICBC Tower 3 Garden Road Central Hong Kong	Shares	56	54
Tradeweb Direct LLC	US, Delaware	777 Third Avenue, 14th floor, New York NY 10017, US	Membership interest	56	54
Tradeweb Global Holding LLC	US, Delaware	Tradeweb, 1177 Avenue of the Americas, New York NY 10036, US	Shares	56	54
Tradeweb Global LLC	US, Delaware	Tradeweb, 1177 Avenue of the Americas, New York NY 10036, US	Shares	56	54
Tradeweb IDB Markets, Inc.	US, Delaware	Tradeweb, 1177 Avenue of the Americas, New York NY 10036, US	Common	56	54
Tradeweb LLC	US, Delaware	Tradeweb, 1177 Avenue of the Americas, New York NY 10036, US	Membership Interest	56	54
Tradeweb Markets International LLC	US, Delaware	Tradeweb, 1177 Avenue of the Americas, New York NY 10036, US	Limited Liability Company Interest	56	54
Tradeweb Markets LLC	US, Delaware	Tradeweb, 1177 Avenue of the Americas, New York NY 10036, US	Limited Liability Company Interest	56	54
TW SEF LLC	US, Delaware	1177 Avenue of the Americas, New York NY 10036, US	Limited Liability Company Interest	56	54
TWEL Holding LLC	US, Delaware	Tradeweb, 1177 Avenue of the Americas, New York NY 10036, US	Limited Liability Company Interest	56	54

Refinitiv's associate undertakings were:

<u>Associate name</u>	<u>Country of incorporation</u>	<u>Registered office address</u>	<u>Type of share held</u>	<u>Share ownership (per cent.)</u>	<u>Ultimate economic interest (per cent.)</u>
Citywire Holdings, Ltd	United Kingdom	87 Vauxhall Walk, London SE11 5HJ, United Kingdom	Ordinary	18.4	22

**SECTION B - ACCOUNTANTS' REPORT ON THE AUDITED, COMBINED HISTORICAL
FINANCIAL INFORMATION RELATING TO REFINITIV**



The Directors
London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS
United Kingdom

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

6 November 2019

Dear Ladies and Gentlemen

Refinitiv Parent Limited

We report on the financial information relating to Refinitiv Parent Limited for the 3 years ended 31 December 2018, included in Section A of Part VI (*Historical Financial Information Relating to Refinitiv*), of this document (the “**Financial Information Table**”). The Financial Information Table has been prepared for inclusion in the LSEG plc circular dated 6 November 2019 (the “**Circular**”) on the basis of the accounting policies set out in note 1 to the Financial Information Table. This report is required by item 13.5.22R of the Listing Rules and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors are responsible for preparing the Financial Information Table in accordance with IFRS as adopted by the EU and in a form that is consistent with the accounting policies adopted in the latest annual accounts of LSEG plc.

It is our responsibility to form an opinion as to whether the Financial Information Table gives a true and fair view for the purposes of the Circular and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to LSEG Shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

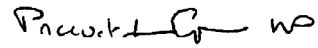
We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to Refinitiv Parent’s Limited’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Financial Information Table gives, for the purposes of the Circular dated 6 November 2019, a true and fair view of the state of affairs of Refinitiv Parent Limited as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended, in accordance with IFRS as adopted by the EU.

Yours faithfully



PricewaterhouseCoopers LLP
Chartered Accountants

SECTION C - UNAUDITED, COMBINED FINANCIAL INFORMATION RELATING TO REFINITIV

This Section C of Part VI (*Historical Financial Information Relating to Refinitiv*), of this document contains unaudited, combined historical financial information relating to Refinitiv Parent for the six month period ended 30 June 2019, which has been prepared in accordance with IFRS. In accordance with the requirements of the Listing Rules, the Directors confirm that no material adjustment needs to be made to the Refinitiv financial information contained in this Section C of Part VI (*Historical Financial Information relating to Refinitiv*) to achieve consistency with LSEG plc's accounting policies.

Combined Income Statement

	Six months ended 30 June 2019		
	Unaudited		
	Underlying	Non-underlying	Total
	US\$m	US\$m	US\$m
Revenue	3,118	—	3,118
Cost of sales	(480)	—	(480)
Gross profit	2,638	—	2,638
Expenses			
Operating expenses before depreciation, amortisation and impairment	(1,471)	(206)	(1,677)
Share of profit after tax of associates	1	—	1
Earnings before interest, tax, depreciation, and amortisation	1,168	(206)	962
Depreciation, amortisation and impairment	(577)	(488)	(1,065)
Operating profit/(loss)	591	(694)	(103)
Finance income	76	—	76
Finance expense	(493)	—	(493)
Profit/(loss) before tax	174	(694)	(520)
Taxation	(125)	183	58
Profit/(loss) for the period	49	(511)	(462)
Profit/(loss) for the period attributable to:			
Refinitiv Holdings	1	(492)	(491)
Non-controlling interests	48	(19)	29

Combined Statement of Comprehensive Income

	Six months ended 30 June 2019 Unaudited
	US\$m
Loss for the financial period	(462)
Other comprehensive income/(loss)	
Items that will not be subsequently reclassified to profit or loss:	
Defined benefit pension scheme re-measurement gain	42
Income tax relating to these items	(6)
	36
Items that may be subsequently reclassified to profit or loss:	
Exchange gain on translation of foreign operations	5
Cash flow hedges	(54)
	(49)
Other comprehensive losses net of tax	(13)
Total comprehensive loss for the financial period	(475)
Attributable to Refinitiv Holdings	(504)
Attributable to non-controlling interests	29
Total comprehensive loss for the financial period	(475)

Combined Balance Sheet

30 June 2019

Unaudited

US\$m

Assets

Non-current assets

Property, plant and equipment	878
Intangible assets	19,509
Investment in associates	11
Deferred tax assets	92
Investments in financial assets	5
Retirement benefit asset	471
Other non-current receivables	124
	<u>21,090</u>

Current assets

Trade and other receivables	1,287
Derivative financial instruments	17
Investments in financial assets	1
Cash and cash equivalents	822
Total assets	<u>23,217</u>

Liabilities

Current liabilities

Trade and other payables	1,522
Contract liabilities	157
Derivative financial instruments	17
Current tax	36
Borrowings	93
Provisions	96
	<u>1,921</u>

Non-current liabilities

Borrowings	12,861
Derivative financial instruments	96
Contract liabilities	14
Deferred tax liabilities	302
Retirement benefit obligations	88
Other non-current payables	586
Provisions	74
	<u>14,021</u>

Total liabilities	<u>15,942</u>
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Net assets	<u><u>7,275</u></u>
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Net Parent Investment, other reserves and non-controlling interests

Net parent investment	5,341
Other reserves	(112)
Total Net Parent Investment	<u>5,229</u>
Non-controlling interests	<u>2,046</u>
Total Net Parent Investment, other reserves and non-controlling interests	<u><u>7,275</u></u>

Combined Cash Flow Statement

	<u>2019 Unaudited</u>
	US\$m
Cash flow from operating activities	
Cash generated from operations	581
Interest paid	(432)
Corporation tax paid	(79)
Net cash inflow from operating activities	<u>70</u>
Cash flow from investing activities	
Purchase of property, plant and equipment	(68)
Purchase of intangible assets	(170)
Proceeds from disposal of property, plant & equipment	1
Acquisition of businesses	(70)
Net cash outflow from investing activities	<u>(307)</u>
Cash flow from financing activities	
Dividends paid to non-controlling interests	(88)
Repayment of debt	(46)
Net cash outflow from financing activities	<u>(134)</u>
Decrease in cash and cash equivalents	<u>(371)</u>
Cash and cash equivalents at beginning of period	1,192
Exchange gain on cash and cash equivalents	1
Cash and cash equivalents at end of period	<u><u>822</u></u>

PART VII
HISTORICAL FINANCIAL INFORMATION RELATING TO LSEG

Historical financial information in respect of LSEG, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document as described in Part X (*Documentation Incorporated by Reference*), of this document.

PART VIII
UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE COMBINED BUSINESS

SECTION A - UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma statement of net assets and pro forma income statement (together the “**Unaudited Pro Forma Financial Information**”) of the Combined Business set out below has been prepared in accordance with Annex 20 of the PR Regulation and on the basis of the notes set out below. The Unaudited Pro Forma Financial Information is presented in pounds sterling, the proposed functional currency of LSEG plc. The Unaudited Pro Forma Financial Information has been prepared on the basis of the financial statements of LSEG plc and Refinitiv Parent for the period ended 31 December 2018, the date to which the latest audited financial information in relation to both entities was prepared. The unaudited pro forma income statement has been prepared to illustrate the effect on the earnings of LSEG plc as if the Transaction had taken place on 1 January 2018. The unaudited pro forma statement of net assets has been prepared to illustrate the effect on the net assets of LSEG plc as if the Transaction had taken place on 31 December 2018.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Combined Business’ actual financial position or results.

The Unaudited Pro Forma Financial Information has been prepared in a manner consistent with the accounting policies to be adopted by LSEG plc in preparing its next audited consolidated financial statements.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Companies Act. The Unaudited Pro Forma Financial Information does not purport to represent what the Combined Business’ financial position and results of operations actually would have been if the acquisition had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or the financial condition of LSEG plc, Refinitiv Parent or the Combined Business at any future date. LSEG Shareholders should read the whole of this document and not rely on the summarised financial information contained in this Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*), of this document. KPMG LLP’s report on the Unaudited Pro Forma Financial Information is set out in Section B of this Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*), of this document.

Unaudited Pro Forma Income Statement

(£ million)	LSEG plc	Refinitiv Parent	Pro forma Adjustments		
	year ended 31 December 2018		year ended 31 December 2018	Transaction costs	Tax benefits of Transaction costs
	(Note 1)	(Note 2)	(Note 5)	(Note 6)	(Note 9)
Total income	2,135	4,631	—	—	6,766
Cost of sales	(227)	(649)	—	—	(876)
Gross profit	1,908	3,982	—	—	5,890
Expenses					
Operating expenses before depreciation, amortisation impairments and non-underlying items	(834)	(2,440)	—	—	(3,274)
Share of loss/ profit after tax of associates	(8)	1	—	—	(7)
Earnings before interest, tax, depreciation amortisation, impairment and non- underlying items	1,066	1,543	—	—	2,609
Non-underlying operating expenses (Note 7)	(21)	(351)	(281)	—	(653)
Earnings before interest, tax, depreciation amortisation and impairment	1,045	1,192	(281)	—	1,956
Depreciation, amortisation and impairment	(294)	(862)	—	—	(1,156)
Operating profit	751	330	(281)	—	800
Net interest expense	(66)	(140)	—	—	(206)
Income taxes	(132)	(60)	—	63	(129)
Profit from continuing operations	553	130	(281)	63	465
Profit attributable to non-controlling interests	73	60	—	—	133
Profit attributable to equity holders	480	70	(281)	63	332
Profit from continuing operations	553	130	(281)	63	465
Operating profit	751	330	(281)	—	800
<i>Add back:</i>					
Amortisation and impairment of purchased intangibles and goodwill (Note 8)	159	362	—	—	521
Non-underlying operating expenses (Note 7)	21	351	281	—	653
Underlying operating profit	931	1,043	—	—	1,974
Profit attributable to equity holders	480	70	(281)	63	332
Amortisation and impairment of purchased intangibles and goodwill (Note 8)	159	362	—	—	521
Non-underlying operating expenses (Note 7)	21	351	281	—	653
Tax impact of adjustments	(55)	(174)	—	(63)	(292)
Underlying profit from continuing operations	605	609	—	—	1,214
Basic EPS (Note 4)	138.3p				60.2p
AEPS (Note 4)	173.8p				220.2p
Dividends					
Interim paid	17.2p				
Final proposed	43.2p				
Total	60.4p				

Unaudited Pro Forma Net Assets Statement

(£ million)	Pro forma Adjustments						
	LSEG plc as at 31 December 2018 (Note 1)	Refinitiv Parent as at 31 December 2018 (Note 2)	Elimination of purchased intangibles and goodwill (Note 3)	Estimated excess of purchase consideration over net assets acquired (Note 3)	Transaction costs (Note 5)	Tax benefits of Transaction costs (Note 6)	Pro forma Combined Business (Note 9)
Assets							
Non-current assets							
Property, plant and equipment	149	398	—	—	—	—	547
Intangible assets	4,687	15,887	(13,222)	21,631	—	—	28,983
Investments in associates	25	6	—	—	—	—	31
Deferred tax assets	42	17	—	—	—	—	59
Derivative financial instruments	—	27	—	—	—	—	27
Investment in financial assets	31	4	—	—	—	—	35
Contract assets	3	—	—	—	—	—	3
Retirement benefit asset	46	327	—	—	—	—	373
Other non-current assets	30	37	—	—	—	—	67
	<u>5,013</u>	<u>16,703</u>	<u>(13,222)</u>	<u>21,631</u>	<u>—</u>	<u>—</u>	<u>30,125</u>
Current assets							
Trade and other receivables	644	838	—	—	—	—	1,482
Contract assets	141	—	—	—	—	—	141
Clearing member financial assets	764,411	—	—	—	—	—	764,411
Clearing member cash and cash equivalents	70,927	—	—	—	—	—	70,927
Clearing member business assets	835,338	—	—	—	—	—	835,338
Investment in financial assets	53	—	—	—	—	—	53
Current tax	147	—	—	—	—	—	147
Cash and cash equivalents	1,510	939	—	—	—	—	2,449
	<u>837,833</u>	<u>1,777</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>839,610</u>
Total assets	<u>842,846</u>	<u>18,480</u>	<u>(13,222)</u>	<u>21,631</u>	<u>—</u>	<u>—</u>	<u>869,735</u>
Liabilities							
Current liabilities							
Trade and other payables	538	1,217	—	—	281	—	2,036
Clearing member business liabilities	835,508	—	—	—	—	—	835,508
Derivative financial instruments	30	3	—	—	—	—	33
Current tax	61	—	—	—	—	(63)	(2)
Borrowings	561	72	—	—	—	—	633
Contract liabilities	153	96	—	—	—	—	249
Provisions	2	101	—	—	—	—	103
	<u>836,853</u>	<u>1,489</u>	<u>—</u>	<u>—</u>	<u>281</u>	<u>(63)</u>	<u>838,560</u>
Non-current liabilities							
Borrowings	1,642	10,169	—	—	—	—	11,811
Derivative financial instruments	17	32	—	—	—	—	49
Contract liabilities	118	19	—	—	—	—	137
Deferred tax liabilities	475	526	—	—	—	—	1,001
Retirement benefit obligation	22	86	—	—	—	—	108
Other non-current liabilities	11	120	—	—	—	—	131
Provisions	10	51	—	—	—	—	61
	<u>2,295</u>	<u>11,003</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,298</u>
Total liabilities	<u>839,148</u>	<u>12,492</u>	<u>—</u>	<u>—</u>	<u>281</u>	<u>(63)</u>	<u>851,858</u>
Net assets	<u>3,698</u>	<u>5,988</u>	<u>(13,222)</u>	<u>21,631</u>	<u>(281)</u>	<u>63</u>	<u>17,877</u>

Notes:

1. LSEG plc financial information for the financial year ended 31 December 2018

The IFRS information for LSEG plc has been extracted from the audited consolidated financial statements of LSEG plc for the financial year ended 31 December 2018, which have been prepared in accordance with IFRS as adopted by the EU, and are incorporated by reference into this document.

2. Refinitiv Parent financial information for the financial year ended 31 December 2018

The IFRS information for Refinitiv Parent has been extracted from the audited combined financial statements of Refinitiv Parent for the financial year ended 31 December 2018, which have been prepared in accordance with IFRS as adopted by the EU and LSEG plc's accounting policies, and are set out in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document.

An average rate of exchange of US\$1.34 to £1, and a spot rate of US\$1.27 to £1, have been used to convert the financial information of Refinitiv Parent into pounds sterling for the financial year ended 31 December 2018, and 31 December 2018, respectively.

3. Estimated excess of purchase consideration over net assets acquired

Estimated purchase consideration and related excess of purchase consideration over book value of net assets acquired are as follows:

Pro forma adjustments

	<u>£ million</u>
Estimated Purchase Consideration⁽¹⁾	14,397
Less: Refinitiv Parent book value of net assets acquired	(5,988)
Add back: Refinitiv Parent purchased goodwill and intangibles ⁽²⁾	13,222
Excess of purchase consideration over book value of net assets acquired⁽³⁾	<u>21,631</u>

(1) Estimated purchase consideration is £14.4 billion (US\$18.3 billion). The consideration is calculated as 204,366,585 LSEG Ordinary Shares at a closing price of 7,044.73 pence on 1 November 2019, being the Latest Practicable Date.

(2) For the purposes of the pro forma analysis, acquisition goodwill and intangible assets (excluding software and contract costs) of Refinitiv Parent of £13.2 billion (US\$16.8 billion) have been added back to the book value of net assets acquired. These balances will then be re-evaluated alongside the acquisition goodwill and intangible assets of Refinitiv Parent as part of the Combined Business' consolidated accounts. The £13.2 billion (US\$16.8 billion) consists of goodwill of £7.1 billion (US\$9.1 billion), and £6.1 billion (US\$7.7 billion) of definite life customer relationship, brand and intellectual property intangibles.

(3) The gross difference of £22.2 billion (US\$28.1 billion) between the book value of net assets acquired and the estimated consideration has, therefore, been presented as a single value in goodwill. Following Completion, the assets and liabilities of Refinitiv Parent will be subject to fair value restatement.

4. Pro forma earnings per share

Estimated pro forma basic and adjusted earnings per share are as follows:

Basic and diluted pro forma earnings per share

	<u>Earnings per share</u>	<u>Adjusted earnings per share</u>
Numerator:		
Pro forma profit for the financial year (£m)	332	332
Adjustments to reflect non underlying profit for the year (£m) ⁽¹⁾		<u>882</u>
Adjusted pro forma profit for the year (£m)		1,214
Denominator:		
LSEG plc weighted-average ordinary shares (\$m)	347	347
Shares to be issued of LSEG plc (£m) ⁽²⁾	<u>204</u>	<u>204</u>
Basic pro forma weighted-average ordinary shares (£m)	551	551
Effect of diluted share options and awards (£m)	<u>6</u>	<u>6</u>
Diluted pro forma weighted-average ordinary shares (£m)	557	557
Basic pro forma earnings per share (pence)	60.2p	220.2p
Diluted pro forma earnings per share (pence)	59.6p	217.8p

(1) Non-underlying pro forma adjustments include: (a) £125 million related to LSEG plc, extracted from Note 8 to LSEG plc's Annual Report and Accounts for the financial year ended 31 December 2018; (b) £539 million (US\$722 million) related to Refinitiv Parent, extracted from Note 8 to the historical financial information in relation to Refinitiv Parent set out in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document, converted at an exchange rate of US\$1.34 to £1; and (c) transaction costs net of tax of £218 million.

(2) Consideration is anticipated to be in the form of 204,366,585 LSEG Shares.

5. Transaction costs

LSEG plc and Refinitiv Parent expect to incur transaction related costs that do not qualify to be capitalised as part of the estimated purchase consideration. None of these items were recorded as expenses in the LSEG plc or Refinitiv Parent income statements to 31 December 2018. Therefore, an adjustment of £281 million has been made to include these expenses incurred because the pro forma income statement has been prepared as if the transaction had completed on 1 January 2018. These expenses are non-underlying in nature and are not expected to have a continuing impact on the consolidated results.

6. Estimated tax benefits of Transaction costs

The estimated tax benefits of the above adjustments are £63 million. The estimates reflect the 2018 corporation tax rates of LSEG plc and Refinitiv Parent in tax jurisdictions in which the pro forma adjustments were assumed to occur (in the UK, 19 per cent., and in the US, 26.5 per cent.).

7. Non-underlying items

LSEG plc

Continuing non-underlying operating expenses of £21 million has been extracted without material adjustment from the income statement of LSEG plc for the financial year ended 31 December 2018.

Refinitiv Parent

Continuing non-underlying operating expenses of £351 million has been extracted without material adjustment from Note 8 to the historical financial information in relation to Refinitiv Parent included in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document, converted at an exchange rate of US\$1.34 to £1.

8. Amortisation and depreciation

LSEG plc

Continuing amortisation and depreciation of £159 million has been extracted without material adjustment from the income statement of LSEG plc for the financial year ended 31 December 2018.

Refinitiv Parent

Continuing amortisation and depreciation of £362 million has been extracted without material adjustment from Note 8 to the historical financial information in relation to Refinitiv Parent included in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document, converted at an exchange rate of US\$1.34 to £1.

9. Other Adjustments

Besides the costs relating to the Transaction, the pro forma income statement and the pro forma statement of net assets do not reflect any profit-related costs, which can be realised with the Transaction.

No adjustments have been made to reflect the results of the operations of LSEG plc or Refinitiv Parent since 31 December 2018, or other changes of their financial situation during that period.

10. Other Pro forma information

Recurring revenues

(£ million)	LSEG plc year ended 31 December 2018⁽¹⁾	Refinitiv Parent year ended 31 December 2018⁽²⁾	Pro forma Combined Business
Recurring revenues	841	3,540	4,381
Transactional revenues (exc recoveries)	1,294	743	2,037
Total revenues (exc recoveries)	2,135	4,283	6,418
Recoveries	—	348	348
Total revenues	2,135	4,631	6,766
Percentage recurring (exc recoveries) (per cent.)	39	83	68

(1) LSEG plc recurring revenues are the Information Services division revenues extracted from Note 5 to LSEG plc's Annual Report and Accounts for the financial year ended 31 December 2018.

(2) Refinitiv Parent recurring revenues are extracted from Note 5 to the historical financial information in relation to Refinitiv Parent included in Part VI (*Historical Financial Information Relating to Refinitiv*), of this document, converted into pounds sterling using an exchange rate of US\$1.34 to £1.

11. Segmental revenue breakdown

The following table is intended to provide information on the revenue performance of the Combined Business by segment for the financial year ended 31 December 2018, as LSEG plc may have reported on such performance had Refinitiv been part of LSEG during the relevant period, and as the Combined Business may

report on such segments in future. As integration planning in respect of the Transaction progresses, the breakdown of any future, Combined Business, segmental revenue disclosure may be subject to change.

<u>Year ended 2018</u>	<u>LSEG plc⁽¹⁾</u>	<u>Refinitiv Parent⁽²⁾</u>	<u>Pro forma</u>	<u>Pro forma Percentage of total revenue (per cent.)</u>
	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	
Information Services				
Trading information and data	94	1,800	1,894	
Investment and advisory	116	1,084	1,200	
Wealth	—	272	272	
Indexes	631	44	675	
Risk	—	235	235	
Recoveries	—	348	348	
Total Information Services	841	3,783	4,624	68
Capital Markets				
Primary Markets	113	—	113	
Secondary markets – Equities	169	—	169	
Secondary Markets – FX	—	181	181	
Secondary Markets – Fixed income, Derivatives and Other	125	667	792	
Total Capital Markets	407	848	1,255	19
Post Trade Services				
Post Trade Services LCH	662	—	662	
Post Trade Services Italy	146	—	146	
Total Post Trade	807	—	807	12
Other	80	—	80	1
Total Income	<u>2,135</u>	<u>4,631</u>	<u>6,766</u>	<u>100</u>

(1) LSEG plc revenues were extracted from LSEG plc's Annual Report and Accounts for the financial year ended 31 December 2018. FTSE Russell revenues have been included in Indexes. Real time data revenues have been included in Trading Information and Data. Other Information Services revenues have been included in Investment and Advisory. The numbers are unaudited but reconcile to the total audited revenue of LSEG plc.

(2) Figures for Refinitiv Parent were extracted from the additional segmental revenue information in relation to Refinitiv included in paragraph 4 (*Summary Financial Information on Refinitiv*), of Part I (*Letter From the Chairman of LSEG plc*), of this document. The numbers are unaudited but reconcile to the total audited revenue of Refinitiv Parent. An average rate of exchange of US\$1.34 to £1 has been used to convert this information into pounds sterling.

SECTION B - ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE COMBINED BUSINESS



KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

The Directors
London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS

Ladies and Gentlemen

LSEG plc

We report on the pro forma financial information (the “**Pro Forma Financial Information**”) set out in Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*) of the LSEG plc circular dated 6 November 2019 which has been prepared on the basis described, for illustrative purposes only, to provide information about how the acquisition of Refinitiv might have affected the financial information presented on the basis of the accounting policies adopted by LSEG plc in preparing the financial statements for the period ended 31 December 2018. This report is required by paragraph 13.3.3R of the Listing Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of LSEG plc to prepare the Pro Forma Financial Information in accordance with paragraph 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the PR Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to LSEG Shareholders as a result of the inclusion of this report in the circular, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6).

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of LSEG plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of LSEG plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the US or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of LSEG plc.

Yours faithfully

KPMG LLP

PART IX
ADDITIONAL INFORMATION

1. Responsibility

LSEG plc and the Directors, whose names are set out in paragraph 5 of this Part IX (*Additional Information*), of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of LSEG plc and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. LSEG plc Information

2.1 LSEG plc was incorporated and registered in England and Wales on 18 February 2005 under the Companies Act 1985 as a private company limited by shares with registered number 5369106, with the name Milescreen Limited. On 16 November 2005, it changed its name to London Stock Exchange Group Limited. On 7 December 2005, it re-registered as a public limited company pursuant to section 43 of the Companies Act 1985 and changed its name to London Stock Exchange Group plc.

2.2 The registered and head office of LSEG plc is 10 Paternoster Square, London EC4M 7LS. LSEG plc's main telephone number is 0207 797 1000.

