

Euroclear Sweden (the "Company") CEO Instruction

- 1. Introduction**
- 1.1. Under the Swedish Companies Act (2005:551) the CEO shall attend to the day-to-day management of the company pursuant to guidelines and instructions issued by the Board (general competence).
- In addition, the CEO may without authorization by the Board, take measures, which in light of the scope and nature of the company's operations, are of an unusual nature or of great significance, provided a decision by the Board cannot be awaited without significant prejudice to the company's operations. In such cases, the Board shall be notified as soon as possible of any measure taken.
- The CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.
- 2. Responsibilities**
- 2.1 The CEO's responsibilities and powers include, but are not limited to, the following:
- i. design and establish risk-management, technology, compliance and internal control procedures that promote the objectives of the Company;
 - ii. subject the risk-management, technology, compliance and internal control procedures to regular review and testing;
 - iii. ensure that sufficient resources are devoted to risk management, technology, compliance and internal control, and internal audit;
 - iv. determine, implement and monitor the risk-management framework for operational risks, identify all of the Company's exposures to operational risk and track relevant operational risk data, including any cases where material data is lost.
 - v. implementing the culture, values, standards, ethics and conduct of business rules of the Company, as established by the Board in internal codes of conduct;
 - vi. maintaining a good relationship with the Company's regulator and other supervisory bodies;
 - vii. taking the necessary measures to ensure compliance and implementation of the organisational requirements applicable to the Company;

- viii. 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 CEO to tackle shortcomings;
- ix. management of the Company's activity in line with the objectives and strategy determined by the Board and development of the governance structure;
- x. 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;
- xi. supervision of the line management, monitoring compliance with the allocated competencies and responsibilities, and overseeing of financial reporting;
- xii. organising an internal control system that provides reasonable assurance on the reliability of internal reporting and financial disclosure, in order to ensure that the annual accounts are in compliance with the applicable accounting regulations;
- xiii. ensuring that the remuneration policy established by the Board is correctly implemented;
- xiv. taking the necessary measures to ensure that the Company has an effective risk management system;
- xv. reporting to the Board on the Company's financial position and on all aspects required to enable the Board to fulfil its tasks effectively;
- xvi. ensuring that consultation is made for group matters in accordance with requests from the Board and Annex 1 to this document.

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| 3. | Review of Terms of Reference | 3.1 Annual review by the CEO for recommendation to the Board. |
| | | 3.2 Last approved by the CEO on 23 February 2021. |
| | | 3.3 Last approved by the Board on 23 February 2021. |
| 4. | Publication of Terms of Reference | This document was last published on the Euroclear website 24 February 2021. |

ANNEX 1

Procedure for Group Matters

In accordance with the *Terms of Reference for the Euroclear Sweden Board of Directors* ("ToR") the Euroclear Sweden Board of Directors (the "Board") shall under certain circumstances consult with Euroclear SA/NV ("ESA") before taking certain decisions affecting Euroclear Sweden's relationship to the group or risk profile. It is the responsibility of Euroclear Sweden's CEO and the ExCom to ensure that, for such a proposal, consultation is done in accordance with the below process.

- The CEO shall ensure that each item mentioned as a consultation matter in the ToR ("Group Matters") is subject to prior consultation to ESA before being formally adopted, except if the group view has already been sought and obtained earlier¹;
- Each proposal to deviate from a Group framework as specified in the ToR ("Group Framework") or from a Group policy document, which falls under the domains as specified in Annex 2a (the "Group Policy Document") shall be submitted by the CEO, or an ExCom member to whom the responsibility has been delegated (the "ES Sponsor"), to the competent sponsor of ESA MC with due justification of the derogation and, where appropriate, impact analysis and mitigating measures. Before submission to the competent sponsor at ESA MC, the ES Sponsor shall consult with the ESA division head responsible for the Group Policy Document or Group Framework in order to obtain its views so that ESA can take a well-informed stance with all relevant expertise provided. If there is any doubt as to whether a particular matter falls within the scope of prior mandatory consultation to ESA, the matter shall be referred by the ES Sponsor to the competent sponsor at ESA MC via the division head responsible for the Group Policy Document or Group Framework. The latter shall notify the ES Sponsor of the need for consultation as soon as possible;
- The ESA MC sponsor shall place the proposal on the agenda of the forthcoming ESA MC (or the ESA MC committee having the relevant delegated power). Where necessary, the matter may be referred to the first upcoming ESA Board in accordance with the latter's terms of reference. The respective committee secretaries shall liaise for timely consideration of the matter in their own committee;
- Upon his/her request, the ES Sponsor (or his/her delegate) may be invited to attend the relevant committee meeting to present the matter;
- Review by ESA should consider the balance between group and local interests, including local law regulations and regulatory expectations², materiality (impact, duration) of deviation from the Group Frameworks or Group Policy Document and, where appropriate, mitigating measures;

¹ For the avoidance of doubt, it is clarified that the consultation procedure applies in case of deviation from group frameworks or group policy documents at the initiative of ES. Deviations resulting caused by ESA in its capacity of service provider will be dealt with according to the existing contractual arrangements between ES and ESA.

² a) written communication from, or publications issued by, a competent regulatory authority providing guidance on expectations related to its area of competence; or (b) written confirmation by such competent regulatory authority to ES of such expectations; or (c) legitimate expectations which ES may reasonably believe a competent regulatory authority to have due to representations, statements or attestations made by ES to such authority before issuance or revision by ESA of a Group Framework or Group Policy Document.

- When reviewing a proposal, ESA will issue its response in writing to the Euroclear Sweden's deviation proposal; this will usually be through the minutes of the relevant meeting.
- The ESA MC sponsor shall communicate the ESA stance immediately after the ESA MC or ESA board as soon as the matter has been dealt with;
- After receipt and consideration of ESA's stance, Euroclear Sweden may decide whether or not to proceed with the proposal duly considering the consultation's outcome. Whenever the issue falls within the remit of the Board according to the ToR, the ES Sponsor shall for completeness' sake and information purposes include ESA's stance in its proposal to the Board.
- In exceptional urgent circumstances, the above consultation procedure may be substituted by direct contact between the ES's Board Chair/CEO and ESA board chair/CEO as the case may be.