

**Euroclear Bank SA/NV (the "Company")**  
**Management Committee**  
**Terms of Reference**  
**(Incorporating Internal Governance Practices & Procedures)**  
**Effective 1 January 2020**

- 1. Purpose**
- 1.1. The Management Committee is entrusted with the general management of the Company with the exception of:
- i. the determination of the strategy and general policy of the Company; and
  - ii. the powers reserved to the Board by law or the Articles of Association.
- The Management Committee is entitled to represent the Company in all matters towards third parties, including legal proceedings. The company shall be validly represented vis-a-vis third parties and in all legal proceedings by two members of the Management Committee.
- 1.2. The Management Committee has set up several committees with defined responsibilities to assist it in carrying out its role efficiently.
- 2. Members**
- 2.1. At least two members, and as many members as the Board may decide from time to time, who form a college; The size of the Management Committee shall be adapted to the complexity of the Company to enhance the efficiency of plural supervision and of collegial decision-making on the conduct of the Company's activities. Members shall be of sufficiently good repute and experience so as to ensure the sound and prudent management of the Company.
- 2.2. All executive members of the Board (and only them) must be members of the Management Committee.
- 2.3. The Management Committee members are appointed and dismissed by the Board. The Board determines the Management Committee members' remuneration and terms of appointment (including the length of their mandate).
- 2.4. The Management Committee members must at all times possess the skills, experience, knowledge and professional integrity required for their roles. Appointments are subject to prior fit and proper assessment and to prior regulatory approval by the supervisory authority.
- 3. Chair**
- 3.1. The Chair of the Management Committee shall be appointed by the Board after consultation with the Management Committee.
- 3.2. Appointment of the Chair is subject to prior regulatory approval by the supervisory authority.
- 3.3. The Chair of the Management Committee must be a different

person than the Chair of the Board.

3.4. The Chair presides every meeting of the Management Committee. Should the Chairman be absent, the oldest serving Director shall fulfil the role of Chairman in his/her absence, t.

**4. Meeting attendees**

4.1. Entitled to attend:

- i. Management Committee members;
- ii. Management Committee Secretary; and
- iii. Any additional invitees, as deemed necessary or appropriate by the Chair.

**5. Frequency of meetings**

As and when required, normally weekly.

**6. Quorum**

6.1. A simple majority of members either physically present at the location of the meeting or participating by telephone/video conference. Any Management Committee member unable to attend a meeting may authorise in writing, one of his fellow Management Committee members to attend and vote for him/her. Members who, pursuant to the law, may not participate in the deliberations and the vote, will not be counted when determining whether the relevant quorum exists.

**7. Voting**

7.1. A simple majority of all Management Committee members.

7.2. The Chair has the casting vote in case of equality of votes.

7.3. Electronic voting through the board portal is possible.

7.4. Save for other provisions in the Company's Articles of Association, decisions may be taken by unanimous written resolution.

**8. Meeting agenda and notice**

8.1. The Chair sets the agenda.

8.2. Management Committee members can place items on the agenda.

8.3. Items to be discussed must be included on the agenda. In exceptional circumstances, duly justified by the urgency of the matter or the Company's corporate interest, an item not on the agenda may be addressed at the meeting, provided all members are present or represented and agree to deliberate on the issue.

8.4. The agenda should allow sufficient time to undertake as full a discussion as may be required.

8.5. Notice (including the agenda) is sent to the Management

Committee members by electronic means.

**9. Committee support and resources**

- 9.1. Each Management Committee member will:
- i. receive induction training on all topics considered necessary for his/her membership; and
  - ii. receive ongoing training to ensure that his/her knowledge is kept up to date.
- 9.2. The Management Committee may:
- i. obtain such information and reports (including minutes) from its branches, and the internal committees set up by the Management Committee and staff in general to prepare the issues to be discussed; and
  - ii. be in contact on a continuous basis with the key people associated with corporate governance matters.
- 9.3. The Management Committee may appoint – and decide to dismiss - a Secretary who need not be a member of the Management Committee and who shall, under the authority of the Management Committee, convene and shall act as Secretary of the Management Committee meetings. The minutes shall evidence the discussions that took place in the Management Committee meeting and shall include:
- i. conflict of interest in accordance with the art 19 bis of the Articles of Association;
  - ii. summaries of all matters reviewed;
  - iii. Details of the recommendations made;
  - iv. Details of the decisions taken by the Management Committee; and
  - v. a record of any challenge and dissention by Management Committee members.
- 9.4. The minutes will be kept in accordance with applicable legal requirements and internal procedures. The Management Committee minutes will be signed by the Chair of the meeting and by the committee members who wish to do so. Copies of or extract from the minutes are valid if signed by the Chair or the Secretary of the meeting;
- 9.5. Written materials are made available to Management Committee members ahead of the meetings.