2.3 The principal legislation under which LSEG plc operates is the Companies Act.

3. Information about LSEG plc's share capital, constitution and the LSEG Shares

3.1 Share Capital

As at the Latest Practicable Date, LSEG plc had 349,738,988 LSEG Ordinary Shares in issue with a nominal value of 6⁷⁹/₈₆ pence each (excluding shares held in treasury), representing 99.7 per cent. of the total issued share capital of LSEG plc at that time. As at the Latest Practicable Date, LSEG plc had 932,533 treasury shares in issue with a nominal value of 6⁷⁹/₈₆ pence each, representing approximately 0.3 per cent. of the total issued share capital of LSEG plc at that time.

3.2 Summary of the articles of association of LSEG plc

A summary of the articles of association of LSEG plc (the "**Articles**") is set out below:

3.2.1 Objects

The Articles do not set out specific details concerning LSEG plc's objects. LSEG plc is not restricted by its Articles. Accordingly, pursuant to section 31 of the Companies Act, LSEG plc's objects are unrestricted.

3.2.2 Respective rights of different classes of shares

Without prejudice to any rights attached to any existing shares, LSEG plc may issue shares with such rights or restrictions as determined by either LSEG plc by ordinary resolution or, subject to and in default of such determination, its Directors. LSEG plc may also issue shares which are, or are liable to be, redeemed at the option of LSEG plc or the holder.

3.2.3 Voting rights

In accordance with the Articles, voting at a general meeting of LSEG plc may be carried out by way of show of hands or a poll. Pursuant to the Articles, a poll can be requested by: (i) the chairman of the meeting; (ii) not less than five members present in person or represented by a proxy and entitled to vote; (iii) members present in person or represented by a proxy and jointly representing not less than 10 per cent. of the total voting rights (excluding the rights attaching to any shares held as treasury shares); or (iv) members present in person or represented by a proxy and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the share capital of LSEG plc (excluding any such shares held as treasury shares). If the vote is on a show of hands, each nominee has one vote irrespective of the number of shareholders represented by him or her. If a nominee is instructed by different shareholders to vote in different ways, such nominee will vote both for and against a proposed resolution. It is expected that votes at a general meeting of LSEG plc will be exercised by poll.

At a general meeting, subject to any special rights or restrictions attached to any class of shares: (i) on a show of hands, every member present in person and every duly appointed proxy present shall have one vote; (ii) on a show of hands, a proxy has one vote for and one vote against the resolution, if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and the proxy has been instructed: (a) by one or more of those members to vote for the resolution and by one or more other of those members to vote against it; or (b) by one or more of those members to vote either for or against the resolution and by one or more other of those members to use his discretion as to how to vote; and (iii) on a poll, every member present in person or by proxy has one vote for every share held by him or her.

A proxy shall not be entitled to vote on a show of hands or on a poll where the member appointing the proxy would not have been entitled to vote on the resolution had he or she been present in person.

Unless the Directors resolve otherwise, no member shall be entitled to vote either personally or by proxy or to exercise any other right in relation to general meetings if any call or other sum due from him or her to LSEG plc in respect of that share remains unpaid.

3.2.4 *Dividends*

LSEG plc may, by ordinary resolution, declare final dividends to be paid to LSEG Shareholders. However, no dividend shall be declared unless it has been recommended by the Directors and does not exceed the amount recommended by the Directors.

If the Directors believe that the profits of LSEG plc justify such payment, LSEG plc may pay dividends on any class of share where the dividend is payable on fixed dates. LSEG plc may also pay interim dividends on shares of any class in amounts and on dates and periods as the Directors think fit. Provided the Directors act in good faith, they shall not incur any liability to the holders of any shares for any loss such holders may suffer by the payment of dividends on any other class of shares having rights ranking equally with or behind those shares.

Any dividends for certificated shares that remain unclaimed (for example because the dividends letter could not be delivered or because the dividends cheque was not cashed) may be invested or otherwise applied for the benefit of LSEG plc until they are claimed. Any dividend unclaimed for 12 years from the date on which it was declared or became due for payment shall be forfeited and shall revert to LSEG plc.

The Directors may, if authorised by ordinary resolution, offer to ordinary shareholders the right to elect to receive, in lieu of a dividend, an allotment of new ordinary shares, credited as fully paid.

3.2.5 *Variation of rights*

Whenever the share capital of LSEG plc is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the written consent of the holders of three-quarters in nominal value of the issued shares of the class (excluding shares held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise), and may be so varied or abrogated either while LSEG plc is a going concern or during or in contemplation of a winding-up.

The special rights attached to any class of shares will not, unless otherwise expressly provided by the terms of issue, be deemed to be varied by: (i) the creation or issue of further shares ranking, as regards participation in the profits or assets of LSEG plc, in some or all respects equally with them but in no respect in priority to them; or (ii) the purchase or redemption by LSEG plc of any of its own shares.

3.2.6 *Transfer of shares*

LSEG plc can issue certificated and uncertificated shares. If certificated shares have been issued, transfers may be effected in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, if any of the shares are not fully-paid shares, by or on behalf of the transferee.

The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members of LSEG plc in respect of those shares.

Transfers of uncertificated shares may be effected by means of a relevant system (i.e., CREST) unless the CREST Regulations provide otherwise.

The Directors may decline to register any transfer of a certificated share, unless: (i) the instrument of transfer is in respect of only one class of share; (ii) the instrument of transfer is lodged at the transfer office, duly stamped if required and accompanied by the relevant share certificate(s) or other evidence reasonably required by the Directors to show the transferor's right to make the transfer or, if the instrument of transfer is executed by some other person on the transferor's behalf, the authority of that person to do so; and (iii) the certificated share is fully paid up.

The Directors may refuse to register an allotment or transfer of shares if the allotment or transfer is made in favour of more than four persons jointly.

3.2.7 *Restrictions where the obligation to provide information following service of a notice is not complied with*

If any person appearing to be interested in shares (within the meaning of Part 22 of the Companies Act) has been duly served with a notice under section 793 of the Companies Act (which confers upon public companies the power to require information as to interests in its voting shares) and is in default for a period of 14 days in supplying to LSEG plc the information required by that notice: (i) the holder of the relevant shares shall not be entitled to attend or vote (in person or by proxy) at any shareholders' meeting, unless the Directors otherwise determine; and (ii) the Directors may in their absolute discretion, where those shares represent 0.25 per cent. or more of the issued shares of a relevant class, by written notice to the holder, direct that: (a) any dividend or part of a dividend (including shares issued in lieu of a dividend) or other money which would otherwise be payable on the shares will be retained by LSEG plc without any liability for interest and the shareholder will not be entitled to elect to receive shares in lieu of a dividend; and/or (b) (with various exceptions set out in the Articles) transfers of the shares will not be registered.

3.2.8 *Forfeiture and lien*

If an LSEG Shareholder fails to pay in full any sum which is due in respect of a share on or before the due date for payment, then, following notice by the Directors requiring payment of the unpaid amount with any accrued interest and any expenses incurred by LSEG plc by reason of such non-payment, such share may be forfeited by a resolution of the Directors to that effect (including all dividends declared in respect of the forfeited share and not actually paid before the forfeiture).

An LSEG Shareholder whose shares have been forfeited will cease to be a member in respect of the shares, but will remain liable to pay LSEG plc all monies which at the date of forfeiture were presently payable, together with interest. The Directors may in their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal, or waive payment in whole or part.

LSEG plc shall have a lien on every share (not being a fully paid-up share) that is not fully paid for all monies called or payable at a fixed time in respect of such share. LSEG plc's lien over a share takes priority over the rights of any third-party and extends to any dividends or other sums payable by LSEG plc in respect of that share. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt from such a lien, either wholly or partially.

A share forfeited or surrendered shall become the property of LSEG plc and may be sold, re-allotted or otherwise disposed of to any person (including the person who was, before such forfeiture or surrender, the holder of that share or entitled to it) on such terms and in such manner as the Directors think fit. LSEG plc may deliver an enforcement notice in respect of any share if a sum in respect of which a lien exists is due and has not been paid. LSEG plc may sell any share in respect of which an enforcement notice, delivered in accordance with the Articles, has been given if such notice has not been complied with. The proceeds of sale shall first be applied towards payment of the amount in respect of the lien to the extent that amount was due on the date of the enforcement notice, and then on surrender of the share certificate for cancellation, to the person entitled to the shares immediately prior to the sale.

3.3 *Rights attaching to the LSEG Limited-voting Ordinary Shares*

Pursuant to the terms of the Stock Purchase Agreement, at Completion, LSEG plc will issue LSEG Limited-voting Ordinary Shares to the Refinitiv Sellers. Except as set out below, the LSEG Limited-voting Ordinary Shares shall rank *pari passu* with the LSEG Ordinary Shares in all respects and no action shall be taken by LSEG plc in relation generally to, or offer made by LSEG plc to the holders

generally of, the LSEG Ordinary Shares unless the same action is taken in relation generally to, or the same offer is made to the holders generally of, the LSEG Limited-voting Ordinary Shares.

3.3.1 *Income*

On a distribution of profits, whether by cash dividend, dividend in specie, scrip dividend, capitalisation issue or otherwise (but excluding a distribution of profits on a purchase by LSEG plc of any LSEG Ordinary Shares pursuant to Chapter 4 of Part 18 of the Companies Act, other than any purchase by LSEG plc of its own equity shares pursuant to LR12.4.2(R) of the Listing Rules), the LSEG Limited-voting Ordinary Shares shall rank *pari passu* with the rights to distributions of profits attaching to the LSEG Ordinary Shares.

3.3.2 *Capital*

On a return of capital, whether on a winding-up or otherwise (but excluding a return of capital on a purchase by LSEG plc of any LSEG Ordinary Shares pursuant to Chapter 4 of Part 18 of the Companies Act, other than any purchase by LSEG plc of its own equity shares pursuant to LR12.4.2(R) of the Listing Rules), the LSEG Limited-voting Ordinary Shares shall rank *pari passu* with the rights to the assets of LSEG plc attaching to the LSEG Ordinary Shares.

3.3.3 *Voting at general meetings*

A holder of LSEG Limited-voting Ordinary Shares shall be entitled to receive notice of, and to attend and speak at, any general meeting of LSEG plc, and (other than in relation to those resolutions referred to in the first sentence of LR9.2.21(R) of the Listing Rules, where the vote must be decided by a resolution of the holders only of LSEG Ordinary Shares): (i) on a vote on a resolution on a show of hands shall have one vote; and (ii) on a vote on a resolution on a poll shall have one-tenth of a vote for every LSEG Limited-voting Ordinary Share of which it is the holder with the total number of votes exercisable by the holder rounded down to the nearest whole number (except where the holder holds fewer than ten LSEG Limited-voting Ordinary Shares, in which case the number of votes exercisable by the holder shall be rounded up to one vote).

3.3.4 *Conversion*

At any time, a holder of LSEG Limited-voting Ordinary Shares (a “**Limited-voting Ordinary Shareholder**”) shall be entitled to require LSEG plc to convert some or all of the LSEG Limited-voting Ordinary Shares held by such Limited-voting Ordinary Shareholder into LSEG Ordinary Shares, on a one for one basis, so long as such conversion does not (in the reasonable opinion of the Board) result in: (i) the Limited-voting Ordinary Shareholder or any other person acting in concert with it being required to make a mandatory offer for LSEG plc under Rule 9 of the City Code; or (ii) the number of LSEG Shares in which the Limited-voting Ordinary Shareholder and any persons acting in concert with it (other than any Company Director Concert Party) are interested, carrying voting rights exceeding: (a) 29 per cent. of the total voting rights in LSEG plc; or (b) if and for so long as the Takeover Panel confirms that no Company Director Concert Party is acting in concert with the Limited-voting Ordinary Shareholder (or any other person acting in concert with the Limited-voting Ordinary Shareholder), 29.9 per cent. For these purposes, the “**Company Director Concert Party**” means any Director (and the close relatives of any such Director), other than any Director nominated for appointment as a Director pursuant to the Relationship Agreement.

3.3.5 *General*

The Limited-voting Ordinary Shareholder shall specify in the conversion notice served on LSEG plc whether it wishes to hold the LSEG Ordinary Shares arising on conversion of the LSEG Limited-voting Ordinary Shares in certificated form or in uncertificated form through CREST.

Where the LSEG Ordinary Shares are to be held in certificated form, within 10 London Business Days after the conversion of any LSEG Limited-voting Ordinary Shares into LSEG Ordinary Shares, LSEG plc shall forward to the relevant Limited-voting Ordinary Shareholder, at the LSEG Limited-voting Ordinary Shareholder’s own risk, free of charge, a definitive certificate for the appropriate number of fully paid up LSEG Ordinary Shares and (if the LSEG Limited-voting Ordinary Shares are held in certificated form) a new certificate for any unconverted LSEG Limited-voting Ordinary Shares comprised in the certificate surrendered by the Limited-voting Ordinary Shareholder.

Where the LSEG Ordinary Shares are to be held in uncertificated form, LSEG plc will ensure that the appropriate number of LSEG Ordinary Shares are delivered, within 10 London Business Days of the

conversion of the Limited-voting Ordinary Shares, to the CREST account specified by the Limited-voting Ordinary Shareholder.

LSEG plc shall use reasonable endeavours to procure that the LSEG Ordinary Shares arising on conversion of the LSEG Limited-voting Ordinary Shares are, as soon as reasonably possible, admitted to the Official List and to trading on the Main Market.

No admission to listing or admission to trading shall be sought for the LSEG Limited-voting Ordinary Shares whilst they remain LSEG Limited-voting Ordinary Shares.

4. Resolutions

4.1 As described in paragraph 14 of Part I (*Letter From the Chairman of LSEG plc*), of this document, and as further described in Part XII (*Notice of General Meeting*), of this document, the following Resolutions will be proposed at the LSEG General Meeting:

- (i) The Transaction Resolution, set out as Resolution 1 in the notice of the LSEG General Meeting in Part XII (*Notice of General Meeting*), of this document, proposes that: (a) the Transaction be approved; and (b) the Directors be authorised to take all steps as may be necessary, expedient or desirable to implement the Transaction.
- (ii) The Allotment Resolution, set out as Resolution 2 in the notice of the LSEG General Meeting in Part XII (*Notice of General Meeting*), of this document, is conditional on the Transaction Resolution being passed and proposes that the Directors be given authority to allot LSEG Shares up to an aggregate nominal amount of £15 million in connection with the Transaction.

4.2 The Resolutions will be proposed as ordinary resolutions, meaning they must be approved by LSEG Shareholders who together represent a simple majority of the LSEG Ordinary Shares being voted (whether in person or by proxy) at the LSEG General Meeting.

4.3 The Transaction will not proceed unless both of the Resolutions are passed.

5. The Directors and their appointments

5.1 The Directors (in such capacities, each having their business address at 10 Paternoster Square, London, EC4M 7LS, United Kingdom), and their principal activities performed outside LSEG plc that are significant with respect to LSEG plc (other than activities in relation to other members of the LSEG), are as follows:

<u>Name</u>	<u>Role</u>	<u>Principal activities performed outside LSEG</u>
Don Robert	Chairman of LSEG and of the Nomination Committee	Chairman of Achilles Group Limited and Chairman of Validis Holdings Limited, partner at the start up firm Corten Capital, and a visiting fellow at Oxford University.
David Schwimmer	Chief Executive Officer	No other current appointments.
David Warren	Chief Financial Officer	No other current appointments.
Raffaele Jerusalmi	Executive Director, Chief Executive Officer of Borsa Italiana and Director of Capital Markets	No other current appointments.
Paul Heiden	Senior Independent Director	Non-Executive Chairman of MIR Bidco SA and Non-Executive Director of Project Dart TopCo Limited.
Jacques Aigrain	Non-Executive Director and Chairman of the Remuneration Committee	Senior Advisor at Warburg Pincus LLC, Chairman of Self Trade Bank S.A., Chairman of LyondellBasell Industries NV and a Non-Executive Director at WPP plc.
Marshall Bailey OBE	Non-Executive Director	Chairman of the Financial Services Compensation Scheme, Non-Executive Chairman of CIBC World Markets plc in

<u>Name</u>	<u>Role</u>	<u>Principal activities performed outside LSEG</u>
Professor Kathleen DeRose	Non-Executive Director	London, and the representative for the Public Investments Fund in Saudi Arabia on the board of the National Commercial Bank in Jeddah. Non-Executive Director of Evolute Group AG, Non-Executive Director Voya Financial, Inc., Fubon FinTech Director and a Clinical Associate Professor of Finance at the New York University Leonard N. Stern School of Business.
Cressida Hogg CBE	Non-Executive Director	Chair of the board of Land Securities Group plc and Non- Executive Director of Troy Asset Management.
Stephen O'Connor	Non-Executive Director and Chairman of the Risk Committee	Chairman of Quantile Technologies Ltd, Chairman of HSBC Bank plc, a member of the Scientific Advisory Board of the Systemic Risk Centre, London School of Economics and Political Science and Non-Executive Director of FICC Market Standards Board Limited.
Dr. Val Rahmani	Non-Executive Director	Non-Executive Director of RenaissanceRe Holdings Limited, Non-Executive Director of Computer Task Group Inc, the private company Entrust Datacard and the early stage company Rungway.
Professor Andrea Sironi	Non-Executive Director	Vice President and Professor of Banking and Finance of Bocconi University, Italy.
Dr. Ruth Wandhöfer	Non-Executive Director	Partner at Gauss Ventures, Non-Executive Director of Pendo Systems Inc., a Non-Executive Director of Permanent TSB and consultant to KPMG.

5.2 As announced on 18 October 2019, David Warren intends to retire from LSEG and step down as LSEG Chief Financial Officer by the end of 2020, but will continue in his role until after Completion, to ensure a smooth transition to his successor. LSEG will conduct a global search for David's successor, led by the Board's Nomination Committee.

5.3 As announced on 17 July 2019, Dominic Blakemore will be appointed as a Director of LSEG plc with effect from 1 January 2020 and will assume the Chairmanship of LSEG plc's Audit Committee from Paul Heiden after the conclusion of the AGM in April 2020, when Mr Heiden will step down from the Board.

6. Profiles of the Directors

The profile of each Director is as follows:

6.1 *Don Robert, Chairman of LSEG plc and Chairman of the Nomination Committee*

Don Robert joined the Board as a Non-Executive Director on 1 January 2019 and became Chairman on 1 May 2019. Don was previously Chairman of Experian plc, a role he stepped down from in July 2019. Prior to his appointment as Chairman of Experian plc in 2014, he was Chief Executive Officer from 2006 to 2014 and prior to that served as Chief Executive Officer of Experian North America from 2001 to 2005. Other previous senior roles include, President of Credco, Inc. from 1992 to 1995, Chairman of the US Consumer Data Industry Association, Director and Trustee of the National Education and Employer Partnership Taskforce, Non-Executive Director First Advantage Corp from 2003 to 2009 and Non-Executive Director and Senior Independent Director at Compass

Group plc from 2009 to 2018. Don also served as a Non-Executive Director of the Court of the Bank of England from 2014 to 2019. Don Robert's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.2 ***David Schwimmer, LSEG Chief Executive Officer***

David Schwimmer joined the Board on 1 August 2018. Prior to joining LSEG, David spent 20 years at Goldman Sachs, where he held a number of senior roles, most recently as Global Head of Market Structure from 2017 to 2018 and Global Head of Metals & Mining from 2011 to 2017. During his tenure, he also served as Chief of Staff to Lloyd Blankfein from 2005 to 2006, who was then President and COO of Goldman Sachs, and spent 3 years in Russia as Co-Head of Russia/CIS from 2006 to 2009. Prior to joining Goldman Sachs, he practised law at Davis Polk & Wardwell. David Schwimmer does not currently have any appointments outside of LSEG that are significant with respect to LSEG.

6.3 ***David Warren, LSEG Chief Financial Officer***

David Warren joined the Board on 2 July 2012. He served as Interim CEO and CFO of LSEG from 29 November 2017 to 31 July 2018. Prior to being appointed as CFO of LSEG, David was Chief Financial Officer of NASDAQ from 2001 to 2009 and Senior Adviser to the CEO of NASDAQ from 2011 to 2012. Other senior roles David has held have included Chief Financial Officer at the Long Island Power Authority of New York from 1998 to 2000 and Deputy Treasurer of the State of Connecticut from 1995 to 1998. David Warren does not currently have any appointments outside of LSEG that are significant with respect to LSEG.

6.4 ***Raffaele Jerusalmi, Executive Director, Chief Executive Officer of Borsa Italiana and Director of Capital Markets***

Raffaele Jerusalmi joined the Board on 4 June 2010. Prior to joining Borsa Italiana in 1998, Raffaele was Head of Trading of Italian Fixed Income at Credit Suisse First Boston from 1993 to 1998. Raffaele was also a member of Credit Suisse's proprietary trading group in London as well as representing Credit Suisse First Boston on the board of MTS S.p.A.. Prior to joining Credit Suisse, he was Head of Trading for the fixed income and derivatives divisions at Cimo S.p.A. in Milan from 1989 to 1993. Raffaele was also previously a Partner of the Advisory Committee of Texas Atlantic Capital. Raffaele Jerusalmi does not currently have any appointments outside of LSEG that are significant with respect to LSEG.

6.5 ***Paul Heiden, Senior Independent Director and Chairman of the Audit Committee***

Paul Heiden joined the Board on 4 June 2010. Paul was previously a Non-Executive Director of United Utilities Group plc from 2006 to 2013, Bunzl plc from 1998 to 2005, Filtrona plc from 2005 to 2006 and Megitt plc from June 2010 to April 2019. He was also Non-Executive Chairman of A-Gas (Orb) Limited from July 2015 to August 2017, Talaris Topco Limited from 2009 to 2012 and Intelligent Energy Holdings plc from September 2012 to May 2018. Paul was Chief Executive Officer of FKI plc from 2003 to 2008, an Executive Director of Rolls-Royce plc from 1997 to 1999 and Group Finance Director of Rolls-Royce plc from 1999 to 2003. He also held previous senior finance roles at Hanson plc and Mercury Communications. Paul Heiden will step down as a Director at the conclusion of the LSEG plc AGM in 2020. Paul Heiden's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.6 ***Jacques Aigrain, Non-Executive Director and Chairman of the Remuneration Committee***

Jacques Aigrain joined the Board on 1 May 2013. Jacques was formerly Chairman of LCH Clearnet Group from 2010 to 2015. He has also been a Non-Executive Director of Resolution Ltd from 2010 to 2013, a Supervisory Board member of Deutsche Lufthansa AG from July 2007 to April 2015, a Non-Executive Director of the Qatar Financial Centre Authority from March 2011 to October 2015, and a Non-Executive Director of Swiss International Airlines AG (a subsidiary of Deutsche Lufthansa AG). Jacques joined Swiss Re Group in 2001 and was also Chief Executive Officer of Swiss Re Group from 2006 to 2009. Prior to 2001 (when he joined Swiss Re Group), Jacques spent 20 years with J.P. Morgan Chase, working in its New York, London and Paris offices. Jacques Aigrain's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.7 ***Marshall Bailey OBE, Non-Executive Director***

Marshall Bailey joined the Board on 25 September 2018. Marshall was previously an Independent Director on the Board of UK Financial Investments Ltd from 2014 to 2018, the government body overseeing the UK government's ownership of financial assets after the 2008 financial crisis. He also had an active role in setting codes of conduct for the Fixed Income Currencies and Commodities markets, working with the Market Participants Group of the Bank for International Settlements. Marshall volunteers on the board of the CFA Society of the UK, as well as the East End Community Foundation in Tower Hamlets. He was previously a Non-Executive Director of Chubb European Group from 2015 to 2018. Marshall's previous executive roles included a number of senior roles at State Street Global Markets EMEA from 2011 to 2013 and RBC Capital Markets from 1993 to 2011. Marshall Bailey's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.8 ***Professor Kathleen DeRose, Non-Executive Director***

Kathleen DeRose joined the Board on 28 December 2018. Kathleen previously held a number of senior roles at Credit Suisse Group AG from 2010 to 2015 including Managing Director (Head of Business Strategy and Solutions, Investment Strategy and Research, Private Banking Wealth Management). Prior to that she was Managing Director (Head of Global Investment Process, Asset Management). Other roles Kathleen has undertaken have included Managing Partner, Head of Portfolio Management and Research at Hagin Investment Management (2006 to 2010), and Managing Director, Head of Large Cap Equities at Bessemer Trust (2003 to 2006). Prior to 2003, Kathleen also held a number of roles at Deutsche Bank (1991 to 2003), where she became a Managing Director of the bank, and at JPMorgan Chase (formerly Chase Manhattan Bank) (1983 to 1991). In addition to her senior executive positions, Kathleen served as a board member of EDGE (Economic Dividends for Gender Equality) from 2014 to 2015, and she was founding Chair of Evolute Group AG from 2016 to 2017. Kathleen DeRose's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.9 ***Cressida Hogg CBE, Non-Executive Director***

Cressida Hogg joined the Board on 8 March 2019. Cressida spent almost 20 years with 3i Group plc having joined them in 1995 from JP Morgan. She co-founded 3i's infrastructure business in 2005, becoming Managing Partner in 2009, and led the team which acted as Investment Adviser to 3i Infrastructure plc, a FTSE 250 investment company. She advised on all of 3i Infrastructure's transactions from its flotation in 2007 through to her leaving in 2014. From 2014 to April 2018, Cressida was Global Head of Infrastructure at the Canada Pension Plan Investment Board. Cressida was previously a member of the advisory board for Infrastructure UK (the HM Treasury unit that works on the UK's long-term infrastructure priorities) from 2010 to 2013, a Non-Executive Director of Anglian Water Group from 2007 to 2018, and a Non-Executive Director of Associated British Ports from 2015 to 2018. Cressida received a CBE in 2014 for services to infrastructure investment and policy. Cressida Hogg's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.10 ***Stephen O'Connor, Non-Executive Director and Chairman of the Risk Committee***

Stephen O'Connor joined the Board on 12 June 2013. Stephen was previously Chairman of the International Swaps and Derivatives Association from 2011 to 2014, having been appointed as a Non-Executive Director in 2009. Stephen also worked at Morgan Stanley from 1988 to 2013, where he was a member of the Fixed Income Management Committee and held senior roles including Global Head of Counterparty Portfolio Management and Global Head of OTC Client Clearing. Stephen was a member of the High-Level Stakeholder Group for the UK Government's review of the Future of Computer Trading in Financial Markets and served as Vice-Chairman of the Financial Stability Board's Market Participants Group on Financial Benchmark Reform. Stephen was formerly a member of the US Commodity Futures Trading Commission Global Markets Advisory Committee. He was a Non-Executive Director of OTC DerivNet Ltd from 2001 to 2013 and was Chairman from 2001 to 2011. Stephen O'Connor's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.11 ***Dr. Val Rahmani, Non-Executive Director***

Val Rahmani joined the Board on 20 December 2017. Val has over 30 years' experience in the technology industry including 25 years at IBM from 1981 to 2009, most recently as General Manager

of Internet Security Systems. She was CEO at Damballa Inc., a privately held internet security software firm from 2009 to 2012. She was also a Non-Executive Director of Aberdeen Asset Management plc from 2015 to 2017, and Teradici Corporation from 2010 to 2015. Val Rahmani's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.12 ***Professor Andrea Sironi, Non-Executive Director and Chairman of Borsa Italiana S.p.A.***

Andrea Sironi joined the Board on 1 October 2016. Andrea was previously a Non-Executive Director of UniCredit Group S.p.A. until February 2019. He was a Non-Executive Director of Banco Popolare Società Cooperativa from October 2008 to May 2013, SAES Getters S.p.A. from April 2006 to April 2015, and Cogentech S.c.a.r.l.. He was the Vice Chairman of Banca Aletti & C S.p.A. from April 2009 to October 2012 and a Member of the Fitch Academic Advisory Board from June 2006 to June 2010. Andrea Sironi's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

6.13 ***Dr. Ruth Wandhöfer, Non-Executive Director***

Ruth Wandhöfer joined the Board on 22 October 2018. Ruth was previously Global Head of Regulatory & Market Strategy for Citi Treasury and Trade Solutions from 2012 to 2018. Prior to 2012, her other roles at Citi included her appointment as Head of Regulatory and Market Strategy, EMEA, from 2010 to 2012, and Head of Payments Strategy & Market Policy (Treasury & Trade Solutions), EMEA, from 2007 to 2009. Prior to joining Citi, Ruth worked for the European Banking Federation from 2003 to 2007 where she was a Policy Adviser for Securities Services and Payments. Ruth has held a number of industry board and working group positions in the UK and Europe and at international level. Ruth Wandhöfer's principal activities currently performed outside of LSEG are set out in paragraph 5.1 of this Part IX (*Additional Information*), of this document.

