

Euroclear UK & Ireland Limited (the “Company”) Management Committee (“MC” or the “Committee”) Terms of Reference

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by MC on 25 April 2019



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Table of contents

1.	Purpose and responsibilities	3
2.	Role and Delegated Responsibilities.....	3
3.	Membership and Attendees	4
4.	Quorum	4
5.	Frequency of meetings	5
6.	Meeting Agenda.....	5
7.	Voting	5
8.	Company Secretary	5
9.	Committee Support and Resources	5
10.	Conflicts of interest.....	6
11.	Self-Assessment of Committee Effectiveness	6
12.	Review and amendment of these terms of reference	6
13.	Reporting to the Board	6

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1. Purpose and responsibilities

The Management Committee (the “Committee”) is a decision-making sub-committee of the Euroclear UK & Ireland Limited (“EUI”) Board. The Board has delegated to the Committee the responsibility for discharging the general management of the Company, with the exception of Matters Reserved to the Board or Shareholder, as defined in the Company’s constitution or applicable law.

2. Role and Delegated Responsibilities

The CEO has overall responsibility for delivering and reporting to the Board but the principal duties and responsibilities of the Committee are:

- Setting corporate objectives in consultation with, and subject to the approval of, the Board within the context of EUI and Euroclear’s group objectives;
- Preparing a strategic business plan to meet the corporate objectives and monitoring whether the objectives of the plans are being achieved;
- Preparing a budget by reference to the corporate objectives as set out in the strategic business plan and, once approved by the Board, routinely monitoring the business results against budget;
- Reviewing interim results and annual financial statement before submission to the Board focusing particularly on:
 - ✓ changes in accounting policies and practices;
 - ✓ major areas of change;
 - ✓ adjustments from audit;
 - ✓ the going concern assumption;
 - ✓ compliance with accounting standards; and
 - ✓ compliance with applicable legal and regulatory requirements
- Managing and resolving operational matters and updating and reviewing policies and procedures as appropriate;
- Ensuring the business is conducted in a compliant manner and appropriate action is taken to mitigate business risks whilst maintaining a culture that is risk aware;
- Ensuring that the remuneration policy approved by the Board is appropriately implemented;
- Submitting reports on the activities of the Company to the Board;
- Approving and maintaining the authorised signatories lists in accordance with the principles as agreed by the Board and amended from time to time;
- Ensuring the Board is made aware, at the earliest opportunity, of major issues affecting the business including reputational, regulatory, operational and project risks as well as financial risks;
- Reviewing at a high level matters considered to pose risks to the business and reporting material risks to the Audit and Risk Committees (as appropriate);
- Overseeing the management of the Company’s overall risk environment which will be duly delegated to the Management Risk Committee;
- Exception reporting of any issues or events to the Board;
- Considering, reviewing, approving and/or ratifying, signing, executing and/or delivering any contracts or other arrangements on behalf of the Company in connection with or ancillary to the business of the Company, and carrying out any other acts or things (including issuing or accepting any other document, instrument, certificate, notice,

demand, approval or confirmation) as may be considered necessary, desirable or expedient for or in connection with the execution and/or delivery and/or performance of any such contracts or other arrangements in accordance with the EUI Authorised Signatories booklet as in force from time to time; and

- Sub-delegating to any officer of the Company or any other person the powers, authorities and discretions delegated by the Board to the Committee to sign, execute and/or deliver any contracts or other arrangements on behalf of the Company in connection with or ancillary to the business of the Company, and/or to carry out any acts or things (including issuing or accepting any other document, instrument, certificate, notice, demand, approval or confirmation) as may be considered necessary, desirable or expedient for or in connection with the execution and/or delivery and/or performance of any such contracts or other arrangements in accordance with the EUI Authorised Signatories booklet, the Contract Management policy as in force from time to time.

The powers, authorities and discretions delegated by the Board to the Committee are without prejudice to the usual, implied or other authority of any director, officer or employee of the Company or other person to do any act or thing on behalf of the Company which is within the scope of the usual, implied or other authority of that director, officer, employee or other person.

