

Euroclear Finland User Committee Terms

of Reference

(incorporating internal governance practice & procedures)

Purpose	<ul style="list-style-type: none">• The User Committee, which has been established for the securities settlement system that the CSD operates, shall provide advice (which is independent from any direct influence by the management of the CSD to the Board of the CSD on key arrangements that impact the CSD's members.• Each CSD establishes its own User Committee targeted at its specific market/country.
Members and Chair	<ul style="list-style-type: none">• The User Committee is composed of representatives of participants and issuers in the securities settlement system.• The User Committee Chair will consult with CSD management to identify and propose potential candidates for User Committee membership. The nominees shall have sufficient senior knowledge of settlement, custody industry and/or issuance with the ability to promote market-wide views and achieve consensus. The User Committee Chair will approve all appointments for User Committee membership. The User Committee Chair should ensure that the User Committee includes a balanced representation of key stakeholders to achieve an effective User Committee.• Nominees for User Committee Chair are proposed by the CSD management, confirmed by the independent non-executive directors of the Board of the CSD and appointments are approved by the User Committee.• The User Committee Chair must be elected at least every three years. If appropriate, the independent non-executive directors of the Board of the CSD may propose to the User Committee to remove him/her from office as User Committee Chair.• The User Committee Chair should have expert knowledge of the settlement and custody industry, the seniority to promote market-wide views and the capacity to achieve consensus decision to reflect the views of all market stakeholders.
Meeting attendees	<ul style="list-style-type: none">• All User Committee members. <p>Non-voting attendees:</p> <ul style="list-style-type: none">• Secretary nominated by the CSD management.• Relevant representatives of CSD management.• Any additional invitees as deemed necessary by the User Committee Chair.
Frequency of meetings	<ul style="list-style-type: none">• A minimum of three scheduled meetings per year.• Additional ad-hoc meetings as deemed necessary by the User Committee Chair.
Voting	<ul style="list-style-type: none">• To the extent that voting is required at a meeting (at the discretion of the User Committee Chair), all decisions of the User Committee shall be determined by a simple majority of User Committee members present.

- Each User Committee member has one vote and all votes are equal.
 - The User Committee Chair has the casting vote in case of equality of votes.
- Meeting agenda and notice
- The User Committee Chair with input from the secretary sets the agenda.
 - Notice of meetings shall be sent by electronic means.
- Committee support and resources
- Administrative and logistical support is given by the CSD.
 - Minutes shall be drafted by the secretary and be submitted to the User Committee for approval.
- Mandate
- The User Committee provides independent advice to the Board of the CSD, on key arrangements that impact the CSD's members, including on:
- ✓ criteria for accepting issuers and participants
 - ✓ service level
 - ✓ significant developments needed to adapt to market changes

The User Committee will review and act as appropriate on relevant audit findings submitted by the CSD for review.

The User Committee may also submit a non-binding opinion to the Board of the CSD containing detailed reasons regarding the pricing structures of the CSD.

The User Committees of linked CSDs may request (by consensus of the User Committee) DVP settlement and this shall be regarded by a CSD as practical and feasible and evidencing market demand for DVP settlement.

- Relationship with other bodies
- The User Committee will be informed by the CSD of any decision in which the Board of the CSD decides not to follow the advice of the User Committee.
 - The User Committee may inform the competent CSD's authority of any areas in which it considers that the advice of the User Committee has not been followed.

Reporting to the Board

The User Committee will provide the minutes of their meetings to the CSD Board.

- Conflicts of Interest
- User Committee members must notify potential or actual conflicts of interest to the User Committee Secretary and Chair immediately. The User Committee Chair will determine how to conclude on the conflict of interest and the steps to be taken to manage a conflict where it is determined that one exists.
 - Where the User Committee Chair has an actual or potential conflict of interest, the process to conclude on that conflict of interest shall be the responsibility of the independent non-executive directors of the CSD Board.
 - Where it is determined that a User Committee member or the User Committee Chair has an actual or a potential conflict of interest in relation to a particular matter, that member shall not be allowed to vote on that matter.

- Confidentiality By taking on the role of member of the User Committee, members agree that any non-public information divulged by the CSD to User Committee members in the exercise of their functions as User Committee members, is confidential. Each User Committee member undertakes to keep such information confidential and not use it for purposes other than for the exercise of their User Committee function.
- Review of Terms of Reference
- This document shall be reviewed and approved at least every two years by the CSD board.
- Publication
- These Terms of Reference are available on the Euroclear website.