7. Service contracts and letters of appointment of the Directors

7.1 LSEG Executive Directors

The LSEG Executive Directors have entered into service agreements with LSEG as summarised below:

7.1.1 David Schwimmer

Mr Schwimmer is employed by LSEG Employment Services Limited under the terms of a service agreement dated 12 April 2018 and was appointed with effect from 1 August 2018. The service agreement may be terminated by Mr Schwimmer or LSEG Employment Services Limited on not less than 12 months' written notice. Alternatively, LSEG Employment Services Limited may terminate the contract by payment in lieu of notice of a sum equal to 12 months' salary and the cost to LSEG Employment Services Limited of the pension, insurance and flexible benefits described below (but excluding without limitation the cost of bonus and share incentives). Any payment in lieu of notice will be paid in 12 monthly instalments from the date of termination, unless this would result in a less favourable treatment for Mr Schwimmer under US tax laws. If Mr Schwimmer commences alternative employment, is appointed as a Non-Executive Director or provides services pursuant to a consultancy agreement within 12 months after leaving LSEG, the payment in lieu of notice instalments will be reduced by one-twelfth of the annual remuneration earned from the alternative employment, directorship or consultancy. Mr Schwimmer's annual salary is £775,000.

Mr Schwimmer receives benefits in kind, principally private medical, income protection and life assurance. Mr Schwimmer participates in a flexible benefits plan whereby he receives an allowance of £15,000 per annum from which he can purchase additional benefits or receive the benefits allowance as a cash payment. This flexible benefit is not used to calculate bonus payments or pension contributions. Mr Schwimmer has elected to be paid a cash allowance equal to 15 per cent. of basic annual salary in lieu of participation in the LSEG Personal Pension Plan. This allowance will be paid in arrears in 12 monthly instalments.

Each year Mr Schwimmer is entitled to tax preparation and filing assistance in the US and the UK. LSEG Employment Services Limited will meet the reasonable costs up to £30,000 of repatriating Mr Schwimmer and his family's effects and their flights back to the US if his employment is terminated, other than for cause or by reason of his resignation. For the first five years of his employment, LSEG Employment Services Limited will pay Mr Schwimmer a pre-tax allowance of up

to £50,000 per annum to be used for flights between London and the US for Mr Schwimmer or his dependants.

During the first three years of Mr Schwimmer's employment, he will also receive a pre-tax housing allowance of up to £150,000 per annum towards rental accommodation.

Mr Schwimmer is eligible to participate in the LSEG plc annual bonus plan. Bonus awards are approved by the LSEG plc Remuneration Committee and are based on annual financial targets, delivery of strategic objectives and individual performance. Mr Schwimmer is eligible to participate in the LSEG Deferred Bonus Plan 2014, the LSEG LTIP (2014) and the LSEG Save As You Earn Scheme.

7.1.2 *David Warren*

Mr Warren is employed by LSEG Employment Services Limited under the terms of a service agreement dated 11 June 2012 and was appointed with effect from 2 July 2012. The service agreement may be terminated by Mr Warren or LSEG Employment Services Limited on not less than 12 months' written notice. Alternatively, LSEG Employment Services Limited may terminate the contract by payment in lieu of notice of a sum equal to 12 months' salary and the cost to LSEG Employment Services Limited of the pension, insurance and flexible benefits described below (but excluding bonus and share incentives). Any payment in lieu of notice will be paid in 12 monthly instalments from the date of termination, unless this would result in less favourable treatment for Mr Warren under US tax laws. If Mr Warren commences alternative employment, is appointed as a Non-Executive Director or provides services pursuant to a consultancy agreement within 12 months after leaving LSEG, the payment in lieu of notice instalments will be reduced by one-twelfth of the annual remuneration earned from the alternative employment, directorship or consultancy. Mr Warren's annual salary is £500,000.

Mr Warren receives benefits in kind, principally private medical, income protection and life assurance. Mr Warren (in common with all LSEG staff in the UK) participates in a flexible benefits plan whereby he receives an allowance equal to five per cent. of his basic salary capped at £20,000 per annum from which he can purchase additional benefits or receive the benefits allowance as a cash payment. This flexible benefit is not used to calculate bonus payments or pension contributions. Mr Warren is eligible to receive a contribution of 25 per cent. of his salary into a pension arrangement. Where such contribution would exceed relevant allowances, a cash equivalent will be paid to Mr Warren.

Each year Mr Warren is entitled to tax preparation and filing assistance in the US and the UK. LSEG Employment Services Limited will meet the costs of repatriating Mr Warren's effects back to the US if it terminates his employment other than in circumstances such as serious misconduct which would justify summary termination. LSEG Employment Services Limited will cover the cost of up to six return business class flights per annum for Mr Warren and his partner or children to travel between London and New York, up to an annual cost of £30,000.

Mr Warren is eligible to participate in the LSEG plc annual bonus plan. Bonus awards are approved by the LSEG plc Remuneration Committee and are based on annual financial targets, delivery of strategic objectives and individual performance. Mr Warren is eligible to participate in the LSEG Deferred Bonus Plan 2014, the LSEG LTIP (2014) and the LSEG Save As You Earn Scheme.

7.1.3 *Raffaele Jerusalmi*

Mr Jerusalmi entered into a service contract with Borsa Italiana S.p.A. on 1 October 2001, which was amended on 3 May 2011, and a service agreement with London Stock Exchange Group Holdings (Italy) Limited Italian Branch, which reflects his period of continuous service from 1 October 2001. On 1 April 2013, Raffaele Jerusalmi's employment contract transferred from London Stock Exchange Group Holdings (Italy) Limited Italian Branch to London Stock Exchange Group Holdings Italia S.p.A..

The terms of Mr Jerusalmi's employment with each company are substantially the same. The contracts state that no collective agreement applies to his employment and accordingly the terms applying to the termination of his employment under both contracts are governed by Italian law. Mr Jerusalmi's contract of employment provides for a notice period of nine months if he is dismissed. If Mr Jerusalmi resigns he is required to give three months' notice. On termination of either employment contract for any reason, Mr Jerusalmi is entitled to severance payments under Italian law including *trattamento di fine rapporto* and pro-rated supplementary monthly payments. Where no just cause for termination

exists he is entitled to payments calculated by reference to his base salary, the average of any bonuses or commissions paid during the last 36 months of the employment relationship, and benefits in kind. Mr Jerusalmi's annual salary is EUR525,000.

Mr Jerusalmi receives private medical, life assurance, disability insurance, luncheon vouchers and car and fuel benefits. Mr Jerusalmi is eligible to participate in LSEG plc's annual bonus plan. Bonus awards are approved by the LSEG plc Remuneration Committee and are based on annual financial targets, strategic objectives and individual performance. Mr Jerusalmi is also eligible to participate in the LSEG Deferred Bonus Plan 2014, the LSEG LTIP (2014) and the LSEG International Sharesave Plan 2018.

7.2 *The Chairman and the other LSEG Non-Executive Directors*

The Chairman and the other LSEG Non-Executive Directors have entered into letters of appointment with LSEG as summarised below:

7.2.1 *Don Robert (Chairman)*

Mr Robert is appointed under a letter of appointment with LSEG plc dated 14 December 2018, under which he receives an annual fee of £525,000 for his role as Chairman. His appointment may be terminated by either party on six months' written notice with no other right to additional compensation on termination. Mr Robert is also Chairman of London Stock Exchange plc, for which he does not receive an additional fee.

7.2.2 *LSEG Non-Executive Directors*

The LSEG Non-Executive Directors (apart from the Senior Independent Director) are each engaged under a letter of appointment with LSEG plc, under which they receive an annual basic fee of £75,000, plus £30,000 for certain LSEG Non-Executive Directors if they act as Chair of a Board committee. The Senior Independent Director is engaged under a letter of appointment with LSEG plc, under which he receives an annual basic fee of £145,000. The annual basic fees that were paid prior to 1 May 2019 are described on page 93 of LSEG plc's Annual Report and Accounts for the financial year ended 31 December 2018.

In addition to the above, Marshall Bailey is appointed as Chairman of LCH Group Holdings Limited under the terms of an appointment letter with LCH Group Holdings Limited dated 23 September 2018, under which he receives an annual fee of £225,000. His appointment may be terminated by either party on one month's written notice.

Professor Andrea Sironi acts as Chairman of Borsa Italiana S.p.A. pursuant to a meeting of the board of directors of Borsa Italiana on 29 October 2015. He also acts as Chairman and Director of London Stock Exchange Group Holdings Italia S.p.A.. Andrea Sironi receives an aggregated annual fee of EUR160,000 for these roles.

Save as described above, the LSEG Non-Executive Directors have no contractual right to compensation on termination of their appointments.

7.3 *Other service contracts*

Save as disclosed above, there are no service contracts between any Director and any member of LSEG and no such contract has been entered into or amended within the six months preceding the date of this document. There are also no service contracts between any person who has resigned as a Director in the period between the Announcement and the publication of this document, and no such contract has been entered into or amended within the six months preceding the date of this document.

7.4 *Benefits upon termination of employment*

Save as disclosed in this Part IX (*Additional Information*), of this document, none of the members of the administrative, management, or supervisory bodies' service contracts with LSEG plc or any of its subsidiaries provide for benefits upon termination of employment.

8. Directors' interests in LSEG plc securities

8.1 The interests in LSEG Shares of the Directors (and their connected persons within the meaning of Section 252 of the Companies Act) as at the Latest Practicable Date were, and such interests may be as at the PIK Redemption Date, as follows:

Director⁽¹⁾	As at the Latest Practicable Date⁽²⁾		As at the PIK Redemption Date⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾		
	LSEG Ordinary Shares held	Percentage of LSEG Ordinary Shares held⁽³⁾	Percentage of LSEG Shares held	Percentage economic interest in LSEG plc	Percentage voting interest in LSEG plc
Don Robert	10,000	0.00	0.00	0.00	0.00
David Schwimmer	—	—	—	—	—
David Warren	122,541	0.04	0.02	0.02	0.02
Raffaele Jerusalmi	52,130	0.01	0.01	0.01	0.01
Paul Heiden	3,818	0.00	0.00	0.00	0.00
Jacques Aigrain	1,400	0.00	0.00	0.00	0.00
Marshall Bailey OBE	—	—	—	—	—
Professor Kathleen DeRose	—	—	—	—	—
Cressida Hogg CBE	—	—	—	—	—
Stephen O'Connor	—	—	—	—	—
Dr. Val Rahmani	—	—	—	—	—
Professor Andrea Sironi	—	—	—	—	—
Dr. Ruth Wandhöfer	—	—	—	—	—
Total	189,889	0.05	0.03	0.03	0.04

(1) The interests of the Directors in LSEG Shares set out in this table have been aggregated with the interests of their connected persons

(2) Excluding Directors' interests in LSEG Ordinary Shares held under options and awards pursuant to the LSEG Share Plans, which are set out in paragraph 8.2 below

(3) Calculations exclude LSEG plc treasury shares

(4) Figures assume that other than the issue of the Consideration Shares, no other LSEG Shares will be issued between the Latest Practicable Date and the PIK Redemption Date

(5) Figures assume that the number of LSEG Ordinary Shares held by the relevant Director and his or her connected persons will not change between the Latest Practicable Date and the PIK Redemption Date

(6) Figures assume that LSEG plc does not elect to settle any of the consideration payable in respect of the Transaction in cash

(7) Figures assume that no LSEG Shares have been sold pursuant to exceptions to the Lock-up Provisions

(8) Figures are indicative only and Directors' and their connected persons' interests in LSEG Shares as at the PIK Redemption Date may differ from the interests set out in this table

8.2 As at the Latest Practicable Date, the Directors held the following outstanding options and awards over LSEG Ordinary Shares under the LSEG Share Plans:

<u>Name</u>	<u>Share Plan</u>	<u>Grant Date</u>	<u>Price at Grant</u>	<u>Exercise price per LSEG Ordinary Share</u>	<u>LSEG Ordinary Shares in respect of which options granted</u>
			(£)	(£)	
David Schwimmer . .	LSEG LTIP 2014	8 August 2018	45.39	—	51,222
	LSEG LTIP 2014	22 March 2019	46.42	—	50,086
	LSEG Deferred Bonus Plan 2014	22 March 2019	46.42	—	5,945
David Warren . .	LSEG LTIP 2014	3 April 2017	31.71	—	46,168
	LSEG LTIP 2014	26 April 2018	42.73	—	29,620
	LSEG Deferred Bonus Plan 2014	26 April 2018	42.73	—	9,677
	LSEG LTIP 2014	22 March 2019	46.42	—	35,104
	LSEG Deferred Bonus Plan 2014	22 March 2019	46.42	—	10,028
Raffaële Jerusalemi	LSEG LTIP (2014)	3 April 2017	31.71	—	38,288
	LSEG LTIP (2014)	26 April 2018	42.73	—	29,545
	LSEG LTIP (2014)	22 March 2019	46.42	—	24,147
	LSEG Deferred Bonus Plan 2014	22 Mar 2019	46.42	—	7,101
Total					<u>336,931</u>

8.3 As at the Latest Practicable Date, no options or awards over LSEG Ordinary Shares had been issued to the Directors under the LSEG Share Plans in respect of the Transaction. The Transaction will not result in the acceleration of any options or awards over LSEG Ordinary Shares held by the Directors, or held by any other participant in the LSEG Share Plans.

9. LSEG Key Managers

9.1 The LSEG Key Managers (in such capacities, each having their business address at 10 Paternoster Square, London, EC4M 7LS, United Kingdom) are as follows:

<u>Name</u>	<u>Role</u>
Chris Corrado	LSEG Chief Operating Officer and Chief Information Officer
Diane Côté	LSEG Chief Risk Officer
Catherine Johnson	LSEG General Counsel and Head of Compliance
Daniel Maguire	Chief Executive Officer, LCH Group
Nikhil Rathi	Chief Executive Officer of London Stock Exchange plc and Director of International Development
Waqas Samad	LSEG Director of Information Services and Chief Executive Officer of FTSE Russell

9.2 David Shalders will be an LSEG Key Manager when he joins LSEG in November 2019 as Chief Integration Officer and a member of the LSEG Executive Committee.

10. Profiles of the LSEG Key Managers

The profile of each of the LSEG Key Managers is as follows:

10.1 *Chris Corrado, LSEG Chief Operating Officer and Chief Information Officer*

Chris Corrado joined LSEG in November 2015 from MSCI where he was responsible for technology, data services and programme management. He has over 30 years' of global experience in managing technology platforms and transformational change in the financial services industry. He has also worked for high growth technology companies including eBay, AT&T Wireless and Asurion.

10.2 ***Diane Côté, LSEG Chief Risk Officer***

Diane Côté joined the LSEG Executive Committee in June 2013 with her appointment as Chief Risk Officer. Diane was previously Aviva plc's Chief Finance Operations Officer. Prior to this, Diane held the position of Aviva's Chief Audit Officer. Diane has many years' experience holding senior positions within Aviva and other leading organisations, including Standard Life Assurance.

10.3 ***Catherine Johnson, LSEG General Counsel and Head of Compliance***

Catherine Johnson joined LSEG in 1996 and was appointed to the LSEG Executive Committee in 2016. She advises the Board and senior executives on key legal matters and strategic initiatives, as well as being responsible for LSEG's Compliance function. Catherine qualified as a lawyer at Herbert Smith in 1993.

10.4 ***Daniel Maguire, Chief Executive Officer, LCH Group***

Daniel Maguire was appointed Chief Executive Officer of LCH Group in October 2017, having joined LCH in 1999. Previously, Daniel has held the positions of LCH Group COO, Global Head of SwapClear and head of LCH's ForexClear and Listed Rates services. Prior to joining LCH, Daniel worked at J.P. Morgan. Daniel was appointed to the Board of the International Swaps and Derivatives Association in April 2018.

10.5 ***Nikhil Rathi, Chief Executive Officer of London Stock Exchange plc and Director of International Development***

Appointed in May 2014 as Chief Executive Officer of London Stock Exchange plc and Director of International Development, Nikhil Rathi joined LSEG from HM Treasury, where he held a number of senior positions, including Director of the Financial Services Group, representing the UK Government's financial services interests internationally, and Private Secretary to the UK Prime Minister for three years from 2005 to 2008.

10.6 ***Waqas Samad, LSEG Director of Information Services and Chief Executive Officer of FTSE Russell***

Waqas Samad was appointed LSEG Director of Information Services in January 2019, having previously held the positions of CEO of Benchmarks and head of the FTSE Canada business. Waqas joined LSEG from Barclays in 2016 where he was CEO of Barclays Risk Analytics & Index Solutions (BRAIS). Prior to that, Waqas was head of index research in Europe and Asia at Deutsche Bank and held a variety of quantitative and technology roles at Credit Suisse. Waqas is Chairman of the Index Industry Association.

11. ***Profile of David Shalders, LSEG Chief Integration Officer elect***

David Shalders joins LSEG in November 2019 as Chief Integration Officer and a member of the LSEG Executive Committee. David brings over thirty years' experience to LSEG in integration, technology and operations in the financial services sector. He has successfully led a number of global integration programmes, encompassing the convergence of technology platforms, business operations, front to back operations re-engineering as well as cultural integration, designed to support growth and drive operational efficiency. Most recently, David was Group Operations and Technology Director at Willis Towers Watson, having led the integration of Willis and Towers Watson. Prior to his six years at Willis Towers Watson, David spent nineteen years at The Royal Bank of Scotland in a number of senior operations and technology roles, including as Group Head of Integration for RBS' ABN Amro acquisition.

12. LSEG Key Managers' interests in LSEG plc securities

12.1 The interests in LSEG Shares of the LSEG Key Managers (and their connected persons within the meaning of Section 252 of the Companies Act) as at the Latest Practicable Date were, and such interests may be as at the PIK Redemption Date, as follows:

LSEG Key Managers ⁽¹⁾	As at the Latest Practicable Date ⁽²⁾		As at the PIK Redemption Date ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾		
	LSEG Ordinary Shares held	Percentage of LSEG Ordinary Shares held ⁽³⁾	Percentage of LSEG Shares held	Percentage economic interest in LSEG plc	Percentage voting interest in LSEG plc
Chris Corrado	151,378	0.04	0.03	0.03	0.03
Diane Côté	52,235	0.01	0.01	0.01	0.01
Catherine Johnson	33,653	0.01	0.01	0.01	0.01
Daniel Maguire	15,252	0.00	0.00	0.00	0.00
Nikhil Rathi	16,417	0.00	0.00	0.00	0.00
Waqas Samad	25,935	0.01	0.00	0.00	0.01
Total	294,870	0.07	0.05	0.05	0.06

- (1) The interests of the LSEG Key Managers in LSEG Shares set out in this table have been aggregated with the interests of their respective connected persons
- (2) Excluding LSEG Key Managers' interests in LSEG Ordinary Shares held under options and awards pursuant to the LSEG Share Plans, which are set out in paragraph 12.2 below
- (3) Calculations exclude LSEG plc treasury shares
- (4) Figures assume that other than the issue of the Consideration Shares, no other LSEG Shares will be issued between the Latest Practicable Date and the PIK Redemption Date
- (5) Figures assume that the number of LSEG Ordinary Shares held by the relevant LSEG Key Manager and his or her connected persons will not change between the Latest Practicable Date and the PIK Redemption Date
- (6) Figures assume that LSEG plc does not elect to settle any of the consideration payable in respect of the Transaction in cash
- (7) Figures assume that no LSEG Shares have been sold pursuant to exceptions to the Lock-up Provisions
- (8) Figures are indicative only and LSEG Key Managers' and their connected persons' interests in LSEG Shares as at the PIK Redemption Date may differ from the interests set out in this table

12.2 As at the Latest Practicable Date, the LSEG Key Managers held the following outstanding options and awards over LSEG Ordinary Shares under the LSEG Share Plans:

<u>Name</u>	<u>Share Plan</u>	<u>Grant Date</u>	<u>Price at Grant</u>	<u>Exercise price per Share</u>	<u>Shares in respect of which options granted</u>
			<u>(£)</u>	<u>(£)</u>	
Chris Corrado	LSEG LTIP (2014)	3 April 2017	31.71	—	27,436
	LSEG LTIP (2014)	10 April 2017	32.36	—	13,442
	LSEG LTIP (2014)	26 April 2018	42.73	—	31,593
	LSEG LTIP (2014)	22 March 19	46.42	—	26,389
	LSEG Deferred Bonus Plan 2014	22 March 19	46.42	—	5,277
Diane Côté	LSEG LTIP (2014)	3 April 2017	31.71	—	15,767
	LSEG LTIP (2014)	10 April 2017	32.36	—	10,352
	LSEG LTIP (2014)	26 April 2018	42.73	—	19,540
	LSEG LTIP (2014)	22 March 2019	46.42	—	15,725
	LSEG Deferred Bonus Plan 2014	22 March 2019	46.42	—	3,931
Catherine Johnson	LSEG LTIP (2014)	3 April 2017	31.71	—	15,767
	LSEG LTIP (2014)	10 April 2017	32.36	—	10,043
	LSEG LTIP (2014)	26 April 2018	42.73	—	20,476
	LSEG LTIP (2014)	22 March 2019	46.42	—	16,372
	LSEG Deferred Bonus Plan 2014	22 March 2019	46.42	—	4,093
Daniel Maguire	LCH Group LTIP	3 April 2017	31.71	—	13,402
	LCH Group LTIP	10 April 2017	32.36	—	10,506
	LCH Group LTIP	26 April 2018	42.73	—	14,919
	LSEG LTIP (2014)	26 April 2018	42.73	—	9,946
	LCH Group LTIP	22 March 2019	46.42	—	15,672
	LSEG LTIP (2014)	22 March 2019	46.42	—	7,836
Nikhil Rathi	LSEG Deferred Bonus Plan 2014	22 March 2019	46.42	—	4,200
	LSEG LTIP (2014)	3 April 2017	31.71	—	15,767
	LSEG LTIP (2014)	10 April 2017	32.36	—	10,296
	LSEG LTIP (2014)	26 April 2018	42.73	—	20,125
	LSEG LTIP (2014)	22 March 2019	46.42	—	16,803
Waqas Samad	LSEG Deferred Bonus Plan 2014	22 March 2019	46.42	—	4,200
	LSEG LTIP (2014)	3 April 2017	31.71	—	22,075
	LSEG LTIP (2014)	10 April 2017	32.36	—	10,815
	LSEG LTIP (2014)	26 April 2018	42.73	—	18,428
	LSEG LTIP (2014)	22 March 2019	46.42	—	18,311
Total	LSEG Deferred Bonus Plan 2014	22 March 2019	46.42	—	1,130
					<u>450,634</u>

12.3 As at the Latest Practicable Date, no options or awards over LSEG Ordinary Shares had been issued to the LSEG Key Managers under the LSEG Share Plans in respect of the Transaction. The Transaction will not result in the acceleration of any options or awards over LSEG Ordinary Shares held by the LSEG Key Managers, or held by any other participant in the LSEG Share Plans.