3. Membership and Attendees

The CEO chairs the meeting, or in his/her absence the members present will appoint one of their number to chair the meeting (the "Meeting Chair").

The Committee will comprise the following members:

- CEO (the "Committee Chair");
- Chief Financial Officer;
- CEO Office representative;
- Chief Risk Officer;
- Chief Operating Officer;
- Chief Technology Officer;
- Chief Business Officer;
- Chief Legal Officer; and
- CSDR Programme Director

The Company Secretary will also be required to attend.

In addition, the following individuals are entitled to attend in a non-voting capacity:

- Chief Compliance Officer; and
- Chief Internal Auditor.

There are no alternates to the nominated representatives but where appropriate, individuals other than the voting members may be invited by the CEO to attend depending on the agenda for all or part of the Management Committee meetings.

4. Quorum

A quorum shall be five of the current Committee members. Meetings can be attended in person, by video conference or by conference call as agreed by the Committee Chair.

5. Frequency of meetings

The Management Committee will meet regularly (usually every two weeks) to review the areas defined and on an ad hoc basis should any items require a meeting.

The management team can meet informally on a more frequent basis to discuss the management of the Company. Such meetings will not be a decision-making forum, therefore they will not be formally minuted but high level actions will be recorded and circulated for transparency.

The cancellation of a scheduled meeting shall be agreed with the Committee Chair and Committee members will be notified accordingly.

It is expected that members will devote sufficient time to prepare for the meeting and will normally attend in person.

6. Meeting Agenda

The agenda for the meetings will be set by the Committee Chair. Individual members of the Committee will have the right to place items on the meeting agenda. Items to be discussed at the meeting must be included on the agenda. Exceptionally, an item not on the agenda may be addressed at the meeting provided all members present agree.

The agenda will be fixed before the meeting and must be distributed, along with relevant reading material, at least 2 working days before a meeting.

In addition, individual Committee members responsible for submitting reports to the Committee must ensure items of a significant nature are formally tabled and covered via the agenda. Any item of note must be shared at meetings rather than assumed to be covered by preparatory reading.

Any paper submitted to the Committee for consideration must be presented or sponsored by a member of the Management Committee with the exception of reports from the CRO, CCO and Internal Audit. Such reports must follow the standard MC template.

7. Voting

To the extent that voting is required at a meeting, a simple majority of members present will be required for approval of a motion. Each member will have one vote. In the case of equality of votes the Committee Chair will have the casting vote.

8. Company Secretary

The Company Secretary or their nominee shall act as the secretary of the Committee (the "Secretary").

9. Committee Support and Resources

If a member of the Management Committee cannot attend in person, they can either "attend" via telephone or pass their input to the Secretary who can as necessary act as proxy for their stated vote for particular items.

The Secretary will circulate final minutes to each member of the Committee promptly after each meeting. Members will take responsibility for actionable tasks. The Committee Chair may also nominate other such persons to receive the minutes.

The Secretary will liaise with the Committee Chair and agree dates and venues for meetings, including the requirement for submission of papers for inclusion on the agenda.

10. Conflicts of interest

Committee members should notify potential, or actual conflicts of interest regarding any matter under consideration by the Committee to the Chair or Company Secretary immediately. The Chair will determine how to conclude on the conflict of interest and, where necessary, the steps to be taken to manage such potential conflict in line with the procedure set out in the Board Policy on Conflicts of Interest.

Where the Chair has an actual or potential conflict of interest, they should notify it to the Company Secretary immediately. The Company Secretary will determine how to conclude on the conflict of interest and, where necessary, the steps to be taken to manage such potential conflict in line with the procedure set out in the Conflicts of Interest Policy.

11. Self-Assessment of Committee Effectiveness

The Committee shall carry out a self-assessment every two years which shall be designed to ensure the ongoing effective functioning of the Committee.

12. Review and amendment of these terms of reference

The Terms of Reference will be reviewed at least every two years by the Committee, which shall make recommendations for revision to the Board, as they consider appropriate.

13. Reporting to the Board

The Committee Chair shall report to the Board, in a timely manner, on the Committee's activities and proceedings on all matters within its duties and responsibilities.

Minutes of the Committee will be made available to all members of the Board.