

Rules of Procedure for the Executive Board

Clearstream Banking S.A. (CBL)

July 2020

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The Supervisory Board of the Company has adopted the following Internal Rules & Regulations (“IRR”) for the Executive Board:

1 Executive Board

1.1 General

The members of the Executive Board shall conduct the business of the Company in accordance with the applicable laws, notably the law of 10 August 1915 on commercial companies, as amended, as well as the law of 5 April 1993 on the financial sector, as amended, CSSF circulars, notably the CSSF Circular 12/552, as amended (the “Circular”), the relevant EU legal framework, notably the Central Securities Depositories Regulation (CSDR) and its implementing acts, the Articles of Incorporation and, these Internal Rules & Regulations.

1.2 Tasks and Responsibilities

- (1) The Executive Board shall have the overall responsibility for the management of the Company in accordance with Art. 442-7 of the law of 10 August 1915 on commercial companies, as amended.
- (2) The Executive Board shall design and establish the Company’s business strategy, the risk strategy, the strategy regarding capital adequacy and liquidity as well as the guiding principles governing:
 - (i) the organisational and operational structure including IT (technology) and internal communications processes,
 - (ii) the internal control, compliance and risk management mechanisms,
 - (iii) the professional conduct and corporate values, including escalation procedures,
 - (iv) the central administration, including administrative, accounting and IT organisation,
 - (v) outsourcing,
 - (vi) the management of continuing activities and crisis events, and
 - (vii) the appointment and replacement of persons holding key functions.
- (3) The Executive Board shall critically assess and approve, at least once a year, the internal governance arrangements of the Company and its implementation in order to ensure compliance with all regulatory requirements and the objectives of effective, sound and prudent business management. The Executive Board shall inform the Supervisory Board, at least once a year, of the implementation, adequacy, effectiveness and compliance with such internal governance arrangements.
- (4) The Executive Board shall prepare the financial statements of the Company, a management report and a proposal for appropriation of any net profits. The draft of the financial statements as well as the management report shall be delivered to the Supervisory Board as well as the external auditor within the timeframe set forth by the law.
- (5) The Executive Board assumes further tasks and responsibilities in accordance with and as provided by applicable laws and regulations.¹

1.3 Membership

- (1) Only natural persons (*personnes physiques*) may be members of the Executive Board.

¹ Please consider, in particular, the List of responsibilities of the Executive Board and the Supervisory Board deriving from Art. 49(2) and (3) of the COMMISSION DELEGATED REGULATION (EU) 2017/392 of 11 November 2016, attached as **Annex 1**.

- (2) The Executive Board cannot have among its members a member of the Supervisory Board of the same legal entity. A member of the Executive Board may not be at the same time member of the Supervisory Board within the same legal entity.
- (3) The Executive Board shall have a sufficient number of members to cover all necessary activities of the Company.
- (4) The members shall be appointed by the Supervisory Board, taking into account the applicable rules on the limitation of mandates.

1.4 Suitability and Performance Assessments

- (1) A member of the Executive Board has to fulfil certain criteria, shall be of sufficiently good repute and shall have sufficient skills, knowledge and experience, so as to ensure the sound and prudent management of the Company. In order to be compliant with regulatory requirements, candidates and members of the Executive Board, individually and collectively, have to be run through a suitability assessment according to the provisions of the law of 5 April 1993 on the financial sector, as amended, as well as any other relevant laws and regulations, such as but not limited to the EU relevant framework and guidelines and the CSSF circulars and the Suitability Assessment Policy of the Company.
- (2) The performance of the individual members of the Executive Board shall be assessed on a regular basis. The assessment is performed by the Supervisory Board.

1.5 Term

The members shall be appointed by the Supervisory Board for a period of four years, provided, however, that any member may be removed at any time by a resolution approved by a simple majority taken at the Supervisory Board or the General Meeting of Shareholders. Every member is re-eligible.

1.6 Chairperson

- (1) The Chairperson (“CEO”) is responsible for the effective follow-up of the actions decided at the meetings. He/she shall represent the Executive Board and the Company vis-à-vis the public, in particular, vis-à-vis authorities, associations, economic organisations and the media.
- (2) The CEO is in charge of promoting, within the Executive Board, a culture of informed and contradictory discussion.