13. Directors' and LSEG Key Managers' remuneration

13.1 In addition to the options and awards disclosed in paragraph 8.2 of this Part IX (*Additional Information*), of this document, the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the Directors for services in all capacities to LSEG

(including subsidiaries of LSEG plc where applicable) by any person for the financial year ended 31 December 2018, was as follows:

<u>Name</u>	<u>Position</u>	<u>Annual Salary / Fees</u>	<u>Annual Bonus</u>	<u>Other benefits⁽¹⁾</u>	<u>LTIP</u>	<u>Total</u>
		<u>(£'000)</u>	<u>(£'000)</u>	<u>(£'000)</u>	<u>(£'000)</u>	<u>(£'000)</u>
Don Robert ⁽²⁾	Chairman	—	—	—	—	—
David Schwimmer	Chief Executive Officer	323	552	1,278	—	2,153
David Warren	Chief Financial Officer	617	931	234	1,656	3,439
Raffaele Jerusalemi	Executive Director	463	683	500	1,407	3,055
Paul Heiden	Senior Independent Director	145	—	18	—	163
Jacques Aigrain	Non-Executive Director	110	—	10	—	120
Marshall Bailey OBE	Non-Executive Director	80	—	—	—	80
Professor Kathleen DeRose ⁽³⁾	Non-Executive Director	—	—	—	—	—
Cressida Hogg CBE ⁽⁴⁾	Non-Executive Director	—	—	—	—	—
Stephen O'Connor	Non-Executive Director	105	—	—	—	105
Dr. Val Rahmani	Non-Executive Director	75	—	34	—	109
Professor Andrea Sironi	Non-Executive Director	217	—	12	—	228
Dr. Ruth Wandhöfer	Non-Executive Director	15	—	—	—	15

(1) For a description of other benefits received by the Directors, please refer to the Directors' Remuneration Report on pages 86 to 100 of the Annual Report and Accounts of LSEG plc for the financial year ended 31 December 2018

(2) Not employed by LSEG in 2018. Joined LSEG as an LSEG Non-Executive Director from 1 January 2019, and as LSEG Chairman from 1 May 2019

(3) Not employed as an LSEG Non-Executive Director in 2018

(4) Not employed as an LSEG Non-Executive Director in 2018

13.2 In addition to the options and awards disclosed in paragraph 12.2 of this Part IX (*Additional Information*), of this document, the aggregate remuneration (including any contingent or deferred compensation) and benefits in kind paid or granted to the LSEG Key Managers by LSEG plc and its subsidiaries during the financial year ended 31 December 2018 for services in all capacities was £16,992,435. LSEG plc is not required to, and does not otherwise disclose publicly, remuneration for the LSEG Key Managers on an individual basis.

14. Profile of David Craig, Chief Executive Officer of Refinitiv

As previously announced, David Craig will join LSEG's Executive Committee and continue as Chief Executive Officer of Refinitiv on Completion. Before leading Refinitiv, Mr Craig started Thomson Reuters' high growth Risk business in 2009 and was responsible for the turnaround of the Thomson Reuters Financial & Risk Business (now Refinitiv) as its President from 2012. Mr Craig first joined Reuters plc as Chief Strategy Officer in 2007 and led the integration planning for its merger with Thomson Corporation. Following the merger, David also led the organic growth and M&A strategy of Thomson Reuters.

David Craig is a member of the Advisory Council of TheCityUK. He is also Chairman of TheCityUK China Markets Advisory Fintech Group, in association with the China Britain Business Council. Mr Craig was also recently a member of the World Economic Forum's Digital Disruption Innovation Group on digital identities and federated ledgers (Blockchain).

David Craig is the author of several research studies, including "The Danger of Divergence: Transatlantic Financial Reform & the G20 Agenda", and most recently "How China's Currency Impacts Global Markets, Foreign Policy, and Transatlantic Financial Regulation". He is a member of the Prince's Trust Champions and is on the Corporate Board of the Great Ormond Street Hospital charity.

Prior to joining Thomson Reuters, David Craig spent seven years as a partner at McKinsey, focusing on technology, media and banking clients. He was previously a Senior Principal at American Management Systems, developing risk, trading and telecommunications IT systems, and was a project manager for the LCH SwapClear service launched in 1999.

David Craig started his career in manufacturing engineering. He has a first-class BEng degree from Bristol University in Electronic Engineering, where he also spent three years training as a cadet pilot with the Royal Air Force.

15. Service contracts and letters of appointment of David Craig and the Refinitiv Directors

15.1 *David Craig*

It is intended that in due course, Mr Craig will enter into a new service contract with a member of LSEG which will be conditional upon and have effect from Completion. The terms of this service contract will be compliant with the UK Corporate Governance Code and will be summarised in the Prospectus.

15.2 *Refinitiv Directors*

Under the terms of the Relationship Agreement, from Completion, Refinitiv Holdings will be entitled to nominate for appointment to the Board, subject to, among other considerations, certain regulators not having objected to the proposed nominees, three non-executive directors of LSEG plc. One such nominee will be a representative of Thomson Reuters and the other two nominees will be representatives of Blackstone. As at the Latest Practicable Date, the identities of these non-executive directors are not yet known. It is intended that in due course, each of these non-executive directors will enter into an appointment letter with LSEG plc which will be conditional upon and have effect from Completion. The terms of these appointment letters are anticipated to be compliant with the UK Corporate Governance Code and will be summarised in the Prospectus.

16. Significant Shareholders

16.1 As at the Latest Practicable Date, LSEG plc: (i) had been notified of the interests in LSEG Ordinary Shares set out in columns A and B below, in each case amounting to more than 3 per cent. of its issued share capital, in accordance with sections 791 to 828 of the Companies Act and the Disclosure Guidance and Transparency Rules of the FCA; and (ii) was aware that such shareholders had notified to the market, between 11 September 2019 and 8 October 2019, their interests in LSEG Ordinary Shares set out in columns C and D below (which have been aggregated with the interests of the relevant shareholders' concert parties within the meaning of the City Code), pursuant to Rule 8 of the City Code. Certain indicative interests of these shareholders in LSEG Ordinary Shares as at the PIK Redemption Date are set out in columns E, F and G below.

Name	As at the Latest Practicable Date				As at the PIK Redemption Date ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾		
	A	B	C	D	E	F	G
	LSEG Ordinary Shares held	LSEG Ordinary Shares held (per cent.) ⁽¹⁾	LSEG Ordinary Shares held	LSEG Ordinary Shares held (per cent.) ⁽²⁾	LSEG Shares held (per cent.)	Economic interest in LSEG plc (per cent.)	Voting interest in LSEG plc (per cent.)
Qatar Investment Authority The Capital Group Companies, Inc	28,080,219	10.31	35,738,460	10.22	6.45	6.45	7.26
BlackRock Inc.	23,702,950	6.81	32,487,083	9.29	5.86	5.86	6.60
Lindsell Train Limited	23,963,192	6.91	28,560,897	8.17	5.15	5.15	5.80
	17,507,698	5.00	24,088,175	6.89	4.35	4.35	4.89
Total	93,254,059	29.03	120,874,615	34.56	21.81	21.81	24.54

- (1) Percentage interests are presented as at the date of the relevant disclosure
- (2) Calculations are based on LSEG plc's issued share capital (excluding treasury shares) of 349,738,988 LSEG Ordinary Shares as at the Latest Practicable Date
- (3) Calculations are based on the relevant shareholder's interests set out in column C of this table (which interests, in each case, were more recently disclosed than the interests set out in column A of this table)
- (4) Figures are based on LSEG plc's issued share capital (excluding treasury shares) of 349,738,988 LSEG Ordinary Shares as at the Latest Practicable Date, and assume that other than the issue of the Consideration Shares, no other LSEG Shares will be issued between the Latest Practicable Date and the PIK Redemption Date
- (5) Figures assume that the number of LSEG Ordinary Shares held by the relevant shareholder and set out in column C of this table will not change between the date of such shareholder's disclosure under Rule 8 of the City Code and the PIK Redemption Date
- (6) Figures assume that LSEG plc does not elect to settle any of the consideration payable in respect of the Transaction in cash
- (7) Figures assume that no LSEG Shares have been sold pursuant to exceptions to the Lock-up Provisions
- (8) Figures are indicative only and such shareholders' interests in LSEG Shares as at the PIK Redemption Date are likely to differ from the interests set out in this table

16.2 Significant shareholders post-Completion

Under the terms of the Stock Purchase Agreement, at Completion, LSEG plc will acquire the entire issued and to be issued share capital of Refinitiv Parent from the Refinitiv Sellers (being subsidiaries of Refinitiv Holdings) and, in exchange, LSEG plc is expected to issue 179,750,740 LSEG Shares to the Refinitiv Sellers, comprised of: (i) LSEG Ordinary Shares; and (ii) LSEG Limited-voting Ordinary LSEG shares. In addition, 30 days after Completion, LSEG plc will issue a further 24,615,845 LSEG Ordinary Shares to ConsortiumCo, a company owned by the Blackstone Consortium, in connection with the settlement of certain existing payment-in-kind shares in Refinitiv Holdings' capital structure. As a consequence, 30 days after Completion, assuming there are no adjustments to the number of Consideration Shares as a result of: (i) any leakage in the period prior to Completion; or (ii) LSEG plc electing to make a cash substitution (as described further in Part III (*Summary of the Key Transaction Terms*), of this document), the Refinitiv Sellers and ConsortiumCo will hold, in aggregate, 204,366,585 LSEG Shares. Based on LSEG plc's issued share capital (excluding shares held in treasury) as at the date immediately preceding the date of the Announcement, this would amount to: (i) an economic interest in LSEG plc equal to approximately 37 per cent.; and (ii) less than 30 per cent. of the total voting rights in LSEG plc.

17. Significant subsidiaries

17.1 Significant subsidiaries of LSEG plc

Name	Domicile	Equity interest (direct/indirect) as at the Latest Practicable Date (per cent.)
Banque Centrale de Compensation	France	88.9
Beyond Ratings	France	97.3
Bit Market Services S.p.A.	Italy	99.99
Borsa Italiana S.p.A.	Italy	99.99
Cassa Di Compensazione e Garanzia S.p.A.	Italy	100
ELITE Club Deal Limited	England and Wales	100

Name	Domicile	Equity interest (direct/indirect) as at the Latest Practicable Date (per cent.)
ELITE SIM S.p.A.	Italy	100
ELITE S.p.A.	Italy	74.99
EuroMTS Limited	England and Wales	100
EuroTLX SIM S.p.A.	Italy	100
Frank Russell Company	United States of America	100
FTSE China Index Ltd	Hong Kong	100
FTSE Fixed Income LLC	United States of America	100
FTSE Global Debt Capital Markets Limited	England and Wales	100
FTSE Global Debt Capital Markets, Inc.	Canada	100
FTSE International Limited	England and Wales	100
FTSE S.p.A.	Italy	100
FTSE International Taiwan Limited	Taiwan	100
Gatelab Srl	Italy	100
LCH Group Holdings Limited	England and Wales	82.6
LCH Limited	England and Wales	100
LCH.Clearnet LLC	United States of America	100
London Stock Exchange (C) Limited	England and Wales	100
London Stock Exchange Group (Services) Limited	England and Wales	100
London Stock Exchange Group Holdings (Italy) Limited	England and Wales	100
London Stock Exchange Group Holdings (R) Limited	England and Wales	100
London Stock Exchange Group Holdings Italia S.p.A.	Italy	100
London Stock Exchange Group Holdings Limited	England and Wales	100
London Stock Exchange LEI Limited	England and Wales	100
London Stock Exchange plc	England and Wales	100
London Stock Exchange Reg Holdings Limited	England and Wales	100
LSEG Business Services Colombo (Private) Limited	Sri Lanka	100
LSEG Business Services Limited	England and Wales	100
LSEG Business Services RM S.R.L	Romania	100
LSEG Employment Services Limited	England and Wales	100
LSEG Malaysia Sdn. Bhd.	Malaysia	100
LSEG Pension Trustees Limited	England and Wales	100
LSEG Technology Limited	England and Wales	100
LSEG US Holdco Inc.	United States of America	100
LSEGH (Luxembourg) Limited	England and Wales	100
LSEGH US PT, Inc.	United States of America	100
LSEGH, Inc.	United States of America	100
Marche de Titres France	France	100
Mergent, Inc.	United States of America	100
Millennium IT Software (Private) Limited	Sri Lanka	100
Monte Titoli S.p.A.	Italy	98.80
MTS Markets International, Inc	United States of America	100
MTS S.p.A.	Italy	62.53
SSC Global Business Services Limited	England and Wales	100
SwapAgent Limited	England and Wales	100
The Yield Book Inc	United States of America	100
Turquoise Global Holdings Europe B.V.	Netherlands	100
Turquoise Global Holdings Limited	England and Wales	51.36
Turquoise Global Holdings US, Inc.	United States of America	100
UnaVista Limited	England and Wales	100
UnaVista TRADEcho B.V.	Netherlands	100

17.2 *Significant subsidiaries of Refinitiv*

<u>Name</u>	<u>Domicile</u>	Equity interest (direct/indirect) as at the Latest Practicable Date (per cent.)⁽¹⁾
BNX LLC	United States of America	76.2
BondDesk Group LLC	United States of America	76.2
Dealerweb Inc.	United States of America	76.2
DW SEF LLC	United States of America	76.2
Refinitiv India Shared Services Private Limited	India	100
Refinitiv India Private Limited	India	100
Financial & Risk Organisation Limited	England and Wales	100
Financial & Risk Transaction Services Ireland Limited	Ireland	100
FX Alliance International, LLC	United States of America	100
FX Alliance, LLC	United States of America	100
Global World-Check Holdings (Nominee) Ltd	England and Wales	100
Global World-Check Holdings Ltd	England and Wales	100
Guangzhou Data Development Services Limited	China	100
IAG US LLC	United States of America	100
IntegraScreen (Malaysia) Sdn Bhd	Malaysia	100
IntegraScreen (Panama) Inc.	Panama	100
IntegraScreen Ltd	Hong Kong	100
Lipper Asia Limited	Cook Islands	100
Lipper Australia Pty Limited	Australia	100
Lipper Inc.	United States of America	100
Lipper Limited	England and Wales	100
MuniGroup.com, LLC	United States of America	76.2
PT Refinitiv Services Indonesia	Indonesia	100
R.M.E Bahrain Limited S.P.C.	Bahrain	100
REDI Global Technologies LLC	United States of America	100
REDI Technologies Limited	England and Wales	100
Refinitiv Africa UK Parent Limited	Jersey	100
Refinitiv Austria GmbH	Austria	100
Refinitiv Benchmark Services (UK) Limited	England and Wales	100
Refinitiv Finland Oy Ab	Finland	100
Refinitiv Middle East FZ-LLC	Dubai	100
Refinitiv Sweden AB	Sweden	100
Refinitiv Transaction Services Malaysia SDN BHD	Malaysia	100
Refinitiv US LLC	United States of America	100
Refinitiv US SEF LLC	United States of America	100
Refinitiv (Thailand) Limited	Thailand	91.45
Refinitiv Asia Pte Limited	Singapore	100
Refinitiv Australia Pty Ltd	Australia	100
Refinitiv Brasil Servicos Economicos Limitada	Brazil	100
Refinitiv Canada Holdings Limited	Canada	100
Refinitiv (Canvas) Holdings 1 Limited	Bermuda	100
Refinitiv Costa Rica S.R.L.	Costa Rica	100
Refinitiv Cyprus Limited	Cyprus	100
Refinitiv Czech Republic s.r.o.	Czech Rep.	100
Refinitiv Denmark A/S	Denmark	100
Refinitiv de Mexico S.A. De C.V.	Mexico	100
Refinitiv Enformasyon Limited Sirketi	Turkey	100
Refinitiv France Holdings Sarl	France	100
Refinitiv France SAS	France	100
Refinitiv Germany GmbH	Germany	100
Refinitiv Germany Holdings GmbH	Germany	100
Refinitiv Hellas SA	Greece	100

Name	Domicile	Equity interest (direct/indirect) as at the Latest Practicable Date (per cent.)⁽¹⁾
Refinitiv Hong Kong Limited	Cook Islands	100
Refinitiv Hungary KFT	Hungary	100
Refinitiv International Holdings SARL	Switzerland	100
Refinitiv Ireland Limited	Ireland	100
Refinitiv Israel Limited	Israel	100
Refinitiv Italy Holding Spa	Italy	100
Refinitiv Italy S.p.A	Italy	100
Refinitiv Japan KK	Japan	100
Refinitiv Korea Ltd	Korea	100
Refinitiv Limited	England and Wales	100
Refinitiv Malaysia SDN BHD	Malaysia	100
Refinitiv Netherlands B.V.	Netherlands	100
Refinitiv Netherlands Finance BV	Netherlands	100
Refinitiv Netherlands Holdings BV	Netherlands	100
Refinitiv Netherlands Overseas Holdings BV	Netherlands	100
Refinitiv New Zealand Limited	New Zealand	100
Refinitiv Norge A/S	Norway	100
Refinitiv Parent Limited	Cayman Islands	100
Refinitiv Peru SRL	Peru	100
Refinitiv Poland Spolka z.o.o.	Poland	100
Refinitiv PORTUGAL UNIPESOAL LDA	Portugal	100
Refinitiv Romania Srl	Romania	100
Refinitiv S.A.	Switzerland	100
Refinitiv S.L.	Spain	100
Refinitiv Software (Thailand) Limited	Thailand	100
Refinitiv Tecnologia em Sistemas Brasil Limitada	Brazil	100
Refinitiv Technology (China) Co. Limited	China	100
Refinitiv Transaction Services Ltd.	England and Wales	100
Refinitiv Transactions Services Pte Limited	Singapore	100
Refinitiv TW Holdings Ltd	Cayman Islands	100
Refinitiv UK (Rest of World) Holdings Limited	England and Wales	100
Refinitiv UK Eastern Europe Ltd	England and Wales	100
Refinitiv UK Holding Company Limited	Bermuda	100
Refinitiv UK Holdings Limited	England and Wales	100
Refinitiv UK Overseas Holdings Ltd	England and Wales	100
Refinitiv UK Parent Limited	England and Wales	100
Refinitiv US Fin Corp.	United States of America	100
Refinitiv US Holdings Inc.	United States of America	100
Refinitiv US IP Corp.	United States of America	100
Refinitiv US Organization LLC	United States of America	100
Refinitiv US Personal Focus Inc.	United States of America	100
Refinitiv US PME LLC	United States of America	100
Refinitiv US Services Corp.	United States of America	100
Refinitiv US Tradeweb LLC	United States of America	76.2
Reuters Saudia Limited	Saudi Arabia	75
Tech Hackers LLC	United States of America	70
Refinitiv Information Services (China) Co., Ltd	China	100
Refinitiv India Transaction Services Private Limited	India	100
TIPS LLC	United States of America	76.2
Tradeweb Commercial Information Consulting (Shanghai) Co. Limited	China	76.2
Tradeweb Direct LLC	United States of America	76.2
Tradeweb EU B.V.	Netherlands	76.2
Tradeweb Europe Limited	England and Wales	76.2

<u>Name</u>	<u>Domicile</u>	<u>Equity interest (direct/indirect) as at the Latest Practicable Date (per cent.)⁽¹⁾</u>
Tradeweb Global Holding LLC	United States of America	76.2
Tradeweb Global LLC	United States of America	76.2
Tradeweb IDB Markets, Inc.	United States of America	76.2
Tradeweb Japan K.K.	Japan	76.2
Tradeweb LLC	United States of America	76.2
Tradeweb Markets Inc.	United States of America	76.2
Tradeweb Markets International LLC	United States of America	76.2
Tradeweb Markets LLC	United States of America	76.2
TW SEF LLC	United States of America	76.2
ZhiCheng Worldwide Management Consulting (Shenzhen) Co. Ltd	China	100

(1) With regards to (i) Tradeweb Markets Inc. and its subsidiaries; and (ii) Refinitiv (Thailand) Limited, this column shows the percentage voting rights held by Refinitiv (i.e., 76.2 per cent. and 91.45 per cent., respectively). The economic interest held by Refinitiv is approximately 60.5 per cent. in respect of Tradeweb Markets Inc., 54 per cent. in respect of Tradeweb Markets LLC and its subsidiaries, and 51.55 per cent. in respect of Refinitiv (Thailand) Limited.

18. Material contracts

18.1 LSEG material contracts

The following is a summary of each material contract (other than contracts entered into in the ordinary course of business) to which LSEG plc or any member of LSEG is a party, for the two years immediately preceding the publication of this document, and each other contract (not being a contract entered into in the ordinary course of business) entered into by LSEG plc or any member of LSEG which contains any provisions under which LSEG plc or any member of LSEG has an obligation or entitlement which is material to LSEG as at the date of this document:

18.1.1 LSEG Sponsor Agreement

On or around the date of this document, LSEG plc and Barclays entered into a sponsor's agreement pursuant to which Barclays has agreed, subject to certain conditions, to act as LSEG plc's sponsor in relation to the Transaction and Admission (the "**LSEG Sponsor Agreement**"). LSEG plc is providing Barclays with: (i) certain undertakings which will require it to either consult with or obtain the prior consent of Barclays before taking certain actions; and (ii) certain warranties in relation to LSEG and Refinitiv. In addition, LSEG plc is providing Barclays with certain indemnities which are customary for an agreement of this nature. The liability of LSEG plc under the LSEG Sponsor Agreement is unlimited by both time and amount. Pursuant to the terms of the LSEG Sponsor Agreement, Barclays may terminate the LSEG Sponsor Agreement on the occurrence of certain customary events including a material breach of the LSEG Sponsor Agreement or a material misstatement in or omission from this document.

LSEG plc has agreed to bear all of Barclays' fees, costs, charges and expenses of, or which are incidental to the Transaction, including without limitation, the fees and expenses of its professional advisers, the costs of preparation, printing and distribution of this document and all other documents in connection with the Transaction; and any CREST charges and the fees of the FCA and London Stock Exchange.

18.1.2 Other material contracts relating to the Transaction

For details in respect of other material contracts entered into, or to be entered into, by LSEG plc and/or members of LSEG in relation to the Transaction, being the Stock Purchase Agreement, the Stock Purchase Agreement Support Agreement, the Relationship Agreement, the Relationship Agreement Support Agreement and the 2019 Bridge Facilities, please refer to Part III (*Summary of the Key Transaction Terms*), of this document.

18.1.3 Sale and purchase agreement relating to the sale of Russell Investments

On 8 October 2015, Frank Russell Company (“**Russell**”), Emerald Acquisition Limited (“**Emerald**”), an acquisition vehicle of funds controlled by TA Associates and Reverence Capital Partners, and LSEG plc entered into a stock and asset purchase agreement (the “**Russell SAPA**”) providing for the sale of Russell’s asset management business (“**Russell Investments**”) to TA Associates and Reverence Capital Partners for gross proceeds of US\$1,150 million in cash, subject to customary closing adjustments and the satisfaction or waiver of a number of customary conditions (including regulatory and other required approvals). LSEG plc is a party to the Russell SAPA in its capacity as the parent company of Russell, in respect of certain specified provisions only. Certain funds controlled by TA Associates and Reverence Capital Partners separately provided limited guarantees of certain of Emerald’s obligations under the Russell SAPA. The Russell SAPA is governed by the laws of New York State.

The transaction closed on 3 December 2014. The base purchase price in respect of the sale of Russell Investments was US\$1,150 million which was subject to certain customary adjustments at and following closing. US\$1,000 million was agreed to be paid in cash on closing, with the balance of US\$150 million paid annually in four equal cash instalments, starting from 31 December 2017. US\$75 million remains outstanding under the Russell SAPA.

18.1.4 *The LCH Relationship Agreement*

On 1 May 2013, LSEG plc and LCH Group Limited entered into a relationship agreement regarding the governance arrangements of the LCH Group following completion of the acquisition by LSEG plc of a majority stake in LCH Group Limited (the “**LCH Relationship Agreement**”).

The LCH Relationship Agreement sets out the composition of the boards of various companies within the LCH Group and the rights of LSEG plc, clearing members and markets that use the LCH Group’s clearing services, to appoint directors to such boards. LSEG plc is entitled to appoint up to four directors to the LCH Group Limited board (and to remove such directors), including the chief executive officer. The LCH Relationship Agreement provides that the composition of the LCH Group boards will also be subject to changes required from time to time as a result of regulatory requirements. Similarly, the LCH Relationship Agreement sets out the composition of various board committees of LCH Group Limited and its subsidiaries, including audit, nomination, remuneration and risk committees.

Pursuant to the LCH Relationship Agreement, the parties agree that the LCH Group’s business will be run independently of LSEG plc and LSEG plc has agreed to certain restrictions on its rights as a majority shareholder in LCH Group Limited, including that it will not remove certain directors from the LCH Group Limited board in circumstances where it would not be reasonable to do so, and consulting with the LCH Group Limited board before removing the chief executive officer. Any dealings or contracts between the LCH Group and LSEG plc will be on bona fide arm’s length commercial terms and will be subject to the prior approval of a committee of the LCH Group Limited board, consisting solely of independent directors.

