

Document title

# **EURONEXT SECURITIES PORTO RISK COMMITTEE MANDATE**

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## DOCUMENT SUMMARY

<b>Document type</b>		Mandate
<b>Purpose of the document</b>		This document describes the charter for Euronext Securities Porto Risk Committee
<b>Target Audience</b>		Internal and external stakeholders and the public
<b>Classification</b>		Public
<b>RACI</b>	<b>Responsible / Document owner</b>	Risk Committee
	<b>Accountable</b>	Board of directors
	<b>Consulted</b>	Risk Management Legal & Regulations
	<b>Informed</b>	Compliance
<b>Reference to related documentation</b>		Mandate for Euronext Securities Porto Board of Directors.
<b>Regulations linked to this document</b>		CSDR 909/2014 CSDR RTS 2017/392

## VERSION CONTROL

VERSION NO.	DATE	AUTHOR	APPROVAL	CHANGE DESCRIPTION
1.0	21/07/2020			First version
2.0	30/03/2022			Second version
3.0	08/02/2023			Alignment across CSDs

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## 1. ESTABLISHMENT AND OBJECTIVE

The Board of Directors (BoD) of INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (Euronext Securities Porto) has established a Risk Committee under the supervision of the BoD.

The Risk Committee is responsible for advising the BoD on Euronext Securities Porto's overall risk management strategy and risk appetite. The tasks of the Risk Committee are described in more detail in section 3.

The Risk Committee shall have a clear and publicly available mandate, procedures and access to external expert advice where necessary. The mandate is evaluated and adjusted once a year.

The Risk Committee will assess the risk management and internal control systems of Euronext Securities Porto.

The Risk Committee has a mere advisory function in connection with the responsibilities of the BoD. Accordingly, the setting up of the Risk Committee does not limit or substitute any duty or responsibility of the BoD in respect of risk management and control. Important information required by all members of the BoD shall therefore be provided to all its members, and not only to the Risk Committee. The BoD remains fully responsible for all recommendations that have been prepared by the Risk Committee.

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## 2. MEMBERS AND COMPOSITION

The Risk Committee consists of a minimum of three members who are appointed by the BoD according to the following rules;

- a. At least the majority of members of the Risk Committee are appointed among independent members of the boards of directors of the central securities depositories (CSDs) controlled by Euronext;
- b. At least one independent member of the BoD of Euronext Securities Porto is appointed member of the Risk Committee;
- c. At least one member of the Risk Committee may be appointed among Euronext employees. Members of the Risk Committee appointed among Euronext employees will ensure consistency in risk management best practices within the Euronext Group.

The BoD shall appoint the chair of the Risk Committee among the members qualifying as independent. The chair shall be primarily responsible for the proper functioning of the Risk Committee. The chair shall act as the spokesperson of the Risk Committee and shall be the main contact for the BoD. The chair may also, if appropriate, delegate to another independent board member the task to liaise with the BoD.

Members of the Risk Committee shall remain in office until the expiry of the term of the BoD's elected by the General Meeting.

A member of the Risk Committee shall serve until such member's successor is duly elected or until such member's earlier resignation or removal. Members may be removed by the BoD at any time. Any independent member of the Risk Committee who

resigns from the board of directors of one CSD controlled by Euronext shall also resign from the Risk Committee.

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### **3. DUTIES**

The duties of the Risk Committee are:

- a. To advise the BoD on the overall risk management strategy and risk appetite;
- b. To monitor and review Euronext Securities Porto's risk management strategy, risk tolerance, and policies, including identifying, communicating and manage risks;
- c. To submit risk management policies and/or policies for undertaking risks for approval by the BoD;
- d. To monitor and review the Euronext Securities Porto Management Board's reporting to the BoD concerning the development in the most essential risk areas;
- e. To monitor and review the development in the most essential risk areas for the purposes of the BoD's ability to be updated on developments and make the necessary decisions;
- f. To oversee Euronext Securities Porto's Risk Management function and review its effectiveness and independence and that it has adequate resources and appropriate access to information.

