

Euroclear SA/NV (the "Company")
Management Committee
Terms of Reference
(Incorporating Internal Governance Practices & Procedures)

- 1. Purpose** 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.
- 2. Members**
- 2.1. At least three 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. The Management Committee members are appointed and dismissed by the Board. The Board determines the Management Committee members' remuneration and terms of appointment.
 - 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 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. 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 (internal staff, external consultants or advisors) as deemed necessary or appropriate by the Chair.

Division Heads and CSD CEOs will be invited on a periodic basis.

- 5. Frequency of meetings** As and when required, normally once every two weeks. The Chairman also has the power to call additional meetings if required.
- 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.
- 7. Voting**
- 7.1. A simple majority of all Management Committee members, present or represented.
- 7.2. The Chair has the casting vote in case of a tie.
- 7.3. 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, or the Committee Secretary, sets the agenda prior to the meeting.
- 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.
- 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 with written materials available at least two days before the meeting. Papers should be drafted in the form and structure as decided by the Management Committee and maintained by the Committee Secretary. They should be duly approved according to the rules set by the Management Committee prior to circulation.
- 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 subsidiaries, committees set up by the Management Committee and Division/Department Heads to prepare the issues to be discussed; and
- ii. be in contact with the key people associated with corporate governance matters.

9.3. The Management Committee will appoint a Committee Secretary who 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:

- i. summaries of all matters reviewed,
- ii. details of the recommendations made;
- iii. details of the decisions taken by the Management Committee; and
- iv. 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 or extracts from the minutes will be valid if signed either by the Chair or the Secretary.

10. Responsibilities

10.1. The Management Committee's responsibilities and powers include, but are not limited to, the following with respect to the Company and, where applicable, to its subsidiaries based on its regulatory consolidated oversight duties and/or pursuant to the "Standard Operating Procedure with respect to matters subject to referral to Euroclear SA/NV" :

10.1.1. Strategy, general policy and business developments

- i) advising the Board regarding the definition of both the Company's and Group's strategy and policies;
- ii) management of the Company's activity in line with the objectives, strategy, risk appetite and policies determined by the Board ;
- iii) reporting to the Board on the evolution of business activities and economic environment, financial position, liquidity and capital base, assessment of its material risk exposures as well as on all aspects required to enable the

Board to fulfil its tasks effectively ;

10.1.2. Finance Matters

- iv) Draw up comprehensive, timely and accurate financial (consolidated) statements and other material information according to accounting standards and Company policy ; organising an internal control system that provides reasonable assurance on the data quality of internal reporting, external financial and prudential reporting and disclosures in compliance with the prevailing standards and applicable regulations;

10.1.3. Risk management and internal control

- v) taking the necessary measures to ensure that the Company and its subsidiaries has an effective risk management framework;
- vi) organising, steering and regularly assessing the internal control mechanisms and procedures, in particular with regards to the independent control functions, without prejudice to the supervision carried out by the Board; ensuring that sufficient resources are devoted to risk management, compliance and internal audit;
- vii) preparing and implementing capital and liquidity adequacy policies which identify the current and future requirements, taking into account the nature, size and complexity of the Company's and Group's business activities as well as its related risks ;
- viii) taking measures to ensure the continuity of the Company's services and activities, including both structural measures and contingency plans;
- ix) 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 and Group's internal control framework and on any measures taken by the Management Committee to tackle shortcomings;

10.1.4. Compliance, legal and regulatory issues

- x) taking the necessary measures to ensure compliance and implementation of the organisational requirements applicable to the Company and its subsidiaries;
- xi) maintaining a good relationship with the Company's regulator and other supervisory bodies;

10.1.5. Governance

- xii) develop the governance structure; implementing the culture, values, standards, ethics and conduct of business rules of the Group, as established by the Board in internal codes of conduct; implementing appropriate policies and procedures with regard to Conflict of Interests as well as to the exercise of external functions;

10.1.6.Human resources

- xiii) Overseeing and approving as necessary the selection, appointment and removal of Senior Managers of the Company and subsidiaries' Management Committee members ; developing talent management and succession planning ;
- xiv) ensuring that the remuneration policy established by the Board is correctly implemented;

10.1.7.Line management

- xv) supervision of the line management, monitoring compliance with the allocated competencies and responsibilities; obtaining regular progress reporting from the Company's Division Heads/Senior Managers and subsidiaries; constructively challenge and critically review propositions, explanations and information received ;

10.1.8.Other specific responsibilities

- xvi) implementing appropriate outsourcing policies and procedures.

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 to the Chief Executive Officer the day-to-day management and the representation of the Company thereto. The day-to-day management refers to those acts which are necessary for the day-to-day operating of the Company or for which an MC meeting is not required, considering either the minor importance of such acts or the necessity for prompt action. The CEO may sub-delegate any powers related to the day-to-day management to the persons he/she designates.

10.4. In addition, 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 committees in all areas necessary or useful to the management of Euroclear SA/NV; and
- ii) specific powers to senior management, in all areas necessary or useful to the management of Euroclear SA/NV, insofar as they fall within the remit of their respective divisions.

The Management Committee remains fully responsible for the acts and omissions of its delegates and must inform the Board on how it has implemented such delegation.

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 organizational and internal control 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.

11. Relationship with other corporate bodies The Management Committee is responsible for identifying matters required or appropriate for escalation to the Company's Board and Board Committees. The Management Committee (members) will maintain effective working relationships with, the Company's Board and Board Committees as well as, where appropriate, with the governance bodies of both parent and subsidiary entities within the Euroclear Group.

12. Committee evaluation The Management Committee evaluates its own performance and effectiveness on a periodic basis.

13. Management Committee members' conduct

13.1. Management Committee members should among others:

- i. adhere to the highest standards of fairness, honesty and integrity and act with sound judgment as per the principles described in the Company's integrity policies;
- 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 internal policies on External Mandates;
- iii. comply with confidentiality rules; and

- iv. avoid or manage any conflict of interest as per the applicable laws and the Company's rules governing conflicts of interest. In regard of direct or indirect personal financial interests conflicting with those of the Company the specific procedure as set out in the Articles of Association will be followed. .
- 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 to the Management Committee; 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 1 October 2019.
 - 15.3. Last approved by the Board on 17 October 2019 with effect as from 1 January 2020
- 16. Publication of Terms of Reference**

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