The LCH Relationship Agreement includes certain provisions on the operation of the LSEG plc and LCH Group businesses:

- (i) the LCH Group and LSEG plc will continue to operate their respective CCP services businesses as they exist, and in accordance with their business plans, at that time. Subject to this and to certain exceptions, LSEG plc intends to conduct all of its CCP services through the LCH Group;
- (ii) in the event of an acquisition by LSEG plc of a clearing business as part of a merger or acquisition, LSEG plc is obliged, subject to certain exceptions, to offer it for sale to LCH Group Limited. These arrangements will terminate on the earlier of five years after completion or LSEG plc ceasing to hold 40 per cent. of the issued share capital of LCH Group Limited;
- (iii) LSEG plc has agreed not to introduce any SwapClear, ForexClear and CDSClear business products onto its exchange or other execution platforms without the approval of the governance committee relating to the relevant product, subject to certain exceptions;
- (iv) LCH Group Limited undertakes to provide LSEG plc with sufficient financial and other information reasonably required by LSEG plc to meet any applicable reporting requirements or standards and for LSEG plc’s budgeting and forecasting processes in a timely fashion;

- (v) the LCH Group Limited board must apply certain “core operating principles” in managing the business of LCH Group Limited, relating to compliance with legal and regulatory obligations, the preservation of the SwapClear, ForexClear and CDSClear businesses structure, an agreed dividend policy, preservation of the RepoClear operating model and arrangements in all material respects, and arm’s length contractual arrangements between any LCH Group company and any LSEG company;
- (vi) the day-to-day management of the LCH Group and implementation of the business plan and the budget will be delegated by the LCH Group Limited board to the chief executive officer on the terms of the executive delegation, under which the chief executive officer has certain authorities in relation to expenditure not exceeding £10 million and within 10 per cent. of budget, general corporate actions and exploratory discussions for transactions in excess of agreed limits.

The LCH Relationship Agreement includes various corporate matters that cannot be approved without the consent of certain parties:

- (i) “LSEG plc consent matters” that will require the written consent of LSEG plc. Material amendments to the LSEG plc consent matters can only be made by special resolution and with minority shareholder approval;
- (ii) “Push matters” that LSEG plc or any of the directors appointed by LSEG plc may require to be put to LCH Group Limited shareholders to be validly approved by at least: (a) 60 per cent. of the votes attaching to the LCH Group Limited shares cast by LCH Group Limited shareholders; and (b) 25 per cent. of the votes attaching to the LCH Group Limited shares cast by user shareholders; and
- (iii) “Minority protection reserved matters”, which require the approval of LCH Group Limited shareholders holding at least 80 per cent. of the votes attaching to the LCH Group Limited shares cast on the relevant resolution at an LCH Group Limited shareholder meeting.

LSEG plc will lose certain of its key rights under the LCH Relationship Agreement in certain circumstances:

- (i) a number of LSEG plc’s key rights (including the right to appoint and remove the chief executive officer, the LSEG plc consent matters and the push matters) will be lost if LSEG plc no longer holds 40 per cent. or more of the issued share capital of LCH Group Limited; and
- (ii) in certain limited material circumstances such as the termination by LSEG plc of its clearing agreement with LCH Group Limited other than for cause or if LSEG plc exercises its statutory voting rights to appoint directors to, or remove directors from, the LCH Group Limited board such that LSEG plc obtains an overall majority, LSEG plc’s rights under the LCH Relationship Agreement will cease.

18.1.5 *The 2015 Revolving Credit Facility*

On 9 November 2015 LSEG plc entered into a £600 million revolving facility agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd, Abbey National Treasury Services plc, Barclays, China Construction Bank Corporation London Branch, HSBC Bank plc, Royal Bank of Canada, The Royal Bank of Scotland plc and Wells Fargo Bank, National Association, London Branch, for a term of five years plus a series of two consecutive one year extensions available at the lenders’ option upon LSEG plc’s request (the “**2015 Revolving Credit Facility**”). Both of these extensions have been granted subsequent to entry into the 2015 Revolving Credit Facility. The 2015 Revolving Credit Facility is available for general corporate purposes. The 2015 Revolving Credit Facility is partially drawn and has a floating rate of interest based on an interest rate margin of 0.45 per cent. per annum over LIBOR/EURIBOR. The 2015 Revolving Credit Facility is unsecured but is guaranteed by LSEG plc. LSEGH (Luxembourg) Limited and London Stock Exchange Group Holdings (Italy) Limited are additional borrowers under the 2015 Revolving Credit Facility and there is a mechanism to introduce further additional borrowers. The 2015 Revolving Credit Facility is documented on terms which are customary for companies with a public listing and an investment grade credit rating.

18.1.6 *The 2017 Revolving Credit Facility*

On 11 December 2017 LSEG plc entered into an additional £600 million revolving facility agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd, National Westminster Bank plc, Santander UK plc, Barclays, Bank of China Limited, London Branch, HSBC Bank plc, Royal Bank of Canada and Wells Fargo Bank, National Association, London Branch, for a term of five years plus a series of two consecutive one year extensions available at the lenders' option upon LSEG plc's request (the "**2017 Revolving Credit Facility**"). Both of these extensions have been granted subsequent to entry into the 2017 Revolving Credit Facility. The 2017 Revolving Credit Facility is available for general corporate purposes. The 2017 Revolving Credit Facility is partially drawn and has a floating rate of interest which is subject to LSEG plc's credit ratings with an initial interest rate margin of 0.30 per cent. per annum over LIBOR/EURIBOR at signing. The 2017 Revolving Credit Facility is unsecured but is guaranteed by LSEG plc. LSEGH (Luxembourg) Limited and London Stock Exchange Group Holdings (Italy) Limited are additional borrowers under the 2017 Revolving Credit Facility and there is a mechanism to introduce further additional borrowers. The 2017 Revolving Credit Facility is documented on terms consistent with the 2015 Revolving Credit Facility, and on terms which are customary for companies with a public listing and an investment grade credit rating.

18.1.7 *The CC&G Credit Facility Agreements*

Certain credit facility agreements are provided by commercial banks specifically to CC&G as CCP to the Italian markets (the "**CC&G Credit Facility Agreements**"). The CC&G Credit Facility Agreements are to support CC&G's liquidity requirements and are also available to meet certain needs that may arise in the case of certain events, such as the management of participant insolvency or to meet CC&G obligations to CSDs and international CSDs.

The facilities provided under the CC&G Credit Facility Agreements are provided by Intesa San Paolo, BNL, Banca di Brescia UBI S.p.A, Unicredit, Mediobanca, Cariparma, and Banca Popolare di Spoleto. The CC&G Credit Facility Agreements comprise an aggregate of approximately EUR420 million of bi-lateral commitments, with the majority requiring a pledge of government securities as eligible collateral to allow drawdown. The facilities provided under the CC&G Credit Facility Agreements are rarely called upon.

18.1.8 *The 2021 Notes*

On 2 November 2012, LSEG plc issued £300 million sterling denominated 4.75 per cent. notes due 2 November 2021 under its Euro Medium Term Note Programme (the "**2021 Notes**"). The 2021 Notes were issued on the following terms:

- (i) interest on the 2021 Notes is payable semi-annually in arrears at the rate of 4.75 per cent. each year on the face value of the 2021 Notes for a period of nine years from their date of issue;
- (ii) the 2021 Notes are admitted to trading on London Stock Exchange's regulated market and through London Stock Exchange's order book for retail bonds and listed on the Official List with effect from 2 November 2012;
- (iii) unless previously repaid or purchased and cancelled by LSEG plc, the 2021 Notes will mature on 2 November 2021 and will be repayable by LSEG plc at their face value;
- (iv) the 2021 Notes may also be repaid early in a number of circumstances and for a number of reasons, including (but not limited to):
 - (a) if LSEG plc is obliged to pay additional amounts in respect of the 2021 Notes pursuant to their terms as a result of a change in, or in the application or official interpretation of, UK tax law, the 2021 Notes may be repaid early (in whole but not in part) at the option of LSEG plc at the face value of the 2021 Notes together with accrued interest;
 - (b) in the event that LSEG plc defaults on its obligations under the 2021 Notes or in certain other circumstances described as 'events of default' in the terms and conditions of the 2021 Notes, the 2021 Notes may become due and repayable (in whole but not in part). The amount due will be the face value of the 2021 Notes together with accrued interest; and
 - (c) if, during the life of the 2021 Notes, another company were to take over, or otherwise assume control of, LSEG plc or if London Stock Exchange were to be

taken over or have control assumed by a company other than LSEG plc and either change of control had a negative impact on the credit ratings assigned to the 2021 Notes (for example, if such credit ratings were lowered to certain levels or withdrawn) or meant that LSEG plc could not obtain a rating for the 2021 Notes in a pre-defined period, then a holder of 2021 Notes would have the option to require LSEG plc to repay early or to purchase the 2021 Notes of that holder at their face value together with accrued interest;

- (v) the 2021 Notes are direct, unconditional, unsubordinated and (subject to the provisions therein) unsecured obligations of LSEG plc and rank and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally in right of payment with LSEG plc's existing and future unsecured (save as mentioned above) and unsubordinated obligations but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights;
- (vi) the net proceeds from the issue were available to be used by LSEG plc in order to refinance its indebtedness and for LSEG plc's general corporate purposes; and
- (vii) the terms and conditions applicable to the 2021 Notes also contain, *inter alia*, a negative pledge.

The 2021 Notes are governed by English law.

18.1.9 *The 2024 Notes*

On 19 September 2017, LSEG plc issued EUR500 million Euro denominated 0.875 per cent. senior notes due 19 September 2024 under its Euro Medium Term Note Programme (the "**2024 Notes**"). The 2024 Notes were issued on the following terms:

- (i) interest on the 2024 Notes is payable annually in arrears at the rate of 0.875 per cent. each year on the face value of the 2024 Notes for a period of seven years from their date of issue;
- (ii) the 2024 Notes are admitted to trading on London Stock Exchange's regulated market and listed on the Official List with effect from 19 September 2017;
- (iii) unless previously repaid or purchased and cancelled by LSEG plc, the 2024 Notes will mature on 19 September 2024 and will be repayable by LSEG plc at their face value;
- (iv) the 2024 Notes may also be repaid early in a number of circumstances and for a number of reasons, including (but not limited to):
 - (a) if LSEG plc is obliged to pay additional amounts in respect of the 2024 Notes pursuant to their terms as a result of a change in, or in the application or official interpretation of, UK tax law, the 2024 Notes may be repaid early (in whole but not in part) at the option of LSEG plc at the face value of the 2024 Notes together with accrued interest;
 - (b) in the event that LSEG plc defaults on its obligations under the 2024 Notes or in certain other circumstances described as 'events of default' in the terms and conditions of the 2024 Notes, the 2024 Notes may become due and repayable (in whole but not in part). The amount due will be the face value of the 2024 Notes together with accrued interest; and
 - (c) if, during the life of the 2024 Notes, another company were to take over, or otherwise assume control of, LSEG plc or if London Stock Exchange were to be taken over or have control assumed by a company other than LSEG plc and either change of control had a negative impact on the credit ratings assigned to the 2024 Notes (for example, if such credit ratings were lowered to certain levels or withdrawn) or meant that LSEG plc could not obtain a rating for the 2024 Notes in a pre-defined period, then a holder of 2024 Notes would have the option to require LSEG plc to repay early or to purchase the 2024 Notes of that holder at their face value together with accrued interest;

- (v) the 2024 Notes are direct, unconditional, unsubordinated and (subject to the provisions therein) unsecured obligations of LSEG plc and rank and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally in right of payment with LSEG plc's existing and future unsecured (save as mentioned above) and unsubordinated obligations but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights;
- (vi) the net proceeds from the issue were available to be used by LSEG plc in order to refinance its indebtedness and for LSEG plc's general corporate purposes; and
- (vii) the terms and conditions applicable to the 2024 Notes also contain, *inter alia*, a negative pledge.

The 2024 Notes are governed by English law.

18.1.10 *The 2029 Notes*

On 19 September 2017, LSEG plc issued EUR500 million euro denominated 1.750 per cent. senior notes due 19 September 2029 under its Euro Medium Term Note Programme (the "2029 Notes"). The 2029 Notes were issued on the following terms:

- (i) interest on the 2029 Notes is payable annually in arrears at the rate of 1.750 per cent. each year on the face value of the 2029 Notes for a period of 12 years from their date of issue;
- (ii) the 2029 Notes are admitted to trading on London Stock Exchange's regulated market and listed on the Official List of the FCA with effect from 19 September 2017;
- (iii) unless previously repaid or purchased and cancelled by LSEG plc, the 2029 Notes will mature on 19 September 2029 and will be repayable by LSEG plc at their face value;
- (iv) the 2029 Notes may also be repaid early in a number of circumstances and for a number of reasons, including (but not limited to):
 - (a) if LSEG plc is obliged to pay additional amounts in respect of the 2029 Notes pursuant to their terms as a result of a change in, or in the application or official interpretation of, UK tax law, the 2029 Notes may be repaid early (in whole but not in part) at the option of LSEG plc at the face value of the 2029 Notes together with accrued interest;
 - (b) in the event that LSEG plc defaults on its obligations under the 2029 Notes or in certain other circumstances described as 'events of default' in the terms and conditions of the 2029 Notes, the 2029 Notes may become due and repayable (in whole but not in part). The amount due will be the face value of the 2029 Notes together with accrued interest; and
 - (c) if, during the life of the 2029 Notes, another company were to take over, or otherwise assume control of, LSEG plc or if London Stock Exchange were to be taken over or have control assumed by a company other than LSEG plc and either change of control had a negative impact on the credit ratings assigned to the 2029 Notes (for example, if such credit ratings were lowered to certain levels or withdrawn) or meant that LSEG plc could not obtain a rating for the 2029 Notes in a pre-defined period, then a holder of 2029 Notes would have the option to require LSEG plc to repay early or to purchase the 2029 Notes of that holder at their face value together with accrued interest;
- (v) the 2029 Notes are direct, unconditional, unsubordinated and (subject to the provisions therein) unsecured obligations of LSEG plc and rank and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally in right of payment with LSEG plc's existing and future unsecured (save as mentioned above) and unsubordinated obligations but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights;
- (vi) the net proceeds from the issue were available to be used by LSEG plc in order to refinance its indebtedness and for LSEG plc's general corporate purposes; and
- (vii) the terms and conditions applicable to the 2029 Notes also contain, *inter alia*, a negative pledge.

The 2029 Notes are governed by English law.

18.1.11 *The 2027 Notes*

On 6 December 2018, LSEG plc issued EUR500 million Euro denominated 1.750 per cent. senior notes due 6 December 2027 under its Euro Medium Term Note Programme (the “**2027 Notes**”). The 2027 Notes were issued on the following terms:

- (i) interest on the 2027 Notes is payable annually in arrears at the rate of 1.750 per cent. each year on the face value of the 2027 Notes for a period of nine years from their date of issue;
- (ii) the 2027 Notes are admitted to trading on London Stock Exchange’s regulated market and listed on the Official List with effect from 6 December 2018;
- (iii) unless previously repaid or purchased and cancelled by LSEG plc, the 2027 Notes will mature on 6 December 2027 and will be repayable by LSEG plc at their face value;
- (iv) the 2027 Notes may also be repaid early in a number of circumstances and for a number of reasons, including (but not limited to):
 - (a) if LSEG plc is obliged to pay additional amounts in respect of the 2027 Notes pursuant to their terms as a result of a change in, or in the application or official interpretation of, UK tax law, the 2027 Notes may be repaid early (in whole but not in part) at the option of LSEG plc at the face value of the 2027 Notes together with accrued interest;
 - (b) in the event that LSEG plc defaults on its obligations under the 2027 Notes or in certain other circumstances described as ‘events of default’ in the terms and conditions of the 2027 Notes, the 2027 Notes may become due and repayable (in whole but not in part). The amount due will be the face value of the 2027 Notes together with accrued interest; and
 - (c) if, during the life of the 2027 Notes, another company were to take over, or otherwise assume control of, LSEG plc or if London Stock Exchange were to be taken over or have control assumed by a company other than LSEG plc and either change of control had a negative impact on the credit ratings assigned to the 2027 Notes (for example, if such credit ratings were lowered to certain levels or withdrawn) or meant that LSEG plc could not obtain a rating for the 2027 Notes in a pre-defined period, then a holder of 2027 Notes would have the option to require LSEG plc to repay early or to purchase the 2027 Notes of that holder at their face value together with accrued interest;
- (v) the 2027 Notes are direct, unconditional, unsubordinated and (subject to the provisions therein) unsecured obligations of LSEG plc and rank and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally in right of payment with LSEG plc’s existing and future unsecured and unsubordinated obligations but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights;
- (vi) the net proceeds from the issue were available to be used by LSEG plc in order to refinance its indebtedness and for LSEG plc’s general corporate purposes; and
- (vii) the terms and conditions applicable to the 2027 Notes also contain, *inter alia*, a negative pledge.

The 2027 Notes are governed by English law.

18.1.12 *Euro Commercial Paper Programme*

On 15 December 2017, LSEG plc established a £1,000 million Euro Commercial Paper Programme (the “**ECP Programme**”). The ECP Programme permits the issuance by LSEG plc of commercial paper (“**CP Notes**”), subject to the following terms:

- (i) CP Notes may be issued in Euros, Sterling, US\$, Japanese Yen or any other currency customarily used in the commercial paper markets;
- (ii) the maximum amount of time a CP Note can be outstanding is 363 days;

- (iii) the CP Notes shall not be listed on any stock exchange;
- (iv) the CP Notes may be issued either at a discount (without interest), or may be interest bearing, such interest being either: (a) fixed; or (b) floating by reference to a reference rate; and
- (v) the CP Notes are direct, unconditional, unsubordinated and (subject to the provisions therein) unsecured obligations of LSEG plc and rank and will rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally in right of payment with LSEG plc's existing and future unsecured (save as mentioned above) and unsubordinated obligations but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

As at the Latest Practicable Date, LSEG plc has approximately EUR 300 million of CP Notes outstanding under the ECP Programme.

18.2 ***Refinitiv material contracts***

The following is a summary of each material contract (other than contracts entered into in the ordinary course of business) to which Refinitiv Parent or any member of Refinitiv is a party, for the two years immediately preceding the publication of this document, and each other contract (not being a contract entered into in the ordinary course of business) entered into by Refinitiv Parent or any member of Refinitiv which contains provisions under which Refinitiv Parent or any member of Refinitiv has an obligation or entitlement which is material to Refinitiv as at the date of this document:

18.2.1 ***Credit Agreement***

On 1 October 2018, Refinitiv Parent, Refinitiv US Holdings, Inc. (the "**Borrower**") and certain subsidiaries of Refinitiv Parent, entered into a credit agreement with Bank of America, N.A., as administrative agent, collateral agent, swing line lender and L/C issuer (the "**Credit Agreement**") to govern: (i) a senior secured US dollar denominated term loan agreement in an aggregate principal amount of US\$6,500 million (the "**Dollar Loan Facility**"); (ii) a senior secured Euro denominated term loan facility in an aggregate principal amount of the Euro equivalent of EUR2,355 million (the "**Euro Loan Facility**"); and (iii) a senior secured revolving credit facility in an aggregate principal amount of US\$750 million, which in turn includes sub-facilities for letters of credit and short-term borrowings (the "**Revolving Credit Facility**" and together with the Dollar Loan Facility and the Euro Loan Facility, the "**Facilities**").

Borrowings under the Dollar Loan Facility and the Revolving Credit Facility bear interest, at the Borrower's option, at a rate per annum equal to an applicable margin over either: (i) a base rate determined by reference to the higher of; (a) the "Prime Rate" in the US as published in The Wall Street Journal; (b) the federal funds effective rate plus 0.5 of 1 per cent.; and (c) LIBOR for a one month interest period plus 1 per cent.; or (ii) determined by reference to the applicable page for LIBOR for the interest period relevant to such borrowing, in each case subject, in the case of the Revolving Credit Facility, to a 0 per cent. interest rate floor. Borrowings under the Euro Loan Facility bear interest at a rate per annum equal to an applicable margin over the European Money Markets Institute EURIBO Rate as published by Thomson Reuters for the interest period relevant to such borrowing.

The loans under each of the Dollar Loan Facility and the Euro Loan Facility are repaid in equal quarterly instalments in an aggregate annual amount equal to 1 per cent. of the original principal amount of such loans, with the balance being payable on 1 October 2025. The Revolving Credit Facility matures on 1 October 2023.

All obligations under the Facilities are guaranteed by the Borrower (with respect to hedge agreements and cash management arrangements not entered into by the Borrower) and each direct or indirect material wholly owned US restricted subsidiary of the Borrower (the "**Subsidiary Guarantors**"). Additionally, all obligations under the Credit Agreement and certain hedge agreements and cash management arrangements provided by any lender party to the Facilities are secured by means of: (i) a first-priority pledge of all the equity interests of the Borrower, each wholly owned material restricted subsidiary of the Borrower that is directly held by the Borrower and each wholly owned material restricted subsidiary that is directly held by the Borrower or any Subsidiary Guarantor (other than voting equity interests in any first tier foreign subsidiary representing more than 65 per cent. of the voting power of all outstanding equity interests in such foreign subsidiary); (ii) a first-priority security interests in substantially all tangible and intangible personal property of the Borrower and the

Subsidiary Guarantors; and (iii) a first-priority mortgage on fee-owned real property of the Borrower and the Subsidiary Guarantors in excess of a specified value.

18.2.2 *Indentures*

On 1 October 2018, (the “**Indentures Issue Date**”), Refinitiv US Holdings Inc. (which is referred to throughout this paragraph as the “**Issuer**”) entered into: (i) the indenture (the “**Secured Indenture**”), by and among Refinitiv Parent, the subsidiaries of the Issuer and the Refinitiv parties thereto (the “**Indentures Subsidiary Guarantors**”) and, together with the Issuer, the “**Indentures Guarantors**”), and Deutsche Bank Trust Company Americas, as trustee, US paying agent, US transfer agent and registrar, and Deutsche Bank AG, London Branch, as a Euro paying agent and Euro transfer agent, governing the US\$1,250 million aggregate principal amount of 6.25 per cent. senior first lien notes due 2026 (the “**Dollar Secured Notes**”) and the €860 million aggregate principal amount of 4.5 per cent. senior first lien notes due 2026 (the “**Euro Secured Notes**”) and, together with the Dollar Secured Notes, the “**Secured Notes**”) issued by the Issuer; and (ii) the indenture (the “**Unsecured Indenture**”) and, together with the Secured Indenture, the “**Indentures**”), by and among the Issuer, the Indentures Guarantors and Deutsche Bank Trust Company Americas, as trustee, governing the US\$1,575 million aggregate principal amount of 8.25 per cent. senior notes due 2026 (the “**Dollar Unsecured Notes**”) and the €365 million aggregate principal amount of 6.875 per cent. senior notes due 2026 (the “**Euro Unsecured Notes**”) and, together with the Dollar Unsecured Notes, the “**Unsecured Notes**”) issued by the Issuer.

The Secured Notes and the related guarantees are secured on a *pari passu* basis with the obligations under the Credit Agreement, by perfected first-priority security interests in the same assets and property that constitute the collateral that secures the obligations under such Credit Agreement. The Unsecured Notes and the related guarantees are unsecured.

The Secured Notes mature on 15 May 2026 and the Unsecured Notes mature on 15 November 2026.

The Issuer is required to pay interest semi-annually in arrears on each series of notes on 15 May and 15 November of each year.

The Issuer may redeem the notes in whole or part at any time. If a redemption takes place before 15 November 2021, the redemption price will be calculated using a formula designed to provide bondholders with a “make-whole” premium calculated as set forth in the applicable Indenture.

Until 15 November 2021, the Issuer may also redeem, on one or more occasions, at a price equal to: (i) in the case of the Dollar Secured Notes, 106.25 per cent.; (ii) in the case of the Euro Secured Notes, 104.5 per cent.; (iii) in the case of the Dollar Unsecured Notes, 108.25 per cent.; and (iv) in the case of the Euro Unsecured Notes, 106.875 per cent., in each case plus accrued and unpaid interest, up to 40 per cent. of the aggregate principal amount of the applicable series of notes (including any additional notes of such series), from an amount not to exceed the net cash proceeds of one or more equity offerings or a contribution to Refinitiv Parent’s common equity capital made with the net cash proceeds of one or more equity offerings; provided that at least 50 per cent. of the applicable series of notes originally issued under the applicable Indenture on the Indentures Issue Date must remain outstanding after giving effect to such redemption (unless all notes of such series are redeemed concurrently). Each such redemption must occur within 180 days of the date of closing of the applicable equity offering.

Beginning on 15 November 2021, the Issuer may redeem: (i) the Dollar Secured Notes at a redemption price of 103.125 per cent., reducing to 101.563 per cent. on 15 November 2022, and reducing to 100 per cent. on 15 November 2023; (ii) the Euro Secured Notes at a redemption price of 102.25 per cent., reducing to 101.125 per cent. on 15 November 2022, and reducing to 100 per cent. on 15 November 2023; (iii) the Dollar Unsecured Notes at a redemption price of 104.125 per cent., reducing to 102.063 per cent. on 15 November 2022, and reducing to 100 per cent. on 15 November 2023; and (iv) the Euro Unsecured Notes at a redemption price of 103.438 per cent., reducing to 101.719 per cent. on 15 November 2022 and reducing to 100 per cent. on 15 November 2023, plus, in each case, accrued and unpaid interest.