The Risk Committee shall also monitor any other matters that it deems necessary, in its discretion, and perform any other duties that the Board of Directors delegates to it.

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### **4. MEETINGS**

Meetings will be held at least twice annually or as often as the chair deems it necessary or if requested by a member of the Risk Committee, or by the Chief Risk Officer.

Meetings of the Risk Committee will be convened by the chair of the Risk Committee. In the chair's absence, meetings will be convened by another member of the Risk Committee.

Risk Committee meetings are generally held at the offices of the Company, but may also be held by telephone or video conference.

Copies of all meeting agendas must be sent to the BoD for information. All material prepared for the Risk Committee must be made available for all BoD members.

The chair of the Risk Committee presides over the Risk Committee's meetings.

The Risk Committee constitutes a quorum when more than half of its members are present.

The Risk Committee must keep a minute book.

The Risk Committee only passes resolutions where recommendations are to be made to the BoD. The Risk Committee has no independent decision-making power. All resolutions by the Risk Committee must be passed by a simple majority of votes.

To ensure the Risk Committee's independence and autonomy, members of the Euronext Securities Porto Management Board, other members of the BoD, the internal auditor and the external auditor may only attend meetings on request from the Risk Committee.

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## **5. AUTHORITY**

The Board of Directors authorises the Risk Committee to:

- a. investigate and assess all matters that fall within the guidelines set out in this charter;
- b. obtain all necessary information from the members of Euronext Securities Porto's Management Board and employees of Euronext Securities Porto and its subsidiaries;
- c. obtain information from Euronext Securities Porto's internal auditor and external auditor;
- d. obtain the advice, guidance and assistance from external advisers that the Risk Committee deems to be necessary or appropriate for performing its duties.

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## **6. RESOURCES AND BUDGET**

Euronext Securities Porto must make available to the Risk Committee the resources required for the performance of the Committee's duties, including external legal, accounting and other professional advice and assistance.

The Risk Committee shall avoid using the same external advisers as the Euronext Securities Porto Management Board, in the ordinary course of business.

The chair of the Risk Committee can decide if an annual budget for the Committee is relevant. If the chair of the Risk Committee decides it is relevant, the chair must prepare an annual budget for the Committee, which must be approved by the BoD. The chair must control the Risk Committee's budget on an on-going basis.

The Chief Risk Officer is responsible for the secretariat to the Risk Committee and oversees agenda setting, meeting preparation, and minutes of the meeting in coordination with the chair of the Risk Committee.

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## **7. REPORTING TO THE BOARD OF DIRECTORS**

Minutes of all meetings of the Risk Committee must be prepared as soon as possible and no later than three weeks before the next risk committee meeting.

The Risk Committee's reasoned recommendations to the BoD must be set out in the minutes.

Minutes of the meetings of the Risk Committee must be presented to the BoD, at the meeting following the Minutes completion.

Meetings of the BoD, to consider the Risk Committee's recommendations, must be organised to enable the chair of the Risk Committee or a delegated independent member of the Risk Committee to attend the meeting.

At least every six months, the Risk Committee must report its activities to the BoD.

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## **8. PUBLICATION OF INFORMATION ABOUT THE RISK COMMITTEE**

Euronext Securities Porto must publish the following information in its annual report and on its website:

- a) that Euronext Securities Porto has established an Risk Committee
- b) the Risk Committee Mandate (this document);
- c) the names of the members of the Risk Committee;
- d) the name of the chair of the Risk Committee;

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## **9. REMUNERATION**

The members of the Risk Committee shall receive remuneration for their work. The remuneration shall be determined by the General Meeting.

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## **10. MISCELLANEOUS**

The Risk Committee shall, as often as it deems necessary, perform a review and evaluation of the performance of the Risk Committee and its members, including by reviewing the compliance of the Risk Committee with this mandate.

In addition, the Risk Committee shall, as often as it deems necessary, review and reassess the adequacy of this mandate and recommend to the Board of Directors any improvements to this mandate that the Risk Committee considers necessary or valuable. The Risk Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.