**10. Responsibilities**

- 10.1. The Management Committee's responsibilities and powers include, but are not limited to, the following:
- i. implementing the culture, values, standards, ethics and conduct of business rules of the Company, as established by the Board in integrity policies;

- ii. maintaining a good relationship with the Company's regulator and other supervisory bodies;
- iii. taking the necessary measures to ensure compliance and implementation of the organisational requirements applicable to the Company;
- iv. reporting at least once a year to the Board, the statutory auditor and the supervisory authority on the assessment of the effectiveness of the Company's organisational structure and on any measures taken by the Management Committee to tackle shortcomings;
- v. management of the Company's activity in line with the objectives and strategy determined by the Board and development of the governance structure;
- vi. advising the Board regarding the definition of the Company's general policy and strategy, and communication of all relevant information to enable the Board to take informed decisions;
- vii. supervision of the line management, monitoring compliance with the allocated competencies and responsibilities, and overseeing of financial reporting;
- viii. organising, steering and regularly assessing the internal control mechanisms and procedures, in particular with regard to the independent control functions and their resources, without prejudice to the supervision carried out by the Board;
- ix. organising appropriate administrative and accounting procedures and internal control that ensure the data quality of financial and prudential reporting systems in compliance with the applicable regulations;
- x. ensuring that the remuneration policy established by the Board is correctly implemented;
- xi. taking the necessary measures to ensure that the Company has an effective risk management system;
- xii. reporting to the Board on the Company's financial position and on all aspects required to enable the Board to fulfil its tasks effectively.

The Company is a regulated entity forming part of a financial group ("Euroclear group") and as such it is subject to regulatory and supervisory requirements that apply both on a stand-alone basis and on a group-wide basis. The Management Committee shall take the group dimension into account when exercising its above mentioned management powers. More particularly it shall:

pursuant to the "Standard Operating Procedure with respect to matters subject to referral to Euroclear SA/NV ("ESA")" (the "ESA referral SOP", attached as Appendix 1 to these Terms of Reference:

- exercise its powers in accordance with the Euroclear group strategy, governance and risk management frameworks and financial policy objectives as applicable from time to time and with due respect for all applicable laws and regulations;
  - propose or, where appropriate, adopt policies and frameworks consistent with the minimum standards contained in the Euroclear group policies and frameworks;
  - adhere to the referral procedure set forth in the ESA referral SOP.
- 10.2. The Management Committee may allocate domains of competencies among its members; such allocation, however, is not exclusive and does not affect their collective responsibility.
- 10.3. The Management Committee may delegate, in accordance with the Company's Articles of Association Art 19, the day-to-day management of the Company as well as the representation of the Company in connection with this management to one or several delegates. The Management Committee remains fully responsible for the acts and omissions of these delegates and must inform the Board on how it has implemented such delegation.
- 10.4. The Management Committee may delegate specific powers which may be exercised beyond the day-to-day management, with the power to sub-delegate, to one or more persons or group of persons. It may, among others, delegate, with the power to sub-delegate, the following specific powers, to be exercised consistently with the decisions of the Management Committee:
- i. specific powers to branches and committees in all areas necessary or useful to the management of Euroclear Bank; and
  - ii. specific powers to senior management, in all areas necessary or useful to the management of Euroclear Bank, insofar as they fall within the remit of their respective divisions.
- 10.5. Certain powers are reserved to the Management Committee vis-à-vis any other internal structure of the Company and may not be delegated by the Management Committee. Such powers include among others

delegation of powers to committees established by the Management Committee, to one or more persons or to groups of persons, except for the powers to sub-delegate described below;

- i. decisions on the reporting process to the Management Committee (content and frequency of reporting obligations);
- ii. strategic recommendations to the Board;
- iii. decisions effecting a material change to the global internal organisational structure of the Company; and
- iv. decisions that involve a material reputational, material financial or material legal risk to the Company.

10.6. The Management Committee shall put in place a reporting calendar to ensure it has the reporting, tools and information necessary to fulfil its role effectively.

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| <b>11. Relationship with other corporate bodies</b> | The Management Committee will maintain effective working relationship with the Board and the Board committees.   |
| <b>12. Committee evaluation</b>                     | The Management Committee evaluates its own performance and effectiveness on a periodic basis.  |
| <b>13. Management Committee members' conduct</b>    | <p>13.1. Management Committee members should among others:</p> <ol style="list-style-type: none"><li>i. adhere to the highest standards of fairness, honesty and integrity and act with sound judgment as per the principles described in the Code of Business Conduct;</li><li>ii. devote sufficient time to fulfil their role and responsibilities effectively and comply with the rules governing the limitation of external functions, in line with the Board Policy on External Mandates;</li><li>iii. comply with confidentiality rules; and</li><li>iv. avoid or manage any conflict of interest as per the internal rules governing conflicts of interests and the applicable laws. In case a member of the management committee has a direct or indirect conflicting financial interest with respect of decision or transaction within powers of the management committee, the specific procedure as set out in the Articles of Association 19bis, applies.</li></ol> |

- 14. Reporting to the Board**
- 14.1. The Management Committee reviews issues, reports and makes recommendations to the Board and its committees in accordance with applicable laws.
- 14.2. In addition, the Management Committee also reports to the Board:
- i. dissenting views as well as majority views, where appropriate, to support Board understanding or where explicitly requested by a member;
  - ii. matters escalated by the heads of control functions;
  - iii. regular reports on the decisions taken pursuant to any delegation from the Management Committee if relevant to the Board's mission; and
  - iv. oral report by the Chair, as necessary.
- 15. Review of Terms of Reference**
- 15.1. Annual review by the Management Committee for recommendation to the Board.
- 15.2. Last approved by the Management Committee on 21 November 2019.
- 15.3. Last approved by the Board on ... XXX with effect as from XXX.
- 16. Publication of Terms of Reference**
- This document was last published on the Euroclear website on XXX December 2019.