The Issuer will be required to offer to repurchase the notes at a purchase price of 101 per cent., plus accrued and unpaid interest, if a change of control trigger event occurs. The Indentures contain covenants that limit the ability of Refinitiv and its restricted subsidiaries to: (i) incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock; (ii) pay dividends and make other distributions or repurchase stock; (iii) make certain investments; (iv) create or incur certain

liens; (v) transfer or sell certain assets; (vi) enter into restrictions affecting the ability of certain restricted subsidiaries to make distributions, loans or advances or transfer assets to the Issuer or the Indentures Guarantors; (vii) enter into certain transactions with affiliates; (viii) designate restricted subsidiaries as unrestricted subsidiaries; and (ix) merge, consolidate or transfer or sell all or substantially all of the Issuer's or the Indentures Guarantors' assets.

These covenants are subject to a number of important limitations and exceptions. Most of these covenants will not apply to Refinitiv Parent and its restricted subsidiaries during any period in which the notes are rated investment grade by either Moody's Investors Service, Inc. or S&P Global Ratings.

The notes and the Indentures are governed by the laws of the State of New York.

18.2.3 *Thomson Reuters News Agreement*

On the 2018 Transaction Closing Date, Reuters News and certain Refinitiv subsidiaries entered into an agreement whereby Reuters News agreed to provide Refinitiv, for a 30-year term, with the various categories of general news and financial content that Reuters News provided to the Thomson Reuters Financial & Risk Business prior to the 2018 Transaction Closing Date. In consideration for the provision of such content, Refinitiv agreed to pay Reuters News US\$325 million per year, increasing annually to adjust for inflation as well as to reflect any mutually agreed upon additions, enhancements or revisions of the content that Reuters provides. Refinitiv has exclusivity in all distribution channels over the categories of financial content that Reuters provided on an exclusive basis to the Thomson Reuters Financial & Risk Business prior to the 2018 Transaction Closing Date (e.g., certain economic, company, market and commodity news alerts, real time economic data and financial polls, among other data). However, Reuters News has the right to publish small amounts of the above exclusive financial content that is of significant general news interest. Refinitiv also has a non-exclusive license to distribute categories of financial content that were provided to it on a non-exclusive basis (e.g., certain politics, economic, company, market and commodity news, other than alerts and real time data), provided that this news is combined with other financial content and subject to certain customer restrictions. Reuters News has certain restrictions on licensing such non-exclusive content to financial firms or Refinitiv's competitors.

The agreement establishes a partnership council to address disputes and review quality metrics and industry developments, among other issues. The partnership council is comprised of two senior business executives of each party and meets in full at least twice a year (and once a quarter with one member from each party). Each party also designates a relationship manager to manage the agreement on an ongoing basis and to meet at least quarterly during the term.

The agreement has no express provision allowing for termination in the event of a party's breach. If the content licensed by Reuters News falls below certain quality standards, Reuters News has agreed to increase investment to address the issue. The parties have agreed to attempt to resolve all disputes amicably, and if this fails, can bring an action (including a claim for specific performance or injunctive relief) in the New York courts.

18.2.4 *Trademark License Agreements*

On the 2018 Transaction Closing Date, Thomson Reuters and certain Refinitiv subsidiaries entered into two trademark license agreements (one covering the US and one covering the rest of the world) by virtue of which Refinitiv has, for a period of 30 years, a worldwide, paid-up: (i) exclusive licence to use the "Reuters" mark, subject to certain branding restrictions to differentiate such use from the use of "Reuters" by Reuters News, on the products and services offered by Refinitiv at the 2018 Transaction Closing Date (and any extensions that have substantially the same purpose); and (ii) non-exclusive licence to use "Reuters" as a corporate name to market and sell a broader class of financial products. The licence terminates automatically upon termination of the Thomson Reuters News Agreement. The licence includes the right to use "Reuters" in domain names and in social and mobile media, and does not cover hardware or products in the legal, tax and accounting fields.

18.2.5 *Transitional Services Agreement*

On the 2018 Transaction Closing Date, Refinitiv Holdings and Thomson Reuters entered into a transitional services agreement by virtue of which both parties provide each other with various specified services on a transitional basis, consisting of services that the various Thomson Reuters business lines provided to each other before the 2018 Transaction Closing Date. Service fees generally represent each party's anticipated cost of providing the services, subject to certain exceptions and

extension periods. Services provided under the transitional services agreement include, among other things, services related to the use of real property, the provision and use of information technology infrastructure, employee benefits matters and programs and finance function support.

18.2.6 *Tradeweb Stockholders Agreement*

On 8 April 2019, Refinitiv Parent and Refinitiv US PME LLC (as stockholders) (“**Tradeweb’s Refinitiv Stockholders**”) and Tradeweb (as the company) entered into a stockholders agreement (the “**Tradeweb Stockholders Agreement**”) pursuant to which Tradeweb agreed to nominate a number of individuals designated by Tradeweb’s Refinitiv Stockholders for election as Tradeweb’s directors at any meeting of Tradeweb’s shareholders such that the number of directors so designated by Tradeweb’s Refinitiv Stockholders serving as directors of Tradeweb will be equal to: (i) if Tradeweb’s Refinitiv Stockholders and their affiliates together continue to hold at least 50 per cent. of the combined voting power of Tradeweb’s outstanding common stock as of the record date for such meeting, the total number of directors comprising Tradeweb’s entire board of directors; (ii) if Tradeweb’s Refinitiv Stockholders and their affiliates together continue to hold at least 40 per cent. (but less than 50 per cent.) of the combined voting power of Tradeweb’s outstanding common stock as of the record date for such meeting, the lowest whole number that is greater than 40 per cent. of the total number of directors comprising Tradeweb’s board of directors; (iii) if Tradeweb’s Refinitiv Stockholders and their affiliates together continue to beneficially own at least 30 per cent. (but less than 40 per cent.) of the combined voting power of Tradeweb’s outstanding common stock as of the record date for such meeting, the lowest whole number that is greater than 30 per cent. of the total number of directors comprising Tradeweb’s board of directors; (iv) if Tradeweb’s Refinitiv Stockholders and their affiliates together continue to hold at least 20 per cent. (but less than 30 per cent.) of the combined voting power of Tradeweb’s outstanding common stock as of the record date for such meeting, the lowest whole number that is greater than 20 per cent. of the total number of directors comprising Tradeweb’s board of directors; and (v) if the Tradeweb’s Refinitiv Stockholders and their affiliates together continue to hold at least 10 per cent. (but less than 20 per cent.) of the combined voting power of Tradeweb’s outstanding common stock as of the record date for such meeting, the lowest whole number (such number always being equal to or greater than one) that is greater than 10 per cent. of the total number of directors comprising Tradeweb’s board of directors. In the case of a vacancy on the Tradeweb board created by the removal, resignation or otherwise of a director designated by Tradeweb’s Refinitiv Stockholders, the Tradeweb Stockholders Agreement, to the extent Tradeweb’s Refinitiv Stockholders continue to be entitled to nominate such director, will require Tradeweb to nominate an individual designated by Tradeweb’s Refinitiv Stockholders for election to fill the vacancy.

In addition, for so long as the Tradeweb Stockholders Agreement remains in effect, Tradeweb’s directors nominated by Tradeweb’s Refinitiv Stockholders may be removed only with the consent of Tradeweb’s Refinitiv Stockholders.

18.2.7 *Tradeweb Registration Rights Agreement*

On 8 April 2019, Tradeweb, Tradeweb’s Refinitiv Stockholders and the affiliates of certain banks holding an ownership interest in Tradeweb (“**Tradeweb’s Bank Stockholders**”) entered into a registration rights agreement (“**Tradeweb Registration Rights Agreement**”) pursuant to which Tradeweb granted Tradeweb’s Refinitiv Stockholders, Tradeweb’s Bank Stockholders, their affiliates and certain of their transferees (“**Tradeweb’s Stockholders**”) the right, under certain circumstances and subject to the terms of certain lock-up agreements and other restrictions, to require Tradeweb to register under the Securities Act their Tradeweb shares of Class A common stock. After registration pursuant to this right, these shares of Class A common stock will become freely tradable without restriction under the Securities Act.

(i) *Demand Rights*

From time to time after 1 October 2019 (i.e., 180 days after the pricing date of Tradeweb’s initial public offering), Tradeweb’s Stockholders may request that Tradeweb registers all or a portion of their Tradeweb registrable shares for sale under the Securities Act, including, when eligible, pursuant to a shelf registration statement (provided, in all cases, the aggregate number of registrable shares that are requested to be included in any such registration equals at least US\$100 million). In addition, from time to time when a shelf registration statement is effective, Tradeweb’s Stockholders may request that Tradeweb facilitate a shelf takedown of all or a portion of their Tradeweb registrable shares (provided the aggregate number of

registrable shares that are requested to be included in any such takedown equals at least US\$100 million). The foregoing demand rights are subject to a number of exceptions and limitations, and Tradeweb will not be required to effect a demand (whether for a non-shelf registered offering, an underwritten shelf registration or an underwritten shelf takedown) on more than one occasion in any twelve-month period. This limitation on the number of demands will fall away at the earlier of: (i) 4 April 2022 (i.e., the third anniversary of the pricing date of Tradeweb's initial public offering); and (ii) the date Tradeweb's Bank Stockholders own a number of shares of Tradeweb's common stock, in the aggregate, that is less than 10 per cent. of the number of shares of Tradeweb's common stock then outstanding. In addition, from and after the time that Tradeweb's Bank Stockholders own a number of shares of Tradeweb's common stock, in the aggregate, that is less than 10 per cent. of the total number of shares of Tradeweb's common stock then outstanding, Tradeweb's Bank Stockholders will have no further demand rights. In addition, Tradeweb will not be required to effect the registration as requested by any of Tradeweb's Stockholders, if in the good faith judgment of Tradeweb's board of directors, such registration would materially interfere with certain existing or potential material transactions or events involving Tradeweb and should be delayed or is reasonably likely to require premature disclosure of information that could have a material adverse effect on it. These demand rights are also subject to cutbacks, priorities and other limitations.

(ii) *Piggyback Registration Rights*

In addition, if at any time Tradeweb registers any shares of its Class A common stock (other than pursuant to registrations on Form S-4 or Form S-8), the holders of registrable shares are entitled to include, subject to certain exceptions and limitations, all or a portion of their registrable shares in the registration. The foregoing rights, with respect to Tradeweb's Bank Stockholders, will fall away when Tradeweb's Bank Stockholders own a number of shares of Tradeweb's common stock, in the aggregate, that is less than 10 per cent. of the total number of shares of Tradeweb's common stock then outstanding, provided, that, with respect to each Tradeweb Bank Stockholder on an individual basis, in no event shall such Tradeweb Bank Stockholder, together with any other holder that is an affiliate of such Tradeweb Bank Stockholder, cease to be entitled to piggyback rights if such Tradeweb Bank Stockholder, together with any such affiliate, owns a number of shares of Tradeweb's common stock, in the aggregate, that is more than 2 per cent. of the total number of shares of common stock then outstanding.

In the event that any registration in which the holders of registrable shares participate pursuant to the Tradeweb Registration Rights Agreement is an underwritten public offering, the number of registrable shares to be included may, in specified circumstances, be limited.

(iii) *Transfer Restrictions*

Without Tradeweb's prior written consent, Tradeweb's Stockholders are not permitted to transfer any registrable shares they beneficially own as of the closing of Tradeweb's initial public offering (the "**Initial Tradeweb Shares**"), including pursuant to Tradeweb Registration Rights Agreement, except: (i) with respect to 50 per cent. of such holder's Initial Tradeweb Shares, after 1 October 2019; (ii) with respect to the remainder of such holder's Initial Tradeweb Shares, after 4 April 2020 (i.e., 365 days after the pricing date of Tradeweb's initial public offering); (iii) to certain permitted transferees; and (iv) in certain other limited circumstances.

18.2.8 *Master Services Agreement*

On 1 October 2018, Refinitiv Parent and Thomson Reuters entered into the Master Services Agreement pursuant to which each party agreed to provide each other, on a transitional basis, with services and specified content consistent with the services and content that the various Thomson Reuters business lines provided to each other prior to the 2018 Transaction with the purpose of facilitating the smooth implementation of the 2018 Transaction. Some of the services and content sets provided by Thomson Reuters to Refinitiv are Newsroom Compliance Complete content as well as Westlaw, Practical Law, Onesource, Checkpoint, and Thomson Reuters Regulatory Intelligence and Compliance Complete products. Some of the services and products provided by Refinitiv to Thomson Reuters are Eikon, certain loan pricing content, Lipper data, capital markets and advisory private equity content, global historical banking content and the World-Check product. In each case such

services are provided in accordance with the scope of use, term and other provisions agreed in the Master Services Agreement. The initial term of the provision of most of these services under the Master Services Agreement is three years.

19. Litigation

19.1 LSEG litigation

Except as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which LSEG plc is aware), during the previous twelve months which may have, or have had in the recent past, significant effects on LSEG's financial position or profitability. The LCH Group has had correspondence and discussions with the joint special administrators of MFG (the "**Administrators**") in relation to default management exercises that took place prior to LCH's acquisition by LSEG. The Administrators made an application to the English High Court seeking an Order to compel disclosure of certain documents and information which was rejected by the English High Court. Separately, proceedings were filed in the Paris Commercial Court by the Administrators seeking to assess any losses suffered by MFG in connection with the close-out of MFG's positions at the time of its default and to establish the extent (and quantum) of LCH SA's liability for such losses. These claims were rejected by the Paris Commercial Court in a judgment dated 5 May 2016 on the basis that the proceedings were in any event time-barred under LCH SA's rule book. The Administrators appealed the decision. The appeal was heard by the Paris Court of Appeal in October 2018. The appeal judgment was handed down on 19 December 2018 and the Paris Court of Appeal ruled in favour of LCH SA, confirming the first instance decision and rejecting the appeal. The Administrators have appealed the decision to the French Supreme Court and filed their brief in support of their appeal on 30 September 2019. The Administrators have requested the appointment of a judicial expert to determine, *inter alia*, the assessment of MFG's alleged damages, but pending the outcome of such determination, the Administrators have asserted that MFG suffered a loss of EUR132.6 million, which corresponds to the difference between the Bloomberg prices as at the date of the default and the prices obtained by LCH SA as a consequence of the liquidation of MFG's portfolio. LCH SA expects that the appeal will be heard in the next 12 to 18 months. LCH SA is not aware of any basis for a successful claim and firmly rejects any allegations of potential liability.

19.2 Refinitiv litigation

Except as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which LSEG plc is aware), during the previous twelve months which may have, or have had in the recent past, significant effects on Refinitiv's financial position or profitability.

19.2.1 Omnesys Matter

Omnesys NEST, a sell-side order management system, was acquired in 2013 as part of the acquisition of Omnesys Technologies Pvt Ltd ("**OTPL**") by Refinitiv's predecessor company. OTPL had a continuing licensing agreement with Omnesys Technologies Inc ("**OTI**") to license OTI's middleware for the Omnesys NEST platform.

On 23 June 2019, OTI purported to terminate the licensing agreement with effect from 31 July 2019, alleging that the usage reports provided to OTI over the preceding six years were not certified as required by the licensing agreement and omitted to include certain details. On 15 July 2019, Refinitiv filed a lawsuit in New York State Supreme Court in Rockland County seeking an injunction to prevent OTI from terminating the operation of the middleware for Omnesys NEST and causing disruption to Refinitiv's customers. The New York State Supreme Court issued a temporary restraining order on 16 July 2019 in favour of Refinitiv ensuring that the ongoing relationship is maintained and that the continuity of ongoing service to customers is not disturbed. The Court extended that temporary restraining order on 15 August 2019, so that it remains in place pending the Court's decision on Refinitiv's motion for a preliminary injunction.

On 8 September 2019, OTI filed an amended answer, and asserted counterclaims against Refinitiv. On 30 September 2019, Refinitiv filed a partial motion to dismiss OTI's counterclaims.

OTI seeks US\$250 million in claim damages either as consequential damages or for supposed underpayment for sales made not by Refinitiv but for sales by Refinitiv's customers to their customers. Refinitiv moved to dismiss the claim for consequential damages as these are specifically precluded by the relevant agreement. Refinitiv considers that the alternative underpayment theory is without legal or

factual basis as Refinitiv's applicable revenues from the sales to its customers in the relevant period is substantially less than US\$10 million.

Refinitiv will continue to defend the interests of its customers. Refinitiv will engage as and when necessary and appropriate with authorities and regulators regarding actions taken by OTI that could interfere with customers' access rights. As detailed in its motion to dismiss, Refinitiv has strong defences to the counterclaim asserted by OTI and shall continue to vigorously defend its interests with regard to this claim.

19.2.2 *Tradeweb IDCFP Matter*

In September 2015, IDC Financial Publishing, Inc. ("**IDCFP**") filed a lawsuit in the US District Court for the Eastern District of Wisconsin against BondDesk Group LLC and Tradeweb Markets (which will be jointly referred to throughout this paragraph as the "**Tradeweb Parties**"), and Fidelity Global Brokerage Group, Inc., Fidelity Brokerage Services, LLC, and National Financial Services, LLC (collectively, "**Fidelity**"), captioned, *IDC Financial Publishing Inc. v. BondDesk Group LLC, et al., Case No. 2:15-cv-01085-PP*, relating to the distribution of IDCFP's financial strength ratings over Tradeweb's trading platform to Fidelity, its registered investment advisors, and Fidelity's correspondent banks. IDCFP alleges that while certain business units of Fidelity were licensed to receive its data via Tradeweb's platform, the IDCFP data was also distributed without authorisation to Fidelity's institutional customers for approximately five years. The complaint, as amended, asserts claims for breach of contract and intentional misrepresentation against all of the defendants (as well as a claim of tortious interference with contract, against Fidelity). IDCFP claims to have suffered approximately US\$80 million in damages and also seeks punitive damages, attorneys' fees and costs. The defendants answered the complaint denying the claims and asserting various affirmative defences. The Tradeweb Parties and Fidelity have moved for summary judgment dismissing IDCFP's claims and rejecting its damage theory as speculative and contrary to the evidence, and IDCFP has sought partial summary judgment dismissing several of the Tradeweb Parties' and Fidelity's affirmative defences. On 30 September 2019, the court granted in part and denied in part the motions for summary judgment filed by Tradeweb and the Fidelity co-defendants. The court dismissed the breach of contract claims against both Tradeweb and Fidelity, allowed the misrepresentation claims against both sets of defendants to move forward, denied Fidelity's motion for summary judgment with respect to a tortious interference with contract claim asserted only against Fidelity, and rejected IDCFP's damages theory to support any of its claims for approximately US\$80 million in damages. The case remains scheduled for trial in March 2020 with respect to the tort claims that survived. Tradeweb has stated that it intends to continue to vigorously defend what it considers to be a meritless and excessive claim.

19.2.3 *Tradeweb Treasuries Matter*

In December 2015, more than 40 substantially similar putative class action complaints filed by individual investors, pension funds, retirement funds, insurance companies, municipalities, hedge funds and banks were consolidated in the US District Court for the Southern District of New York under the caption *In re Treasuries Securities Auction Antitrust Litigation, No. 1:15-md-2673 (S.D.N.Y.) (PGG)*. In November 2017, the plaintiffs in these consolidated actions filed a consolidated amended complaint in which they allege: (i) an "Auction Conspiracy" among primary dealers of US Treasury securities in auctions for treasury securities and in the "when-issued" and secondary markets for such securities and other derivative financial products; and (ii) a "Boycott Conspiracy" among certain primary dealers and Tradeweb Markets, Tradeweb IDB Markets, Inc. and Dealerweb Inc. (which will be jointly referred to throughout this paragraph as the "**Tradeweb Parties**"). The plaintiffs purport to represent two putative classes: an "Auction Class" consisting of all persons who purchased treasuries in an auction, transacted in treasuries with a dealer defendant or through an exchange from 1 January 2007 through 8 June 2015, and a "Boycott Class" consisting of all persons who transacted in treasury securities in the secondary market with a dealer defendant from 15 November 2013 to the present. The consolidated amended complaint alleges that the Tradeweb Parties participated in the alleged "Boycott Conspiracy" through which certain primary dealers are alleged to have boycotted trading platforms permitting "all-to-all" trading of treasury securities. The complaint asserts claims against the Tradeweb Parties under Section 1 of the Sherman Antitrust Act and for unjust enrichment under state law and seeks to permanently enjoin the Tradeweb Parties and the dealer defendants from maintaining the alleged "Boycott Conspiracy" and an award of treble damages, costs and expenses. The defendants filed motions to dismiss in February 2018, including a separate motion to dismiss filed by the Tradeweb Parties. The motions to dismiss are pending. At this stage, LSEG is unable to estimate or quantify the

potential damages in relation to this matter. Tradeweb has stated that it intends to continue to vigorously defend its interests with regard to this claim.

19.2.4 **Tradeweb Interest Rate Swaps Matter**

In November 2015, Public School Teachers' Pension and Retirement Fund of Chicago, on behalf of itself and a putative class of other similar purchasers of interest rate swaps, filed a lawsuit in the US District Court for the Southern District of New York against Tradeweb Markets, ICAP Capital Markets LLC and several investment banks and their affiliates (the "**Dealer Defendants**"), captioned *Public School Teachers' Pension and Retirement Fund of Chicago v. Bank of America Corporation, Case No. 15-cv-09219 (S.D.N.Y.)*. Additional plaintiffs, including Tera Group Inc. and Javelin Capital Markets LLC, filed lawsuits and, ultimately, the cases were consolidated under the caption *In re Interest Rate Swaps Antitrust Litigation, No. 1:16-md-2704*. The plaintiffs allege that defendants conspired to forestall the emergence of exchange style trading for interest rate swaps and seek treble damages and declaratory and injunctive relief under federal antitrust laws with respect to Tradeweb Markets. Plaintiffs allege that Tradeweb agreed with the Dealer Defendants to shutter its plans to launch an exchange-like trading platform for interest rate swaps in furtherance of the conspiracy and provided a forum where the Dealer Defendants carried out their alleged collusion. Tradeweb Markets and certain other entities were dismissed from the lawsuit in July 2017, following the court's order and opinion on defendants' motions to dismiss. In May 2018, the court denied plaintiffs' request for leave to amend their complaint to reinstate Tradeweb Markets as a defendant, but granted leave to amend to include additional allegations. In October 2018, plaintiffs filed a motion seeking leave to file a proposed fourth amended complaint. They did not seek to name Tradeweb Markets as a defendant but instead purported to reserve all rights with respect to Tradeweb Markets. While Tradeweb Markets is not a party to the litigation, it was actively engaged in third-party discovery and responded to the parties' data and document requests. Additionally, in June 2018, the plaintiffs notified the court that they are likely to move for entry of judgment of the dismissed claims. At this stage, LSEG is unable to estimate or quantify the potential damages in relation to this matter, given in particular that Tradeweb has been dismissed as a defendant from this matter. Tradeweb has stated that it intends to continue to vigorously defend its interests with regard to any claims against it that arise from this litigation.

20. **LSEG plc related party transactions**

The related party transactions that were entered into by LSEG plc during the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016 are referred to in the Annual Report and Accounts for LSEG plc for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016 respectively, each of which is incorporated into this document by reference, as further described in Part X (*Documentation Incorporated by Reference*), of this document. There were no new related party transactions entered into by LSEG plc between 31 December 2018 and the Latest Practicable Date that were material to LSEG.

21. **No significant change**

- 21.1 There has been no significant change in the financial or trading position of LSEG since 30 June 2019, being the date to which LSEG plc's last interim accounts were prepared.
- 21.2 There has been no significant change in the financial or trading position of Refinitiv since 30 June 2019, being the date to which the Combined Historical Financial Information of Refinitiv Parent included in Section C of Part VI (*Historical Financial Information Relating to Refinitiv*), of this document, was prepared.

22. **Combined Business working capital statement**

LSEG plc is of the opinion that, taking into account the cash resources and bank facilities available to the Combined Business, the Combined Business has sufficient working capital for its present requirements, that is, for at least 12 months following the date of publication of this document.

23. **Sources and bases of selected financial information**

- 23.1 All references to LSEG Ordinary Shares are to LSEG plc ordinary shares of 6⁷⁹/₈₆ pence each.

- 23.2 All references to LSEG Limited-voting Ordinary Shares are to LSEG plc limited-voting ordinary shares of 6⁷⁹/₈₆ pence each, which are proposed to be issued to the Refinitiv Sellers on Completion as consideration for the Transaction.
- 23.3 All references to LSEG Shares are to LSEG Ordinary Shares and, following Completion, LSEG Ordinary Shares and LSEG Limited-voting Ordinary Shares.
- 23.4 As at the Latest Practicable Date, there were:
- (a) 349,738,988 LSEG Ordinary Shares in issue (excluding treasury shares);
 - (b) 932,533 LSEG Ordinary Shares held in treasury;
 - (c) 3,758,331 LSEG Ordinary Shares that have been awarded under long-term incentive plans. Awards vest (and options become exercisable at no cost) under these plans subject to certain conditions;
 - (d) 757,331 outstanding share options that have been granted by LSEG plc in respect of LSEG Ordinary Shares under the sharesave plans with a weighted average exercise price of £29.87;
 - (e) 231,062 outstanding share options that have been granted by LSEG plc in respect of LSEG Ordinary Shares under other share option plans, of which the majority are nil cost except 1,676 outstanding share options with a weighted average exercise price of £8.94. Options become exercisable under these plans subject to certain conditions; and
 - (f) 523,502 LSEG Ordinary Shares held by LSEG plc's Employee Benefit Trust.
- As at the Latest Practicable Date this implies 355,098,250 LSEG Ordinary Shares outstanding on a fully diluted basis.
- 23.5 Subject to and conditional on Completion occurring, it is expected that 179,750,740 LSEG Shares will be issued to the Refinitiv Sellers on Completion. In addition, 30 days after Completion, LSEG plc will issue a further 24,615,845 LSEG Ordinary Shares to ConsortiumCo.
- 23.6 Should the Transaction proceed to Completion and assuming there are no more than 355,098,250 LSEG Ordinary Shares outstanding on a fully diluted basis immediately preceding Completion, this implies 559,464,835 LSEG Shares outstanding on a fully diluted basis at Completion.
- 23.7 Unless otherwise stated, all prices quoted for LSEG Ordinary Shares have been derived from the Official List of London Stock Exchange and represent closing middle market prices on the relevant date.
- 23.8 Where amounts are shown in both US\$ and sterling in this document, unless otherwise stated an exchange rate of 1.2981 has been used, which was derived from data provided by Eikon as at 4.30 p.m. London time on the Latest Practicable Date.
- 23.9 Certain figures included in this document have been subject to rounding adjustments.

