

I. Statement of Purpose

The Nominating Committee (“Committee”) is a standing committee of the Board of Directors (“Board”). The purpose of the Committee is to nominate candidates for the Board of the Municipal Securities Rulemaking Board (MSRB) for election by the Board. The Committee is responsible for: (i) the annual nominating process for new Board members; (ii) addressing any vacancies on the Board; and (iii) fulfilling the other responsibilities set out herein.

II. Organization

A. Charter

At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board for approval.

B. Members

The members of the Committee shall be appointed by the Board Chair in compliance with the Board’s Policies and Procedures Section 6.1. A majority of the Committee members must be public members of the Board and the Committee shall be reflective of the Board's overall composition. There shall be a total of seven Committee members. A Committee Chair shall also be appointed by the Board Chair from among the public Committee members. At least one Committee member shall have served on the Committee in the prior fiscal year.

C. Meetings

In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled as required. The Committee may delegate any of its functions to a member or subcommittee of the Committee, which member or subcommittee shall report to the Committee on its activities, determinations and recommendations.

D. Quorum and Voting

The quorum necessary for the transaction of business at Committee meetings will be a majority of the members of the Committee. All determinations of the Committee must be approved by at least the number of members required to constitute a quorum.

E. Agenda, Summaries and Reports

An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Summaries for all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The summaries shall be considered and approved by the Committee. The Committee shall make regular reports to the Board.

F. *Access to Records, Consultants and Others*

The Committee shall have full authority: (i) to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the MSRB; (ii) to retain, terminate and set the compensation of outside legal, accounting, director compensation or other consultants to advise the Committee; and (iii) to request any officer or employee of the MSRB, the MSRB's outside counsel or other consultant to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee Chair shall advise the Finance Committee and the Chief Financial Officer of the outside work being contemplated as well as the expected resource needs. If the project is unbudgeted and expected to exceed \$25,000, then the Finance Committee and the Chief Financial Officer should be notified prior to the Committee Chair obligating resources. The Committee is encouraged to rely on the MSRB internal legal counsel to ensure that the planned use of outside experts does not violate the Code of Ethics and Business Conduct, and for legal contract review and negotiation. The Committee Chair shall provide the Chief Financial Officer with the agreement for services for any outside consultants that are retained to advise the Committee.

III. Responsibilities

A. *Nominating*

The Committee shall implement the Board's criteria for selecting new Board members, nominate candidates for election by the Board, and nominate candidates to be elected to the Board as necessary to fill vacancies, pursuant to MSRB Rule A-3 and in compliance with the Board's Policies and Procedures Section 4. Staff determines each nominee's classification as a potential representative of the public (i.e. retail or institutional investor, municipal entity or the general public) or a regulated entity (i.e. broker-dealer, bank dealer or municipal advisor) and provides such information to the Committee.

B. *Other Delegated Responsibilities*

The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.

C. *Committee Performance Evaluation*

The Committee shall annually review its own performance.