

**Euroclear Belgium (the "Company")**  
**Management Committee**  
**Terms of Reference**  
**(Incorporating Internal Governance Practices & Procedures)**

- 1. Purpose**

  - 1.1. The Management Committee has been set up by the Board of Directors of the Company (the "Board") and has been delegated, as specified within these terms of reference, tasks relating to the operational management of the Company.
  - 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. The Management Committee is composed of at least three members, and as many members as the Board may decide from time to time, who take decision as a college; Members shall be of sufficiently good repute and experience so as to ensure the sound and prudent management of the Company.
  - 2.2. 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).
  - 2.3. 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 is the Chief Executive Officer of the Company
  - 3.2. The Chair is appointed by the Board on the proposal of the Management Committee.
  - 3.3. Appointment of the Chair is subject to prior regulatory approval by the supervisory authority.
  - 3.4. The Chair presides every meeting of the Management Committee. In the absence of the Chair, the members present will nominate one of the other present Management Committee members to chair the meeting.
  
- 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 bi-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/her fellow Management Committee members to attend and vote for him/her. Quorum requirement is not met in case authorisations are granted to single member.
- 6.2. Members of the Management Committee, who, in line with the law and/or applicable internal policies, may not participate in the deliberations and the vote, will not be counted when determining the quorum.
- 7. Voting**
- 7.1. All decisions are adopted by simple majority of all Management Committee members.
- 7.2. The Chair has the casting vote in case of equality of votes.
- 7.3. Decisions can be taken by unanimous written consent of the Management Committee members (Electronic voting through the board portal is possible).
- 8. Meeting agenda and notice**
- 8.1. The Chair sets the agenda with support from the Management Committee Secretary.
- 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 it.
- 8.4. The agenda should allow sufficient time to undertake as full a discussion as may be required.
- 8.5. Notice is sent to the members by electronic means.
- 9. Committee support and resources**
- 9.1. Each Management Committee member will:
- receive induction training on all topics considered necessary for his/her membership; and
  - receive ongoing training to ensure that his/her knowledge is kept up to date.
- 9.2. The Management Committee may:

- obtain such information and reports from the internal committees set up by the Management Committee and staff in general to prepare the issues to be discussed; and
  - obtain guidance from Euroclear corporate governance experts.
- 9.3. The Committee Secretary will minute all meetings and submit these to the Management Committee for approval. The minutes shall evidence the discussions that took place in the Management Committee meeting and shall include:
- summaries of all matters reviewed;
  - details of the recommendations made;
  - details of the main considerations passed and decisions taken by the Management Committee;
  - a record of any follow-up actions; and
  - a record of any challenge and dissent by the 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 or extracts from the minutes will be valid if signed either by the Chair, two members of the Management Committee or the Committee Secretary.
- 9.5. Written materials are made available to Management Committee members ahead of the meetings.

## **10. Powers**

- 10.1. The Company is a wholly owned subsidiary of Euroclear SA/NV and as such may receive guidance from Euroclear SA/NV in relation to group policy on governance, strategy, remuneration, financial and risk matters. Such guidance shall be considered by the Management Committee in the exercise of its responsibilities and applied to the extent that it is, in its opinion, in the corporate interest of the Company to do so and subject always to the general strategy of the Company determined by the Board.
- 10.2. Within the framework of and taking into consideration the overarching strategy, policies and risk appetite defined by the Group, the Management Committee shall exercise the following powers delegated to it by the Board, under its supervision:
- i. advising the Board regarding the definition of the Company's general policy and strategy, and communicating to the Board all relevant information to enable it to take informed decisions;

- ii. drafting and working out of the strategic guidelines to be submitted to the Board for approval such as (i) the determination of the general organisation of the Company or (ii) the implementation of appropriate policies and procedure with regard to conflicts of interests or (iii) appropriate capital adequacy policy which identifies the current and future capital requirements, taking into account the nature, size and complexity of the Company's business activities as well as its related risks;
- iii. establishing an effective and efficient management of human resources;
- iv. supervising line management and implement an effective policy and approval procedure relating to the exercise of external functions by the Board and senior management;
- v. setting up and maintain policies related to the risk profile of the Company and systems to identify, assess, manage and monitor financial and other risks;
- vi. making recommendations to the Board to ensure (a) the continuity of the Company's services and activities, including both structural measures and contingency plans, (b) that appropriate mitigating measures are taken when outsourcing critical functions and (c) that appropriate measures to safeguards the clients' rights in case of insolvency of the Company and avoid that financial instruments belonging to the clients are used for the Company's own account, save explicit consent of the client, are taken;
- vii. implementing the culture, values, standards, ethics and conduct of business rules of the Company, as established by the Board in internal codes of conduct;
- viii. being responsible and accountable for the complete, timely, reliable and accurate preparation of the Company's financial statements to be approved by the Board, in accordance with the accounting standards and policies of the Company;
- ix. taking the necessary measures to ensure compliance and implementation of the organisational requirements applicable to the Company;
- x. designing, organising, steering and assessing the internal control mechanisms and procedures that promote the objectives of the Company, in particular with regards to the independent control and technology functions, without prejudice to the supervision carried out by the Board; subject the risk management, technology, compliance and internal control procedures to regular

- review and testing; ensuring that sufficient resources are devoted to risk management, technology, compliance and internal audit.
- xi. reporting regularly to the Board and, at least once a year, to 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;
  - xii. ensuring that the remuneration policy established by the Board is correctly implemented;
  - xiii. reporting to the Board on the Company's financial position and on all aspects required to enable the Board to fulfil its tasks effectively;
  - xiv. maintaining a good relationship with the Company's regulator and other supervisory bodies;
  - xv. providing the Board with the information it needs in order to fulfil its duties;
  - xvi. submitting to the Board all questions lying within the latter's competence and regularly report on the exercise of its mission;
  - xvii. informing the supervisory authorities and the statutory auditor, according to the applicable rules, on the financial position and on the governance structure, organization, internal control and independent control functions; and
  - xviii. any other specific matter delegated to it by the Board.

10.3. The Management Committee may allocate domains of competencies among its members; such allocation, however, is not exclusive and does not affect the collegial nature of the Committee.

10.4. The Management Committee may delegate specific powers, which may be exercised beyond the day-to-day management but may not exceed the powers which the Board has delegated to the Management Committee itself, with the power to sub-delegate pending ratification by the Management Committee, to one or more persons or group of persons. It may, among others, delegate, the following specific powers, to be exercised consistently with the decisions of the Management Committee:

- i. specific powers to committees in all areas necessary or useful to the management of the Company; and
- ii. specific powers to senior management, in all areas necessary or useful to the management of the Company, 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:

- i. the 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 above;
- ii. decisions on the reporting process to the Management Committee (content and frequency of reporting obligations);
- iii. strategic recommendations to the Board;
- iv. decisions effecting a material change to the global internal organisational structure of the Company; and
- v. 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 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.</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 Board member;
  - ii. matters escalated by the heads of control functions;
  - iii. regularly on the decisions taken pursuant to any delegation from the Management Committee if relevant to the Board's mission; and
  - iv. orally 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 3 October 2019.
- 15.3. Last approved by the Board on 15 October 2019.
- 16. Publication of Terms of Reference**
- This document was last published on the Euroclear website on 1st January 2020.