24. Consents

- 24.1 PwC has given and not withdrawn its written consent to the inclusion in this document of its report in Part VI (*Historical Financial Information Relating to Refinitiv*) in the form and context in which it is included.
- 24.2 KPMG has given and not withdrawn its written consent to the inclusion in this document of its report in Part VIII (*Unaudited Pro Forma Financial Information for the Combined Business*) in the form and context in which it is included.
- 24.3 Goldman Sachs has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- 24.4 Morgan Stanley has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- 24.5 Robey Warshaw has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

- 24.6 Barclays has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear.
- 24.7 RBC Capital Markets has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear.

25. Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays in the United Kingdom excepted) for a period beginning on the date of this document until the conclusion of the LSEG General Meeting at LSEG plc's registered address at 10 Paternoster Square, London EC4M 7LS, and at the offices of Freshfields Bruckhaus Deringer LLP at the Northcliffe House entrance, 26-28 Tudor Street, London, EC4Y 0BQ. They will also be available for inspection at the LSEG General Meeting for a period starting at least 15 minutes prior to the start of the LSEG General Meeting, until it ends, and via the link on LSEG's website at <https://www.lseg.com/investor-relations/financial-reports-and-key-documents/ma-documents/acquisition-refinitiv>, from the date of this document, until Completion or termination of the Transaction in accordance with its terms;

- 25.1 this document;
- 25.2 the Form of Proxy;
- 25.3 the Announcement;
- 25.4 the Stock Purchase Agreement;
- 25.5 the Stock Purchase Agreement Support Agreement;
- 25.6 complete copies of each of the documents incorporated by reference into this document pursuant to Part X (*Documentation Incorporated by Reference*), of this document;
- 25.7 copies of the written consents from KPMG, PwC, Goldman Sachs, Morgan Stanley, Robey Warshaw, Barclays and RBC Capital Markets, referred to at paragraph 24 of this Part IX (*Additional Information*), of this document; and
- 25.8 the Articles.

**PART X
DOCUMENTATION INCORPORATED BY REFERENCE**

Parts of other documents are incorporated by reference in, and form part of, this document. The following documentation, which was sent to LSEG Shareholders at the relevant time and/or is available as described below, contains information that is relevant to the Transaction:

<u>Reference document</u>	<u>Information incorporated by reference</u>	<u>Page number in reference document</u>
LSEG plc's interim management statement for the six month period ended 30 June 2019	Condensed consolidated income statement	13
	Condensed consolidated statement of comprehensive income	14
	Condensed consolidated balance sheet	15
	Condensed consolidated cash flow statement	16
	Condensed consolidated statement of changes in equity	17
	Notes to the interim condensed consolidated financial statements	18
	Independent review report	47
LSEG plc's Annual Report and Accounts for the financial year ended 31 December 2018	Independent auditors' report	106
	Consolidated income statement	115
	Consolidated statement of comprehensive income	116
	Balance sheets	117
	Cash flow statements	119
	Statements of changes in equity	120
	Notes to the financial statements	122
LSEG plc's Annual Report and Accounts for the financial year ended 31 December 2017	Independent auditors' report	100
	Consolidated income statement	109
	Consolidated statement of comprehensive income	110
	Balance sheets	111
	Cash flow statements	112
	Statements of changes in equity	113
	Notes to the financial statements	115
LSEG plc's Annual Report and Accounts for the financial year ended 31 December 2016	Independent auditors' report	102
	Consolidated income statement	112
	Consolidated statement of comprehensive income	113
	Balance sheets	114
	Cash flow statements	115
	Statements of changes in equity	116
	Notes to the financial statements	118

These documents are available free of charge on LSEG's website at <https://www.lseg.com/investor-relations/financial-reports-and-key-documents/ma-documents/acquisition-refinitiv>. If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting LSEG plc's registrar, Equiniti, at Aspect House, Spencer Road, Lancing Business Park, Lancing, West Sussex BN99 6DA, or between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays), on 0330 123 5505 from within the UK, or on +44 (0) 121 415 0902 if calling from outside the UK (calls from outside the UK will be charged at the applicable international rate), with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes). You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form. Please note that calls may be monitored or recorded and Equiniti cannot provide legal, tax or financial advice or advice on the merits of the Transaction.

Where the documents listed above in this Part X (*Documentation Incorporated by Reference*), of this document, make reference to other documents, such other documents are not incorporated into and do not form part of this document. Parts of the document incorporated by reference which are not set out above are either not relevant or are covered elsewhere in this document. Save as expressly referred to herein, neither the content of LSEG's website, nor the content of any website accessible from hyperlinks on LSEG's website, is incorporated into, or forms part of, this document.

PART XI DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise.

2015 Revolving Credit Facility	as defined in paragraph 18.1.5 of Part IX (<i>Additional Information</i>), of this document
2017 Revolving Credit Facility	as defined in paragraph 18.1.6 of Part IX (<i>Additional Information</i>), of this document
2018 Transaction	as defined in the paragraph headed “ <i>Summary information on Refinitiv</i> ” in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
2018 Transaction Closing Date	1 October 2018, being the date on which the 2018 Transaction closed
2019 Bridge Facilities	as defined in the paragraph headed “ <i>Summary of the terms of the Transaction</i> ” in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
2021 Notes	as defined in paragraph 18.1.8 of Part IX (<i>Additional Information</i>), of this document
2024 Notes	as defined in paragraph 18.1.9 of Part IX (<i>Additional Information</i>), of this document
2027 Notes	as defined in paragraph 18.1.11 of Part IX (<i>Additional Information</i>), of this document
2029 Notes	as defined in paragraph 18.1.10 of Part IX (<i>Additional Information</i>), of this document
Administrators	as defined in paragraph 19.1 of Part IX (<i>Additional Information</i>), of this document
Admission	as defined in the paragraph headed “ <i>Summary of the terms of the Transaction</i> ” in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
Advisers Act	the US Investment Advisers Act of 1940
AI	artificial intelligence
AIM	the Alternative Investment Market of the London Stock Exchange
Allotment Resolution	Resolution 2 set out in Part XII (<i>Notice of General Meeting</i>), of this document
Alternative Transaction	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Announcement	the RNS announcement in respect of the Transaction made by LSEG plc on 1 August 2019
Annuity Policy	as defined in the paragraph headed “ <i>Retirement benefit obligations</i> ” in Part VI (<i>Historical Financial Information Relating to Refinitiv</i>), of this document
Antitrust and Regulatory Condition	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Articles	the articles of association of LSEG plc
ATs	alternative trading systems
AUM	assets under management

Barclays	Barclays Bank PLC, acting through its Investment Bank
Benchmark Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014
Blackstone	(i) for the purposes of the phrase “investment funds affiliated with Blackstone”, Blackstone Management Partners; and (ii) for the purposes of the rest of this document, collectively, Blackstone Family Investment Partnership (Cayman) VII ESC L.P. and BCP York Upper Aggregator (Cayman) L.P.
Blackstone Consortium	has the meaning given in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
Blackstone Management Partners	Blackstone Management Partners L.L.C.
Board	the board of Directors of LSEG plc as at the date of this document or, where the context so requires, the Directors of LSEG plc from time to time
Borsa Italiana	Borsa Italiana S.p.A., a company incorporated in Italy
Brexit	the departure of the United Kingdom from the EU
BRRD	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council
BSL	LSEG Business Services Limited, a company incorporated in England and Wales
Business Day	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for normal business in London and New York
CAGR	compound annual growth rate
California Privacy Act	the California Privacy Act of 2018
CC&G	Cassa di Compensazione e Garanzia., a company incorporated in Italy
CC&G Credit Facility Agreements	as defined in paragraph 18.1.7 of Part IX (<i>Additional Information</i>), of this document
CCP	a central clearing counterparty that intermediates, and therefore takes the risk, of the obligations of transactions between its clearing members (or other CCPs through interoperability arrangements) under the transactions entered into by those clearing members (or by their clearing customers) that are cleared through it
CEA	the US Commodity Exchange Act 1936
certificated or certificated form	shares not recorded on the relevant register of members as being in uncertificated form by virtue of the CREST Regulations
CFIUS	the Committee on Foreign Investment in the US and each member agency thereof acting in such capacity
CFTC	the Commodity Futures Trading Commission of the US

City Code	the UK City Code on Takeovers and Mergers as from time to time interpreted and amended by the Panel
Clariant	Clariant Global LLC, a global KYC and client reference data platform of Thomson Reuters
CMU	Capital Markets Union
Combined Business	LSEG and Refinitiv on and following Completion
Combined Business' IP Assets	as defined in Part II (<i>Risk Factors</i>), of this document
Companies Act	the UK Companies Act 2006, as amended from time to time
Company Director Concert Party	as defined in paragraph 3.3 in Part IX (<i>Additional Information</i>), of this document
Completion	completion of the Transaction
Completion Consideration Ordinary Shares	as defined in the paragraph headed " <i>The Stock Purchase Agreement</i> " in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Completion Steps	as defined in the paragraph headed " <i>The Stock Purchase Agreement</i> " in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Conditions	the conditions in the Stock Purchase Agreement as described in the paragraph headed " <i>The Stock Purchase Agreement</i> " in Part III (<i>Summary of the Key Transaction Terms</i>), of this document, and " Condition " shall mean any one of them
Confidentiality Agreement	the confidentiality agreement entered into between LSEG plc and Refinitiv Limited dated 21 March 2019
Consideration Shares	the LSEG Shares to be issued: (i) to the Refinitiv Sellers on Completion; and (ii) to ConsortiumCo on the PIK Redemption Date, provided that where such term is used in connection with the Lock-up Provisions, it shall exclude 5,781,285 LSEG Ordinary Shares, which shall be free to be sold at any time after the PIK Redemption Date
CONSOB	Commissione Nazionale per le Società e la Borsa, being the Italian Companies and Exchange Commission
ConsortiumCo	BCP York Holdings (Delaware) LP, a limited partnership owned by the Blackstone Consortium
CP Notes	as defined in paragraph 18.1.12 of Part IX (<i>Additional Information</i>), of this document
CPPIB	CPP Investment Board (USRE III) Inc.
CRD IV	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012
Credit Agreement	as defined in paragraph 18.2.1 of Part IX (<i>Additional Information</i>), of this document
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form

CREST Manual	the CREST Manual published by Euroclear, as amended from time to time
CREST Proxy Instruction	a proxy appointment or instruction made using the CREST system
CREST Regulations	the EU Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
CSD	a central securities depository
CSDR	the EU Central Securities Depository Regulation, being Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012
CSMAD	Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (Market Abuse Directive)
CurveGlobal	Curve Global Limited, a company incorporated in England and Wales
Daily Official List	the daily official list of the London Stock Exchange
DCM	a designated contract market
DCO	a derivatives clearing organisation
Dealer Defendants	as defined in paragraph 19.2.4 of Part IX (<i>Additional Information</i>), of this document
Deferred Issue Shares	has the meaning given in paragraph 7 (<i>Summary of the terms of the Transaction</i>) of Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
Directors	the directors of LSEG plc as at the date of this document or, where the context so requires, the directors of LSEG plc from time to time
Disposal	any offer of, sale of, contract to sell, grant or sale of options over, purchase of any option or contract to sell, transfer of, charge or pledge or encumbrance over, allotment or issue of, grant of any right or warrant to purchase or otherwise transfer, lending or disposal of or other monetisation of any Securities or any interest in Securities or the entry into of any swap or other agreement that grants, transfers, or entitles any person to, or may in the future grant, transfer, or entitle any person to, in whole or in part, any of the economic consequences of ownership of Securities, whether any such transaction described above is to be settled by delivery of such Securities, in cash or otherwise or any other disposal or agreement to dispose of any Securities, any interest in Securities, any rights attaching to Securities or the economic consequences of ownership of Securities, or any announcement or other publication of the intention to do, or any agreement or arrangement to do, any of the foregoing (provided that Disposal shall not include the transfer of third-party limited partner interests in any fund, vehicle or similar entity of the Blackstone private equity business, except where a third-party would as a result of the Disposal hold a see-through economic interest in Refinitiv Holdings of more than 5 per cent.)
Dodd-Frank	the US Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

Dollar Loan Facility	as defined in paragraph 18.2.1 of Part IX (<i>Additional Information</i>), of this document
Dollar Secured Notes	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Dollar Unsecured Notes	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
EBIT	adjusted earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
EC	the European Commission, being the executive branch of the EU
ECB	European Central Bank
ECP Programme	as defined in paragraph 18.1.12 of Part IX (<i>Additional Information</i>), of this document
EDD	enhanced due diligence
EEA	EU Member States from time to time, together with Norway, Iceland and Liechtenstein
ELT	the executive leadership team of Refinitiv
Emerald	Emerald Acquisition Limited, a company incorporated in England and Wales
EMIR	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories
EMS	execution management system
EPA	electronic proxy appointment
Equiniti	Equiniti Limited, a company incorporated in England and Wales, LSEG plc's registrar and part of the Equiniti group of companies
ERM	the enterprise risk management framework of Refinitiv
ERMF	the enterprise risk management framework of LSEG
ESG	environmental, social and governance
ESMA	the European Securities and Markets Authority
ETC	exchange traded commodity
ETF	an exchange traded fund
EU	the European Union
EU Member States	the member states of the EU from time to time
EURIBOR	the European Interbank Offer Rate
Euro Loan Facility	as defined in paragraph 18.2.1 of Part IX (<i>Additional Information</i>), of this document
Euro Secured Notes	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Euro Unsecured Notes	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Euroclear	Euroclear UK & Ireland Limited, a company incorporated in England and Wales
EuroMTS	EuroMTS Limited, a company incorporated in England and Wales
Euronext	Euronext NV, a company incorporated in the Netherlands

Euronext Derivatives	commodity derivatives eligible for clearing on LCH's CommodityClear exchange
EuroTLX	EuroTLX società di intermediazione mobiliare S.p.A., a company incorporated in Italy
Eurozone	the Member States of the EU, from time to time, that have adopted the Euro as their currency
Exchange Act	the US Securities Exchange Act of 1934
Facilities	as defined in paragraph 18.2.1 of Part IX (<i>Additional Information</i>), of this document
FBOT	the US Commodity Futures Trading Commission's Foreign Boards of Trade
FCA	the UK Financial Conduct Authority
Fidelity	Fidelity Global Brokerage Group, Inc., Fidelity Brokerage Services, LLC, and National Financial Services, LLC
FINRA	the US Financial Industry Regulatory Authority
Fintech	financial technology
FMI	financial markets infrastructure
Form(s) of Proxy	the Form of Proxy for use at the LSEG General Meeting, which is being sent to LSEG Shareholders with this document
Fourth Anniversary	as defined in the paragraph headed " <i>The Relationship Agreement</i> " in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
FRC	UK Financial Reporting Council
FRTSIL	Financial & Risk Transaction Services Ireland Limited, a company incorporated in Ireland
FSMA	the UK Financial Services and Markets Act 2000, as amended
FSOC	Financial Stability Oversight Council of the US Department of the Treasury
FTEs	full time equivalent
FTSE	Financial Times Stock Exchange
FVOCI	fair value through other comprehensive income statement
FVPL	fair value through profit and loss
FX	foreign exchange
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
GIC	Suzuka Investment Pte Ltd
Goldman Sachs	Goldman Sachs International
Hard Brexit	the United Kingdom failing to leave the EU with a withdrawal agreement
HMRC	Her Majesty's Revenue & Customs in the UK
holder	in the context of holding securities, including through CREST, a registered holder (including any person(s) entitled to such securities by transmission)

HSR Act	the US Hart-Scott-Rodino Antitrust Improvements Act of 1976
IBs	introducing brokers
IDCFP	IDC Financial Publishing, Inc.
IDEM	the Italian Derivatives Market
IFCA	the Italian Financial Consolidated Act (<i>Testo unico delle disposizioni in materia di intermediazione finanziaria</i>)
IFRS	International Financial Reporting Standards, as adopted by the EU
IMO	as defined in the paragraph 10 (<i>Integration</i>) of Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
Indentures	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Indentures Guarantors	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Indentures Issue Date	1 October 2018, being the date on which the Indentures were issued
Indentures Subsidiary Guarantors ..	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Indirect Shareholders	as defined in the paragraph headed “ <i>The Stock Purchase Agreement Support Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Initial Tradeweb Shares	as defined in paragraph 18.2.7 of Part IX (<i>Additional Information</i>), of this document
Integration Committee	as defined in the paragraph headed “ <i>Integration Committee</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
IOB	the International Order Book operated by the London Stock Exchange
IOSCO	the International Organisation of Securities Commissions
IOSCO Principles	the principles of the securities regulation set out in the International Organisation of Securities Commissions’ Objectives and Principles of Securities Regulation
IP	intellectual property
ISE Group	US Exchange Holdings, Inc., a company incorporated in New York, together with its direct and indirect subsidiaries
ISIN	international securities identification number
IT	information technology
KPMG	KPMG LLP, a limited liability partnership registered with the registrar for England and Wales
KYC	know your customer screening
Latest Practicable Date	close of business on 1 November 2019
LCH	LCH Group Holdings Limited, a company incorporated in England and Wales
LCH Group	LCH and its direct and indirect subsidiaries
LCH Limited	LCH.Clearnet Limited, a company incorporated in England and Wales
LCH Relationship Agreement	as defined in paragraph 18.1.4 of Part IX (<i>Additional Information</i>), of this document

LCH SA	LCH.Clearnet SA (<i>Banque Centrale de Compensation SA</i>), a company incorporated in France
LIBOR	the London interbank offer rate
Limited-voting Ordinary Shareholder	a holder of LSEG Limited-voting Ordinary Shares
Listing Rules	the rules and regulations made by the FCA in its capacity as the competent authority under the Financial Services and Markets Act 2000, and contained in the FCA’s publication of the same name
Lock-up Provisions	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
London Stock Exchange	London Stock Exchange plc, a company incorporated in England and Wales
Long Stop Date	31 May 2021
LSEG	LSEG plc and its subsidiaries and subsidiary undertakings
LSEG Executive Committee	the executive committee of LSEG, currently comprising the LSEG Executive Directors and the LSEG Key Managers
LSEG Executive Directors	the executive directors of LSEG plc as at the date of this document, being David Schwimmer, David Warren and Raffaele Jerusalemi
LSEG General Meeting	the general meeting of the LSEG Shareholders to be held on 26 November 2019 in connection with the Transaction, to consider and, if thought fit, pass the Resolutions (or any adjournment thereof)
LSEG Key Managers	those persons listed in paragraph 9.1 of Part IX (<i>Additional Information</i>), of this document
LSEG Limited-voting Ordinary Shares	as defined in the paragraph headed “ <i>Summary of the Terms of the Transaction</i> ” in Part I (<i>Letter from the Chairman of LSEG plc</i>), of this document
LSEG LTIP (2014)	the LSEG Long-Term Incentive Plan 2014
LSEG MAE Warranty	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
LSEG Non-Executive Directors	the Non-Executive Directors of LSEG plc as at the date of this document, being Don Robert, Paul Heiden, Jacques Aigrain, Marshall Bailey OBE, Professor Kathleen DeRose, Cressida Hogg CBE, Stephen O’Connor, Dr. Val Rahmani, Professor Andrea Sironi and Dr. Ruth Wandhöfer
LSEG Ordinary Shares	the voting ordinary shares of 6 ⁷⁹ / ₈₆ pence each in the capital of LSEG plc
LSEG plc (or the Company)	London Stock Exchange Group plc, a public limited company incorporated in England and Wales with registered number 5369106, whose shares are admitted to the premium listing segment of the Official List and traded on the Main Market
LSEG Share Plans	the LSEG LTIP (2014), the LSEG Deferred Bonus Plan 2014, the LSEG plc SAYE Option Scheme, the LSEG plc International Sharesave Plan 2018, the LSEG plc Performance Aligned Restricted Share Plan 2010, the LSEG plc Restricted Share Award Plan 2008, the LCH Group Limited Long-term Incentive

	Plan 2014 and any other share incentive plan or arrangement operated by LSEG
LSEG Shareholders	the registered holders of LSEG Shares from time to time
LSEG Shares	the LSEG Ordinary Shares, and, following Completion, the LSEG Ordinary Shares and the LSEG Limited-voting Ordinary Shares
LSEG Sponsor Agreement	as defined in paragraph 18.1.1 of Part IX (<i>Additional Information</i>), of this document
Main Market	The London Stock Exchange’s Main Market for Listed Securities
MAR	the Market Abuse Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
MarketAxess	MarketAxess Holdings Inc., a company incorporated in the US
Master Services Agreement	The contract described in paragraph 18.2.8 of Part IX (<i>Additional Information</i>), of this document
Maximum Voting Threshold	as defined in the paragraph headed “ <i>Summary of the terms of the Transaction</i> ” in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
MFG	MF Global UK Ltd, a company incorporated in England and Wales
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012
Millennium Exchange	LSEG’s multi-asset class trading platform, deployed for the UK, Italian and Turquoise equities markets
MillenniumIT	Millennium Information Technologies (Private) Limited, a company incorporated in Sri Lanka
MIP	Refinitiv Holdings’ management incentive plan as defined in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
MIV	the electronic market for investment vehicles for highly-specialised investment entities operated by Borsa Italiana
MLDIV	Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (the fourth money laundering directive)
MLDV	Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the

prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU (the fifth money laundering directive)

Monte Titoli	Monte Titoli S.p.A., a company incorporated in Italy
Morgan Stanley	Morgan Stanley & Co International plc, a company incorporated in England and Wales
MOT	Mercato Obbligazionario Telematico, LSEG’s Italian retail bond trading platform
MTA	Mercato Telematico Azionario, Borsa Italiana’s electronic markets on which shares, convertible bonds, warrants and option rights are traded
MTF	multilateral trading facility
MTS	Società per il Mercato dei Titoli di Stato S.p.A., a company incorporated in Italy
NCA	national competent authority
NDF	non-deliverable forward
NFA	the National Futures Association, a self-regulatory organisation for the US derivatives industry
Nomination Committee	the nomination committee of LSEG plc
Notice of General Meeting	means the notice of the LSEG General Meeting included at Part XII (<i>Notice of General Meeting</i>), of this document
Official List	the official list maintained by the FCA
OMS	order management systems
ORB	order book for retail bonds
Orderly Marketing Provisions	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
OTC	over-the-counter
OTI	Omnesys Technologies Inc, a company incorporated in New York
OTF	organised trading facilities
OTPL	Omnesys Technologies Private Ltd, a company incorporated in India
Panel	the UK Panel on Takeovers and Mergers
Paris Agreement	the agreement within the United Nations Framework Convention on Climate Change, dealing with greenhouse-gas-emissions mitigation, adaptation, and finance, dated 4 November 2016
Permitted Adjournment Event	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Permitted Disposal	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
PFIC	passive foreign investment company
PIK Redemption Date	as defined in the paragraph headed “ <i>Summary of the terms of the Transaction</i> ” in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document

PR Regulation	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004
Pre-Completion Restructuring Steps	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Pre-Termination Notice	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Prior Transaction Agreement	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Prospectus	the prospectus to be published by LSEG in connection with the Transaction
PwC	PricewaterhouseCoopers LLP, a limited liability partnership registered with the registrar for England and Wales
R&W Polices	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
RBC Capital Markets	RBC Europe Limited, Trading as RBC Capital Markets, a company incorporated in England and Wales
RBSL	Refinitiv Benchmark Services (UK) Limited, a company incorporated in England and Wales
Recommendation Withdrawal	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>)
Refinitiv	Refinitiv Parent and its subsidiaries and subsidiary undertakings
Refinitiv Board	the board of directors of Refinitiv Parent as at the date of this document or, where the context so requires, the directors of Refinitiv Parent from time to time
Refinitiv Director	means a non-executive director of LSEG plc appointed to the Board after having been nominated for appointment to the Board by Refinitiv Holdings in accordance with the terms of the Relationship Agreement
Refinitiv Holdings	Refinitiv Holdings Limited, a company incorporated in the Cayman Islands
Refinitiv MAE Warranty	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Refinitiv Parent	Refinitiv Parent Limited, a company incorporated in the Cayman Islands
Refinitiv Sellers	as defined in the paragraph headed “ <i>Summary of the terms of the Transaction</i> ” in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document
Refinitiv Shareholders	as defined in Part I (<i>Letter From the Chairman of LSEG plc</i>), of this document

