

Charter of

# **The User Committee**

As adopted by the Board of Directors on 7 December 2023.

## Content

<b>1.</b>	<b>ESTABLISHMENT AND OBJECTIVE.....</b>	<b>3</b>
<b>2.</b>	<b>COMPOSITION AND MEMBERS .....</b>	<b>4</b>
<b>3.</b>	<b>MEETINGS.....</b>	<b>5</b>
<b>4.</b>	<b>ADVICE TO THE BOARD OF DIRECTORS .....</b>	<b>6</b>
<b>5.</b>	<b>EXPENSES.....</b>	<b>7</b>
<b>6.</b>	<b>SUB-COMMITTEES.....</b>	<b>8</b>
<b>7.</b>	<b>VP SUPPORT AND MEETING ATTENDANCE .....</b>	<b>9</b>

---

## 1. Establishment and objective

- 1.1. The board of directors (the "Board of Directors") of VP Securities A/S ("VP") has established a user committee (the "User Committee") in accordance with Article 28 of the Central Securities Depositories Regulation<sup>1</sup>.
- 1.2. The User Committee's mandate and objective is to establish a direct and effective means of allowing VP's users to advise the Board of Directors on key arrangements that impact on VP's members and users, including the criteria for accepting issuers or participants in VP's respective securities settlement systems as well as on service level.
- 1.3. The User Committee may submit a non-binding statement to the Board of Directors containing recommendations regarding the price structures of VP.

---

<sup>1</sup> Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories

---

## 2. Composition and members

- 2.1. The User Committee shall be composed by 10-15 members, representative of issuers and participants in VP's securities settlement system, and reflect the composition of VP's customers and the market(s) in which VP operates, allowing both national and international representation.
- 2.2. Any member of the User Committee must comply with the following admission criteria:
- a) A member of the User Committee must be a member of the senior management of an issuer in VP or a participant in VP's securities settlement system.
  - b) A member of the User Committee must not be a member of the Board of Directors or otherwise affiliated with VP.
  - c) A member of the User Committee must have sufficient repute, experience and appropriate knowledge of the post-trade industry.
- 2.3. The User Committee shall nominate candidate members of the User Committee, based on the admission criteria set out in section 2.2 above. The members must include a member appointed by the Danish Central Bank and a member jointly appointed by the Association of Danish Mortgage Banks (in Danish: "*Realkreditrådet*") under the auspices of Finance Denmark (in Danish: "*Finans Danmark*").
- 2.4. The Board of Directors shall reject a candidate only if he/she does not satisfy the admission criteria or other material reasons exist which, in the discretion of the Board of Directors, would hinder an appointment as member of the User Committee.
- 2.5. Each member shall be elected for a period of two (2) years. Members may be re-elected. If a member leaves his or her permanent employment at the main employer, the member must terminate his or her position at the User Committee.
- 2.6. The User Committee appoints a chairperson among its members.

---

### 3. Meetings

- 3.1. Meetings of the User Committee shall be held four (4) times per year and otherwise as often as the chairperson deems it necessary or if requested in writing by a member of the User Committee.
- 3.2. Meetings of the User Committee will be convened by the chairperson with an agenda set by the chairperson reflecting suggestions provided by members of the User Committee. The agenda shall include an update and status of VP matters. Invitations to meetings will be sent to the members by e-mail or such other communication means as deemed appropriate by the chairperson.
- 3.3. The chairperson of the User Committee presides over the User Committee's meetings. The chairperson will determine presence of participants from VP at the User Committee's meetings upon consultations with the executive management of VP. The User Committee constitutes a quorum when more than half of its members are present.
- 3.4. The User Committee passes resolutions where recommendations are to be made to the Board of Directors. All resolutions by the User Committee must be passed by a simple majority of votes. The User Committee has no independent decision-making power.
- 3.5. The User Committee must keep a minute book of meetings, which shall reflect the deliberations and voting, if any, of the members of the User Committee.

---

## 4. Advice to the board of directors

- 4.1. The User Committee may provide any views and advice within its mandate in the form of reports, letters or other written means, directly and independently to the Board of Directors without any direct or indirect influence by the Board of Directors or the executive management of VP.
- 4.2. At least once a year, the User Committee must send a report of its activities, including a highlight of key topics and decisions, to the Board of Directors.
- 4.3. The User Committee shall be informed about and have regard to the functionalities of VP's systems that are required and essential for the Danish mortgage banks' issuance and handling of mortgage bonds etc.
- 4.4. The User Committee may inform the Danish Financial Supervisory Authority (in Danish: "*Finanstilsynet*") of any areas or issues in respect of which it considers that the advice of the User Committee has not been followed by the Board of Directors.
- 4.5. The Board of Directors is required to inform the User Committee and the Danish Financial Supervisory Authority of any decision in which it decides not to follow the advice of the User Committee.

---

## 5. Expenses

- 5.1. VP will reimburse reasonable, documented out-of-pocket expenses for the members of the User Committee related to the participation in the User Committee's meetings in accordance with general expense guidelines in effect from time to time.

---

## **6. Sub-committees**

- 6.1. The User Committee may constitute sub-committees related to the User Committee's mandate in order to investigate and/or prepare discussions of specific issues of a technical nature.
- 6.2. Members of each sub-committee are appointed by and amongst the members of the User Committee.



---

## **7. VP support and meeting attendance**

- 7.1. VP shall appoint a senior manager of VP to act as liaison between the User Committee and the Board of Directors and who shall attend User Committee meetings in order to provide information for the purposes of the User Committee's work, provided that VP shall not be required to provide information to the User Committee, which in VP's sole discretion constitutes confidential information.
- 7.2. At the chairperson's request, VP shall make reasonable information and staff available at the User Committee's meetings to inform about, discuss and receive input in respect of topics of relevance to the User Committee's mandate.
- 7.3. VP shall further provide reasonable practical assistance and support to the User Committee in the form of secretarial assistance, meeting facilities, office supplies and other amenities related to the carrying out of the User Committee's mandate at the request of the chairperson.

As adopted by the Board of Directors on 7 December 2023.