

Euroclear Sweden User Committee

Terms of Reference

(incorporating internal governance practice & procedures)

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| Purpose | <ul style="list-style-type: none">• The User Committee, which has been established for the securities settlement system that Euroclear Sweden ("ES") operates, shall provide advice (which is independent from any direct influence by the CEO of ES) to the Board of the (I)CSD on key arrangements that impact ES's members.• Each (I)CSD in the Euroclear Group 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 ES CEO to identify and propose potential candidates for User Committee membership. 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 ES CEO, confirmed by the independent non-executive directors of the Board and appointments are approved by the User Committee.• The User Committee Chair must be re-elected as User Committee Chair at least every three years. If appropriate, the independent non-executive directors of the Board may propose to the User Committee to remove him/her from office as User Committee Chair.• The User Committee Chair should have sufficient 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 ES CEO.• Relevant representatives of ES .• 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Administrative and logistical support is given by ES. • Minutes shall be drafted by the secretary and be submitted to the User Committee for approval.
Mandate	<p>The User Committee provides independent advice to the Board on key arrangements that impact ES's members, including on:</p> <ul style="list-style-type: none"> ✓ criteria for accepting issuers and participants ✓ service level ✓ significant developments needed to adapt to market changes <p>The User Committee will review and act as appropriate on relevant audit findings submitted by ES for review.</p> <p>The User Committee may also submit a non-binding opinion to the Board containing detailed reasons regarding the pricing structures of ES.</p> <p>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.</p>
Relationship with other bodies	<ul style="list-style-type: none"> • The User Committee will be informed by ES of any decision in which the Board decides not to follow the advice of the User Committee. • The User Committee may inform ES's competent authority of any areas in which it considers that the advice of the User Committee has not been followed.
Reporting to the Board	<p>The User Committee will provide the minutes of their meetings to the Board.</p>
Conflicts of Interest	<ul style="list-style-type: none"> • 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 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	<p>By taking on the role of member of the User Committee, members agree that any non-public information divulged by ES 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.</p>

Review of
Terms of
Reference

- These Terms of Reference shall be subject to periodic review and approval by the board.
- Approved on 21 August 2019.

Publication

- These Terms of Reference are available on the Euroclear website.