1.7 Business Distribution Scheme

- (1) The CEO shall propose the Business Distribution Scheme, including the determination of representative powers, to the Executive Board for its decision, taking into account any double mandates within the Deutsche Börse Group.
- (2) The adoption, amendment or cancellation of the Business Distribution Scheme shall require a unanimous resolution of the Executive Board. If a unanimous resolution cannot be reached, the CEO shall ask the Supervisory Board to determine business distribution.
- (3) The Business Distribution Scheme shall be made available to the Supervisory Board immediately after it has been approved.

1.8 Meetings

- (1) Meetings of the Executive Board shall be held regularly; further details shall be determined by the CEO.
- (2) The meetings shall be convened, as a general rule, three working days before the meeting (excluding the day of convocation and the day of the meeting); if necessary, the meeting may, however, also be convened at short notice.

- (3) The person chairing the meeting has the power to monitor the meeting and to grant the right to speak and to invite such persons as deemed appropriate. The CEO may also invite such persons as deemed appropriate.
- (4) All board meetings shall be conducted in English and minutes and reporting shall be made in English.
- (5) The members shall endeavour to attend all meetings of the Executive Board in person and during their full length.

1.9 Agenda

- (1) The individual agenda for each meeting is decided by the CEO who is supported by Boards & Committees in the organization of the meeting.
- (2) Written material is made available to the members of the Executive Board in a timely manner ahead of the meetings, in order to allow the members to adequately review the information provided.
- (3) The agenda may include topics that are for informational purposes only or that require approval by the Executive Board. In addition recurring standard agenda topics can be defined.

1.10 Implementation of Decisions of the Executive Board

The Executive Board is a collegial body. It may entrust individual members of the Executive Board with the implementation of the resolutions and the execution of measures.

1.11 Minutes of Meetings and Record-keeping

- (1) There shall be minutes of the meetings of the Executive Board. The minutes shall be signed by the CEO and the secretary. They shall be submitted for Executive Board's approval.
- (2) If resolutions are passed in the form of circular resolutions, each member of the Executive Board shall provide his/her feedback to Boards & Committees within ten business days from the date of receipt of the resolution proposal.
- (3) The minutes shall be made available to the regulator and the external auditor upon request.
- (4) There shall be adequate and orderly records of responses from the Executive Board to internal and external audit reports, risk-management reports, internal control and compliance reports.

1.12 Non-Compete Covenant, Conflict of Interest

- (1) The members of the Executive Board may not serve on the corporate bodies of, or provide consulting services to material competitors of the Company. Members of the Executive Board who (i) join any corporate body at enterprises or institutions outside Deutsche Boerse Group (except those committees or advisory boards having an advisory role only), (ii) take on an ancillary employment, (iii) conduct any commercial business or (iv) carry out transactions within the Company's line of business for his own account or the account of a third party need the prior approval of the Executive Board and the Supervisory Board. Members of the Executive Board who join any corporate body, committee or advisory board within Deutsche Boerse Group or any association a company of Deutsche Boerse Group is part of shall agree on such mandate with the CEO and shall inform the chairman of the Supervisory Board beforehand. The members of the Executive Board agree to accept such mandates listed in sentence 3 upon request of the Company. Any member intending to resign from such mandate shall inform the CEO and the chairman of the Supervisory Board in due time.

- (2) Any member of the Executive Board is obliged to resign from mandates held in the interest of the Company or Deutsche Boerse Group upon termination of its activity for Deutsche Boerse Group and/or upon request of the Supervisory Board.
- (3) Save as otherwise provided by the applicable laws, any member of the Executive Board having, directly or indirectly, an interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Executive Board, shall be obliged to inform the Executive Board thereof and to cause a record of this to be included in the minutes of the meeting. The member may not participate in the deliberations relating to the issue or vote on such transaction. The minutes shall comprise a description of how the conflict was managed.
- (4) Any such conflict of interest must be reported to the next General Meeting of Shareholders prior to such meeting taking any resolution on any other item. In the case of material conflicts of interest and those which are not merely temporary in respect of the person of an Executive Board member, the Executive Board member concerned shall resign from office without delay.
- (5) Where, by reason of a conflicting interest, the number of members of the Executive Board required in order to validly deliberate is not met, the Executive Board may decide to submit the decision on this specific item to the General Meeting of Shareholders.
- (6) Sub-sections 3 to 5 shall not apply where the decision of the Executive Board relates to ordinary business entered into under normal conditions.

