

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 Committee shall be comprised of seven members, four of whom shall be public members and three of whom shall be regulated members, selected by the Board Chair and presented to the Board for approval. The Committee shall be reflective of the Board's overall composition. A Committee Chair shall 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 regular meetings. Special meetings may be called by the Committee Chair upon one calendar day prior notice, provided that such advance notice may be waived by unanimous consent of all Committee members attending such meeting. Notice of a special meeting need not be given to any Committee member who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting, prior thereto or at the commencement thereof, the lack of notice to such member

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, Minutes 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. Minutes of all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The minutes 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, or other consultants to advise the Committee; and (iii) to require any officer or employee of the MSRB or request any of the MSRB's outside counsel, internal auditors, independent auditors or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee Chair shall inform 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; provided that if the Chief Financial Officer is the subject of such services, the Chief Executive Officer and the General Counsel shall be advised of the outside work being contemplated and provided with the agreement for services for the outside expert.

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.