Refinitiv Warranties	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Regulation SBSR	the US Regulation on the Reporting and Dissemination of Security-Based Swaps Information and Transaction Data to SBS repositories, which came into effect on 11 October 2016
Regulatory Information Service	any of the services authorised by the FCA from time to time for the purpose of disseminating regulatory announcements
Relationship Agreement	the agreement which LSEG plc, Refinitiv Holdings, the Refinitiv Sellers and ConsortiumCo will enter into at Completion to regulate their relationship on and after Completion
Relationship Agreement Support Agreement	the agreement which LSEG plc, Blackstone Management Partners, Blackstone, ConsortiumCo, Thomson Reuters, CPPIB and GIC, among others, will enter into at Completion to regulate the relationship between LSEG and such parties on and after Completion
Relevant Period	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Relevant Persons	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Relevant Resolution	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Relevant Shareholder Arrangements	as defined in the paragraph headed “ <i>Relevant Shareholder Arrangements</i> ”, in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Remedies	(i) any sale, divestiture or disposal of assets, properties or businesses of LSEG or Refinitiv or any interest therein; or (ii) any actions that would limit LSEG or Refinitiv’s freedom of action with respect to, or its ability to retain, any assets, properties, businesses, of LSEG or Refinitiv or any interest therein.
Reporting Accountant(s)	each of KPMG and PwC
Required Assignments	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Resolutions	the Transaction Resolution and the Allotment Resolution
Reuters News	Reuters News & Media Limited, a company incorporated in England and Wales
Reverse Takeover	a reverse takeover under chapters 5 and 10 of the Listing Rules
Revolving Credit Facility	as defined in paragraph 18.2.1 of Part IX (<i>Additional Information</i>), of this document
RGM	as defined in the paragraph headed “ <i>Regulatory and Legal Environment</i> ”, in section B of Part V (<i>Industry, Competition, Regulatory and Legal Frameworks</i>), of this document
RNS	regulatory news service
Robey Warshaw	Robey Warshaw LLP, a limited liability partnership registered with the registrar for England and Wales

ROPP	the Refinitiv Overseas Pension Plan (formerly, Thomson Reuters' (Overseas) Pension Plan)
RPF	the Reuters Pension Fund
Russell	the Frank Russell Company, acquired by LSEG in 2014
Russell Investments	the asset management business of Russell, sold by LSEG in 2016
Russell SAPA	as defined in paragraph 18.1.3 of Part IX (<i>Additional Information</i>), of this document
SBS	security-based swaps
SD	a swap dealer
SDR	a registered swap data repository
SEC	the US Securities and Exchange Commission
Second Anniversary	as defined in the paragraph headed " <i>The Relationship Agreement</i> " in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Secured Notes	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Securities	any shares or rights to subscribe for (or convert securities into) shares (including any options or awards convertible into or exercisable or exchangeable for shares) or other equity securities of: (i) with respect to the Relationship Agreement, LSEG plc; and (ii) with respect to the Relationship Agreement Support Agreement, ConsortiumCo, Refinitiv Holdings, the Refinitiv Sellers and certain entities which have an equity interest, directly or indirectly, in those entities;
Securities Act	the US Securities Act of 1933, as amended, and the rules and regulations made thereunder
SeDeX	Borsa Italiana's electronic regulated market for securitised derivatives
SEDOL	LSEG's global, multi-asset class reference data service
SEDOL codes	SEDOL's unique identification codes for global equity, derivatives and fixed income securities
SEDOL Masterfile	LSEG's expanding securities identification services
SEF	a swap execution facility
Share Trading Obligation	the obligation set out in Article 23 of MiFIR, applicable to EU investment firms, to ensure the trades the firm undertakes in shares admitted to trading on a regulated market or traded on a trading venue shall take place on a regulated market, MTF or systematic internaliser, or a third-country trading venue assessed as equivalent, unless certain limited circumstances apply
Shareholder Admission Card	the admission card in respect of the LSEG General Meeting, sent to LSEG Shareholders with this document and the Form of Proxy
Shareholder Helpline	0371 384 2544 (from within the UK) or +44 (0) 121 415 7047 (from outside the UK)
SME	small or medium sized enterprise
SPPI	solely payments of principal and interest
SPS	the Reuters Supplementary Pension Scheme

SRB	Single Resolution Board, the central resolution authority within the Banking Union of the EU
SRM	the Single Resolution Mechanism, being the Single Resolution Board together with the National Resolution Authorities of participating EU Member States from time to time
SSM	the Single Supervisory Mechanism of the Eurozone, established pursuant to Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (the SSM framework regulation)
Standstill Provisions	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Stock Purchase Agreement	the stock purchase agreement entered into between LSEG plc and Refinitiv Holdings on 1 August 2019, amended on 23 August 2019, and amended and restated on 4 November 2019
Stock Purchase Agreement Support Agreement	the agreement entered into between LSEG plc, and, among others, Blackstone Management Partners, Blackstone, ConsortiumCo, Thomson Reuters, CPPIB and GIC, on 1 August 2019 and amended and restated on 4 November 2019
subsidiary	has the meaning given in section 1159 of the Companies Act
Subsidiary Guarantors	as defined in paragraph 18.2.1 of Part IX (<i>Additional Information</i>), of this document
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act
T2S	TARGET2-Securities, the ECB’s centralised platform for securities settlement.
Target Cost Savings	as defined in the paragraph headed “ <i>Summary information on Refinitiv</i> ” in Part I (<i>Letter from the Chairman of LSEG plc</i>), of this document
Tax Indemnity Agreement	as defined in the paragraph headed “ <i>The Stock Purchase Agreement Support Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Technology Services	as defined in the paragraph headed “ <i>LSEG Business Divisions</i> ” in Part IV (<i>Information on the Combined Business</i>), of this document
Third Anniversary	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Thomson Reuters	Thomson Reuters Corporation, a company incorporated in Canada
Thomson Reuters News Agreement	the agreement described in paragraph 18.2.3 of Part IX (<i>Additional Information</i>), of this document
Thomson Reuters Trust Principles	the Thomson Reuters Trust Principles available at www.ThomsonReuters.com/en/about-us/trust-principles.html and any successor or replacement principles that the Thomson Reuters Founders Share Company Ltd. requires to be upheld from time to time
Trademark License Agreements	the agreements under which Thomson Reuters granted Refinitiv licenses to permit using the “Reuters” mark, subject to applicable limitations
Tradeweb	Tradeweb Markets Inc., an FX trading platform of Refinitiv

Tradeweb Markets	Tradeweb Markets LLC, a wholly owned subsidiary of Tradeweb
Tradeweb Registration Rights Agreement	as defined in paragraph 18.2.7 of Part IX (<i>Additional Information</i>), of this document
Tradeweb Stockholders Agreement	as defined in paragraph 18.2.6 of Part IX (<i>Additional Information</i>), of this document
Tradeweb’s Bank Stockholders	as defined in paragraph 18.2.7 of Part IX (<i>Additional Information</i>), of this document
Tradeweb’s Refinitiv Stockholders	as defined in paragraph 18.2.6 of Part IX (<i>Additional Information</i>), of this document
Tradeweb’s Stockholders	as defined in paragraph 18.2.7 of Part IX (<i>Additional Information</i>), of this document
Transaction	the acquisition by LSEG of Refinitiv to form the Combined Business
Transaction Resolution	Resolution 1 set out in Part XII (<i>Notice of General Meeting</i>), of this document
TREP	Thomson Reuters Enterprise Platform, a networked data distribution platform
Turquoise	Turquoise Global Holdings Limited, a company incorporated in England and Wales
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	the UK Corporate Governance Code published on 16 July 2018 and administered by the FRC, as may be amended from time to time
UMRs	the Uncleared Margin Rules established pursuant to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories
Unaudited Pro Forma Financial Information	the unaudited pro forma statement of net assets and pro forma income statement of the Combined Business included in Part VIII (<i>Unaudited Pro Forma Financial Information for the Combined Business</i>), of this document
uncertificated or in uncertificated form	shares recorded on the relevant register of members as being held in uncertificated form and title to which may, by virtue of the CREST Regulations, be transferred by means of CREST
Unsecured Indenture	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
Unsecured Notes	as defined in paragraph 18.2.2 of Part IX (<i>Additional Information</i>), of this document
US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US DoJ	the US Department of Justice Antitrust Division
US GAAP	Generally Accepted Accounting Principles adopted by the SEC
US Holders	LSEG Shareholders that are subject to US federal income tax with respect to their LSEG Shares
Voting Commitment Period	as defined in the paragraph headed “ <i>The Stock Purchase Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document

Voting Commitment Provisions	as defined in the paragraph headed “ <i>The Relationship Agreement</i> ” in Part III (<i>Summary of the Key Transaction Terms</i>), of this document
Voting Record Time	6.30 p.m. (London time) on 22 November 2019 (or, in the event that the LSEG General Meeting is adjourned, 6.30 p.m. (London time) on the date which is two Business Days prior to date fixed for the adjourned meeting
VWAP	volume weighted average price

All times referred to are London time unless otherwise stated.

All references to “**GBP**”, “**pence**”, “**sterling**”, “**£**” or “**p**” are to the lawful currency of the United Kingdom.

All references to “**EUR**”, “**Euro**” or “**€**” are to the single currency established for members of the European Economic and Monetary Union from 1 January 1999.

All references to “**US dollar**”, “**USD**”, “**USD**”, “**\$**”, “**US\$**” or “**cents**”, are to the lawful currency of the US.

All references to statutory provisions or laws or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

PART XII
NOTICE OF GENERAL MEETING

NOTICE OF GENERAL MEETING OF LONDON STOCK EXCHANGE GROUP PLC

Notice is hereby given that a general meeting of London Stock Exchange Group plc (the “**Company**”) will be held at 10.30 a.m. (London time) on 26 November 2019 at Butchers’ Hall, 87 Bartholomew Close, London EC1A 7EB, for the purpose of considering and, if thought fit, passing the following resolutions (the “**LSEG General Meeting**”).

Capitalised terms used in this Notice of General Meeting (the “**Notice**”) which are not defined herein shall have the meanings given to them in the document of which this Notice forms part.

The resolutions are being proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

1. **THAT:**

- (a) the proposed acquisition by the Company of Refinitiv and its business, substantially on the terms and subject to the conditions set out in the Stock Purchase Agreement dated 1 August 2019 (as amended on 23 August 2019 and as amended and restated on 4 November 2019) between the Company, Refinitiv Holdings Limited, LSEGA Limited and LSEGA2 Limited, and the entry by the Company into the associated arrangements, all as described in the circular to the shareholders of the Company dated 6 November 2019 (the “**Acquisition**”), be and are hereby approved; and
- (b) the directors of the Company (the “**Directors**”) (or any duly constituted committee thereof) be and are hereby authorised to take all necessary or appropriate steps and to do all necessary or appropriate things to implement, complete or procure the implementation or completion of the Acquisition and give effect thereto with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments to the terms of the Acquisition of a material nature by reference to Listing Rule 10.5.2) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate in connection with the Acquisition.

2. **THAT**, subject to and conditional upon the passing of Resolution 1 above and without prejudice to all existing authorities (which will remain in full force and effect), the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to allot shares in the Company (including Limited-voting Ordinary Shares (as defined below)), and to grant rights to subscribe for or to convert any security into shares in the Company (including Limited-voting Ordinary Shares), up to an aggregate nominal amount of £15 million in connection with the Acquisition for a period expiring (unless previously renewed, varied or revoked by resolution of the Company) five years after the date on which this resolution is passed, provided that the Company may make an offer or agreement before this authority expires which would or might require shares in the Company (including Limited-voting Ordinary Shares) to be allotted, or rights to subscribe for or convert any security into shares in the Company (including Limited-voting Ordinary Shares) to be granted, after this authority has expired and the Directors may allot shares in the Company (including Limited-voting Ordinary Shares) and grant rights in pursuance of that offer or agreement as if this authority had not expired. For the purpose of this Resolution 2, **Limited-voting Ordinary Shares** means ordinary shares of 6⁷⁹/₈₆ pence each in the Company having the rights and being subject to the restrictions set out below.

Interpretation

1. For the purposes of the rights and restrictions attaching to the Limited-voting Ordinary Shares:
 - acting in concert** has the meaning given in the City Code (as applied by the Takeover Panel), and references to **acting in concert** shall be construed as acting in concert in relation to the Company;
 - Board** means the board of directors of the Company;
 - Business Day** means any day (other a Saturday, Sunday or public holiday) on which banks are generally open for business in London;
 - City Code** means the UK City Code on Takeovers and Mergers as in effect from time to time;
 - Companies Act** means the UK Companies Act 2006 or any modification or re-enactment thereof;

Company means London Stock Exchange Group plc, a company incorporated and registered in England and Wales with registered number 5369106;

Company Director Concert Party means any director of the Company (and the close relatives of any such director), other than any director nominated for appointment as a director pursuant to any relationship agreement entered into between, *inter alia*, any Limited-voting Ordinary Shareholder and the Company from time to time;

CREST means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 / 3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;

equity shares has the meaning given to it in the Listing Rules;

FCA means the Financial Conduct Authority acting in its capacity as the competent authority for listing in the United Kingdom for the purposes of Part VI of FSMA;

FSMA means the UK Financial Services and Markets Act 2000, as amended;

Limited-voting Ordinary Shareholder means a holder of Limited-voting Ordinary Shares;

Limited-voting Ordinary Shares has the meaning set out above;

Listing Rules means the listing rules made by the FCA under Part IV of FSMA;

Maximum Voting Threshold means:

- (a) 29 per cent. of the total voting rights in the Company; or
- (b) if and for so long as the Takeover Panel confirms that no Company Director Concert Party is acting in concert with the Limited-voting Ordinary Shareholder (or any other person acting in concert with the Limited-voting Ordinary Shareholder), 29.9 per cent. of the total voting rights in the Company;

Official List means the official list maintained by the FCA;

Takeover Panel means the UK Panel on Takeovers and Mergers; and

Voting Ordinary Shares means ordinary shares of 6⁷⁹/₈₆ pence each in the capital of the Company having the same rights and being subject to the same restrictions as the ordinary shares of the Company already in issue at the date of allotment of the Limited-voting Ordinary Shares.

General

2. Save as provided in paragraphs 3 to 13 below, the Limited-voting Ordinary Shares shall rank *pari passu* with the Voting Ordinary Shares (and any other limited-voting ordinary shares issued on substantially equivalent terms to the Limited-voting Ordinary Shares) in all respects and no action shall be taken by the Company in relation generally to, or offer made by the Company to the holders generally of, the Voting Ordinary Shares unless the same action is taken in relation generally to, or the same offer is made to the holders generally of, the Limited-voting Ordinary Shares. Subject to the foregoing, the rights and restrictions attaching to the Limited-voting Ordinary Shares are as set out in paragraphs 3 to 13 below.

Income

3. On a distribution of profits, whether by cash dividend, dividend in specie, scrip dividend, capitalisation issue or otherwise (but excluding a distribution of profits on a purchase by the Company of any Voting Ordinary Shares pursuant to Chapter 4 of Part 18 of the Companies Act, other than any purchase by the Company of its own equity shares pursuant to LR 12.4.2 of the Listing Rules), the Limited-voting Ordinary Shares shall rank *pari passu* with the rights to distributions of profits attaching to the Voting Ordinary Shares.

Capital

4. On a return of capital, whether on a winding-up or otherwise (but excluding a return of capital on a purchase by the Company of any Voting Ordinary Shares pursuant to Chapter 4 of Part 18 of the Companies Act, other than any purchase by the Company of its own equity shares pursuant to

LR 12.4.2 of the Listing Rules), the Limited-voting Ordinary Shares shall rank *pari passu* with the rights to the assets of the Company attaching to the Voting Ordinary Shares.

Voting

5. A holder of Limited-voting Ordinary Shares shall be entitled to receive notice of, and to attend and speak at, any general meeting of the Company, and (other than in relation to any resolution referred to in the first sentence of LR 9.2.21 of the Listing Rules):
 - (a) on a vote on a resolution on a show of hands shall have one vote; and
 - (b) on a vote on a resolution on a poll shall have one-tenth of a vote for every Limited-voting Ordinary Share of which it is the holder with the total number of votes exercisable by the holder rounded down to the nearest whole number (except where the holder holds fewer than ten Limited-voting Ordinary Shares, in which case the number of votes exercisable by the holder shall be rounded up to one vote).

No deemed variation

6. The rights attaching to the Limited-voting Ordinary Shares shall not be, and shall not be deemed to be, varied or abrogated in any way by:
 - (a) the creation, allotment or issue of any Voting Ordinary Shares; or
 - (b) the purchase by the Company or cancellation of any Voting Ordinary Shares.

Conversion

7. At any time, a Limited-voting Ordinary Shareholder shall be entitled, by serving a conversion notice on the Company at its registered office (accompanied by the share certificate(s) in respect of the Limited-voting Ordinary Shares concerned if the Limited-voting Ordinary Shares are held in certificated form), to require the Company to convert some or all of the Limited-voting Ordinary Shares held by such Limited-voting Ordinary Shareholder into Voting Ordinary Shares, on a one-for-one basis, so long as such conversion does not (in the reasonable opinion of the Board) result in:
 - (a) the Limited-voting Ordinary Shareholder or any other person acting in concert with it being required to make a mandatory offer for the Company under Rule 9 of the City Code; or
 - (b) the number of votes carried by the Voting Ordinary Shares and Limited-voting Ordinary Shares in which the Limited-voting Ordinary Shareholder and any person acting in concert with it (other than any Company Director Concert Party) are interested exceeding the Maximum Voting Threshold.

Conversion of any Limited-voting Ordinary Shares pursuant to this paragraph 7 shall be effected by the Board re-designating the relevant Limited-voting Ordinary Shares as Voting Ordinary Shares and, in any such case, the relevant Limited-voting Ordinary Shareholder shall be deemed irrevocably to approve such re-designation and to consent to any variation or abrogation of its rights as may be occasioned by such re-designation.

8. The Limited-voting Ordinary Shareholder shall specify in the conversion notice served pursuant to paragraph 7 whether it wishes to hold the LSEG Ordinary Shares arising on conversion of the Limited-voting Ordinary Shares in certificated form or in uncertificated form through CREST. If the Limited-voting Ordinary Shares to which the conversion notice relates are held in uncertificated form, the Limited-voting Ordinary Shareholder shall also, prior to or at the same time as serving the conversion notice, generate a CREST stock withdrawal in respect of the relevant Limited-voting Ordinary Shares.
9. Where the Voting Ordinary Shares arising on conversion of the Limited-voting Ordinary Shares are to be held in certificated form, within 10 Business Days of the conversion of the Limited-voting Ordinary Shares into Voting Ordinary Shares, the Company shall forward to the relevant Limited-voting Ordinary Shareholder, at its own risk, free of charge, a definitive certificate for the appropriate number of fully paid up Voting Ordinary Shares and (if the Limited-voting Ordinary Shares are held in certificated form) a new certificate for any unconverted Limited-voting Ordinary Shares comprised in the certificate surrendered by it. Pending the despatch of definitive certificates, transfers shall be certified against the register of members of the Company.

10. Where the Voting Ordinary Shares arising on conversion of the Limited-voting Ordinary Shares are to be held in uncertificated form, the Company shall ensure that the appropriate number of Voting Ordinary Shares are delivered, within 10 Business Days of the conversion of the Limited-voting Ordinary Shares, to the CREST account specified by the Limited-voting Ordinary Shareholder in the relevant conversion notice or, where the Limited-voting Ordinary Shares are already held in uncertificated form, to the same CREST account in which the Limited-voting Ordinary Shares subject to the conversion were held. If the Voting Ordinary Shares are no longer a participating security in CREST, the provisions of paragraph 8 and this paragraph 10 shall apply *mutatis mutandis* to any clearing system through which the Voting Ordinary Shares are then held in dematerialised form.
11. The Company shall use reasonable endeavours to procure that the Voting Ordinary Shares arising on conversion of the Limited-voting Ordinary Shares are, as soon as reasonably possible, admitted to the Official List and to trading on London Stock Exchange's Main Market for listed securities.
12. A Limited-voting Ordinary Shareholder that serves a conversion notice shall provide to the Company such information as the Board may reasonably request so as to enable the Board to be satisfied that such exchange would not result in:
 - (a) the Limited-voting Ordinary Shareholder or any other person acting in concert with it being required to make a mandatory offer for the Company under Rule 9 of the City Code; or
 - (b) the number of votes carried by the Voting Ordinary Shares and Limited-voting Ordinary Shares in which the Limited-voting Ordinary Shareholder and any person acting in concert with it (other than any Company Director Concert Party) are interested exceeding the Maximum Voting Threshold.

No listing

13. No admission to listing or admission to trading shall be sought for the Limited-voting Ordinary Shares whilst they remain Limited-voting Ordinary Shares.

By order of the board of directors of the Company



Lisa Condron
Company Secretary
6 November 2019

Registered office:

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS

Registered in England & Wales No. 5369106

Notes to the Notice of General Meeting

1. The right to attend and vote at the LSEG General Meeting is determined by reference to the Company's register of members. Only a shareholder entered in the Company's register of members at 6.30 p.m. on 22 November 2019 (or, in the event that the LSEG General Meeting is adjourned, on the register of members at 6.30 p.m. on the date which is two Business Days prior to date of the adjourned meeting) is entitled to attend and vote at the LSEG General Meeting and a shareholder may vote in respect of the number of ordinary shares registered in that shareholder's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the LSEG General Meeting.
2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the LSEG General Meeting. A shareholder may appoint more than one proxy in relation to the LSEG General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions for use at the LSEG General Meeting is enclosed.
3. **To be valid, a Form of Proxy, duly completed, signed or sealed (as appropriate) and dated, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be returned to the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU so as to arrive no later than 10.30 a.m. on 22 November 2019 or not less than 48 hours (excluding non-Business Days) before the time of any adjourned meeting.**
4. The Form of Proxy must be executed, in the case of an individual, by the shareholder or his or her attorney duly authorised in writing, or, in the case of a corporation, either under seal on its behalf by a duly authorised officer or attorney of the corporation, or in any other manner authorised by its constitution.
5. In the case of joint registered holders, the signature of only one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of any votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the relevant joint holding.
6. Alternatively, a shareholder may vote online or appoint a proxy or proxies electronically either via the website run by Equiniti at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number provided on the Form of Proxy or, if such shareholder is a CREST member, by using the procedure described in paragraph 7 below. An electronic proxy appointment will not be valid if received later than 10.30 a.m. on 22 November 2019, or, in the case of any adjournment of the LSEG General Meeting, later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned meeting, and will not be accepted if found to contain a computer virus.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the LSEG General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The CREST Proxy Instruction, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by no later than 10.30 a.m. on 22 November 2019, or, in the case of any adjourned meeting, not less than 48 hours (excluding non-Business Days) before the time fixed for such adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST personal members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

8. Any corporation which is a shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers provided that they do not exercise their powers differently in relation to the same shares.
9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a Nominated Person) may have a right, under an agreement between him or her and the shareholder by whom he or she was nominated, to be appointed (or to have someone else appointed) as a proxy for the LSEG General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statements of the rights of shareholders in relation to the appointment of proxies in paragraphs 2 to 7 above do not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.
11. As at close of business on 1 November 2019, being the latest practicable date prior to the publication of this document, the Company's issued share capital consisted of: (i) 350,671,521 ordinary shares of 6⁷⁹/₈₆ pence each, carrying one vote each; and (ii) 932,533 ordinary shares of 6⁷⁹/₈₆ pence each held in treasury. Therefore, the total voting rights in the Company as at close of business on 1 November 2019, being the latest practicable date prior to the publication of this document, was 349,738,988.
12. Any shareholder attending the LSEG General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the LSEG General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the LSEG General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the LSEG General Meeting that the question be answered.
13. In accordance with section 311A of the Companies Act, the contents of this Notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the LSEG General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice are available to view and to download on the Company's website at: <https://www.lseg.com/investor-relations/financial-reports-and-key-documents/ma-documents/acquisition-refinitiv>.
14. The results of the voting at the LSEG General Meeting will be announced through a Regulatory Information Service and will appear on the Company's website at: <https://www.lseg.com/investor-relations/financial-reports-and-key-documents/ma-documents/acquisition-refinitiv>.
15. Save as provided above, any communication with the Company in relation to the LSEG General Meeting, including in relation to proxies, should be sent to the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Equiniti may also be reached by calling the Shareholder Helpline. No other means of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of General Meeting or in any related documents to communicate with the Company for any purposes other than those expressly stated.
16. In order to access shareholder documents from the Company on the Company's website, you will need to have access to a PC or Mac with: (i) Microsoft Internet Explorer version 6.0 (or later version) which can be downloaded from the Microsoft website at: <http://windows.microsoft.com/en-gb/windows/downloads>,

or equivalent alternative web browser software; and (ii) Adobe Acrobat Reader which can be downloaded free from the Adobe website at: <http://get.adobe.com/uk/reader/>.

17. Your attention is drawn to the following security and admissions arrangements for the LSEG General Meeting. The Company will not permit behaviour that may interfere with the security, safety or good order of the LSEG General Meeting, or with the security or safety of any other attendees of the LSEG General Meeting. Shareholders must bring their Shareholder Admission Card to the LSEG General Meeting. All attendees should bring suitable photo identification, such as a valid passport or government issued driver's licence or identity card. Attendees at the LSEG General Meeting will be asked to pass through our security systems before entering the LSEG General Meeting and all bags may be checked. No cameras or recording equipment will be permitted at the LSEG General Meeting. All mobile phones and other electronic communication devices should be switched off during the LSEG General Meeting. Guests are not entitled to attend the LSEG General Meeting as of right, but may be permitted entry at the absolute discretion of the Company. LSEG reserves the right to remove any guest from the LSEG General Meeting at any time during the proceedings at its absolute discretion. Proxies and corporate representatives should bring the authority or power of attorney under which they have been appointed as well as suitable photo identification. Your co-operation with these arrangements is greatly appreciated.