1.13 Co-operation with the Internal Control Functions and the Supervisory Board

- (1) The chief risk officer, the chief technology officer, the chief compliance officer and the chief internal auditor shall have direct access to the Executive Board.
- (2) The obligation to submit a report to the Supervisory Board on the issues and times set forth in the Articles of Incorporation, the applicable laws and the CSSF circulars shall be incumbent upon the Executive Board, with the CEO holding ultimate responsibility for the submission of such report.
- (3) The CEO or his/her deputy shall immediately give an oral or a written report to the chairman of the Supervisory Board on all matters which are of particular significance to the Company.
- (4) Written reports and applications of members of the Executive Board to the Supervisory Board shall be submitted to the CEO with the request for forwarding.
- (5) The Executive Board shall abide to any further disclosure and reporting duties prescribed by the Supervisory Board, as well as to any further details relating to the fulfilment of such duties.

1.14 Transactions subject to Approval

- (1) The Executive Board requires the Supervisory Board's approval to the following matters of the Company:
 - (a) Preparation of the annual budget of the Company;
 - (b) Exceeding the annual budget of the Company by 10 per cent or exceeding the budgeted expenses for a project of the Company by 5 per cent of the annual budget of the Company;
 - (c) Decisions or measures which fundamentally change the company or the asset, financial or earnings situations of the Company (e.g. business combinations with other companies in the form of a merger or an all-encompassing joint venture);
 - (d) Where members of the Executive Board of the Company (i) join any corporate body at enterprises or institutions outside the Deutsche Boerse Group (except those committees or advisory boards having an advisory role only), (ii) take on an

ancillary employment, (iii) conduct any commercial business or (iv) carry out transactions within the Company's line of business for his own account or the account of a third party;

- (e) Acquisition, sale or encumbrance of real estate and equivalent titles insofar as the value of the individual measure exceeds 10 per cent of the equity shown in the last approved financial statements of the Company;
 - (f) Acquisition or disposal of shares/interests in other companies and establishing of permanent establishments and enterprises, where the purchase price or the value of the individual measure exceeds 10 per cent of the equity shown in the last approved financial statements of the Company;
 - (g) Development of new business areas insofar as the assessed profits for the third fiscal year after such development resulting from the new business areas are prognosticated with more than 20 per cent of the turnover of the last approved financial statements or insofar as the balance sheet of the Company is presumably extended by more than 10 per cent;
 - (h) Assumption of suretyship or guarantees outside the normal course of business, insofar as the value of the measure exceeds 10 per cent of the equity shown in the last approved financial statements of the Company. Such legal transactions shall not require approval if the parties and beneficiaries of such legal transactions are exclusively companies of the Deutsche Boerse Group;
 - (i) Borrowing and granting of loans outside the normal course of business, insofar as the amount of the loan exceeds 10 per cent of the equity shown in the last approved financial statements of the Company. Such legal transactions shall not require approval if the parties and beneficiaries of such legal transactions are exclusively companies of the Deutsche Boerse Group;
 - (j) Granting of retirement benefits and pensions, whether or not this gives rise to a legal right, and the granting of any other personal pension benefits in each individual case, as well as the conclusion of internal agreements (shop agreements) concerning the establishment of benefit schemes;
 - (k) Exercise of voting rights in a shareholders' meeting of a subsidiary on any material resolution (e.g. structural measures, appointment of board members).
- (2) Material legal transactions between companies within the Deutsche Boerse Group and members of the Company's Executive Board (including related parties or related enterprises) require the prior consent of the Supervisory Board.
- (3) If the Supervisory Board refuses to grant its approval, the Executive Board may request that the General Meeting of Shareholders shall decide on the approval.

1.15 Liability

The members of the Executive Board shall be liable to the Company and third parties in accordance with Art. 441-9 of the law of 10 August 1915 on commercial companies, as amended.

1.16 Confidentiality

The members of the Executive Board shall be bound to secrecy in respect of any confidential information and data of the Company, in particular trade and business secrets, which become known to members through their activities on the Executive Board. This obligation shall survive their term of office. Upon resignation or removal from office, any confidential documents must be returned to the CEO or, if they are unavailable, to his/her deputy.

2 Committees

- (1) The Executive Board may establish committees, the composition and duties of which it shall determine and which shall exercise their activities under its responsibility.

- (2) The mission of the committees is to conduct examinations, to advise the Executive Board and to prepare resolutions of the Executive Board.
- (3) The committees shall notify the Executive Board of the result of their examinations and make available to the Executive Board the reports of the meetings.
- (4) The Executive Board cannot delegate its decision-making powers and responsibilities to the committees.
- (5) The Executive Board shall appoint a member of each respective committee as chairman of the committee. The chairman shall have in-depth knowledge in the area of activities of the committee he/she chairs.
- (6) The Executive Board may adopt terms of reference, which shall govern the further details of the activities of the respective committee.
- (7) If not stated otherwise in these Internal Rules & Regulations or in the terms of reference of the relevant committee, Art. 10.2 to 10.9 of the Articles of Incorporation and the provisions of these Internal Rules & Regulations applicable to the Executive Board shall apply *mutatis mutandis*.
- (8) Any member of a committee having a conflict of interest shall be obliged to advise the committee thereof and to cause a record of this to be included in the minutes of the meeting. The member may not participate in the deliberations relating to the issue.

Annex 1

List of responsibilities of the Executive Board and the Supervisory Board deriving from Art. 49(2) and (3) of the COMMISSION DELEGATED REGULATION (EU) 2017/392 of 11 November 2016

Task/Responsibility	Body responsible within Clearstream Banking S.A. (EB = Executive Board; SB = Supervisory Board)
Art. 49(2) COMMISSION DELEGATED REGULATION (EU) 2017/392	
The <i>management body</i> shall assume at least the following responsibilities:	EB; SB re procedures of EB, SB and SB committees; SB re policies related to SB responsibilities
a) <u>establish</u> well-documented policies, procedures and processes by which the management body, senior management and committees shall operate;	
b) <u>establish</u> clear objectives and strategies for the Company;	EB with approval of SB
c) effectively <u>monitor</u> senior management;	SB
d) <u>establish</u> adequate remuneration policies;	EB re employees; SB re EB
e) <u>ensure</u> the surveillance of the risk-management function and <u>take</u> the decisions related to risk management;	EB; SB to monitor
f) <u>ensure</u> the independence and adequate resources of <ul style="list-style-type: none"> - a risk-management function; - a technology function - a compliance and internal control function; and - an internal audit function. 	EB; SB to monitor
g) <u>monitor</u> outsourcing arrangements;	EB; SB to monitor
h) <u>monitor</u> and <u>ensure</u> compliance with all relevant regulatory and supervisory requirements;	EB; SB to monitor
i) <u>be accountable</u> to shareholders or other owners, employees, users and other relevant stakeholders; and	EB; SB partially, notably to shareholders
j) <u>approve</u> internal audit planning and review	EB with approval of SB (audit committee might prepare decision)
k) <u>review</u> and <u>update</u> regularly the governance arrangements of the Company	EB; SB re procedures of the boards; other than that to monitor only
Where the <i>management body</i> or its members delegate tasks, they shall <u>retain</u> the responsibility for decisions that may affect the smooth provision of services by the CSD.	EB
The CSD's <i>management body</i> shall <u>hold</u> the final responsibility for managing the CSD's risks.	EB; SB to hold final responsibility for monitoring the performance of

	the MB as well as the systems that ensure an effective risk management
The <i>management body</i> shall <u>define, determine</u> and <u>document</u> an appropriate level of risk tolerance and risk bearing capacity for the CSD and for all the services that the CSD provides.	EB with approval of SB
The <i>management body</i> and senior management shall <u>ensure</u> that the CSD's policies, procedures and controls are consistent with the CSD's risk tolerance and risk bearing capacity and that these policies, procedures and controls address how the CSD identifies, reports, monitors and manages risks.	EB; SB to monitor
Art. 49(2) COMMISSION DELEGATED REGULATION (EU) 2017/392	
The senior management shall have at least the following responsibilities:	EB
a) <u>ensure</u> consistency of the activities of the CSD with the objectives and strategy of the CSD as determined by the management body;	EB
b) <u>design</u> and <u>establish</u> risk-management, technology, compliance and internal control procedures that promote the objectives of the CSD;	EB
c) <u>subject</u> the risk-management, technology, compliance and internal control procedures to regular review and testing;	EB
d) <u>ensure</u> that sufficient resources are devoted to risk management, technology, compliance and internal control, and internal audit.	EB

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