



Board of Directors Audit Committee - Mandate

VP SECURITIES A/S

About This Document

This document describes the mandate for the Audit Committee of VP Securities A/S.

Document Audience

Internal and external stakeholders and the public (ref. CSDR RTS 2017/392, article 11 (3)).

Document History

Document Version	Date	Author	Change Description
1.0	17/06/2019		First version.
2.0	07/12/2020		Alignment to Euronext Group Mandates
3.0	28/06/2021	ENX LRGA / VP Legal	Slightly amended to serve as a model mandate for the 4 CSDs. Mostly cosmetic changes, reflecting that the CSD AUC is not identical to the Group AUC.

Related Documentation

Mandate for Board of Directors of VP Securities A/S.

Contents

1.	Establishment and Objective	4
2.	Responsibilities and duties.....	4
3.	Information and independent advice.....	5
4.	Composition	5
5.	Chair.....	5
6.	Meetings	6
7.	Reporting to the Board.....	6
8.	Miscellaneous.....	7

1. Establishment and Objective

- 1.1. The Board of Directors of VP Securities A/S (hereinafter the “Company”) has established an Audit Committee (hereinafter the “Audit Committee”) under its supervision.
- 1.2. The Audit Committee is responsible for advising the Board of Directors of the Company on the performance of the Company’s internal audit function, which it shall oversee.
- 1.3. The Audit Committee must make a critical assessment of the independence, objectivity, competence and performance of the Company’s internal audit function.
- 1.4. The Audit Committee maintains close working relationships with the Board of Directors of the Company, the Chief Executive Officer of the Company and the audit committee of Euronext N.V. (“the Euronext Group”) so as to ensure that the Audit Committee takes into account both local and group dimensions when fulfilling its duties.
- 1.5. The Audit Committee should encourage continuous improvement, and should foster adherence to the Company’s policies, procedures and practice at all levels.
- 1.6. The Audit Committee shall have a clear and publicly available mandate, procedures and access to external expert advice where necessary. The mandate shall be evaluated in accordance with section 8.2 below.
- 1.7. The Audit Committee's function is merely preparatory in regard to the Board of Directors conducting their responsibilities. Accordingly, the setting up of the Audit Committee does not limit or render superfluous any requisite consideration by the Board of Directors. Important information required by all members of the Board of Directors must therefore be provided to all its members, and not only to the Audit Committee. The Board of Directors carries full responsibility for all recommendations that have been prepared by the Audit Committee.

2. Responsibilities and duties

- 2.1. The Audit Committee shall assist the Board of Directors by advising on the performance of the Company’s internal audit function, which it shall oversee.
 - 2.2. The Audit Committee may rely, when possible and feasible, on works conducted by the audit committee of the Euronext Group, and take into account all factors which it deems relevant including the principles applied by the audit committee of Euronext N.V.
 - 2.3. To the extent deemed possible, the Audit Committee shall consider the issues raised at Euronext NV level when fulfilling its duties as detailed in Section 1.2 and 2.1.
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3. Information and independent advice

- 3.1. The Audit Committee is authorised to seek the information that it requires from any member of the Board of Directors or any employee of the Company and shall have unrestricted access to Company documents and Company information.
- 3.2. The Audit Committee is authorised to obtain outside legal and other professional advice at the Company's cost and to secure the attendance of outsiders at its meetings with relevant experience and expertise if it considers this necessary.

4. Composition

- 4.1. The Audit Committee consists of a minimum of three and a maximum of five members formally appointed by the Company's Board of Directors. In the event of a vacancy the Audit Committee continues to be validly constituted by the remaining member(s) of the Audit Committee.
- 4.2. At least one member of the Audit Committee must have relevant and up-to-date auditing qualifications. Collectively, the members shall also have the competencies of relevance for the Company's sector.
- 4.3. A member of the Audit Committee shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal.

5. Chair

- 5.1. The Chair of the Audit Committee shall be appointed by the Board of Directors.
 - 5.2. The Chair shall be primarily responsible for the proper functioning of the Audit Committee. The Chair shall act as the spokesperson of the Audit Committee and shall be the main contact for the Board of Directors.
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6. Meetings

- 6.1. The Audit Committee will agree on an annual schedule of meetings and the principal items to be discussed at the meetings.
- 6.2. Audit Committee meetings may also be convened on an ad-hoc basis by a member or members of the Audit Committee.
- 6.3. Members of the Senior Management of the Company and the Company's Chief Internal Auditor will attend meetings of the Audit Committee at the Chair's request.
- 6.4. The Audit Committee shall meet with the external auditor as often as it considers necessary.
- 6.5. The Audit Committee will hold an executive session with the internal auditor at least once a year.
- 6.6. The agenda for a meeting of the Audit Committee, together with any explanatory notes and related documents shall be sent in advance of the meeting to all members of the Audit Committee.
- 6.7. The secretary of the Audit Committee or any other person designated for such purpose by the chair of the meeting shall draw up minutes of the meeting of the Audit Committee and send the minutes to each member of the Audit Committee after the meeting.

7. Reporting to the Board

- 7.1. The Audit Committee shall prepare (i) minutes for the Board of Directors following meetings of the Audit Committee, (ii) reports with respect to such other matters as are relevant to the Audit Committee's discharge of its responsibilities and (iii) reports with respect to such recommendations as the Audit Committee may deem appropriate. The reports of the meetings of the Audit Committee shall be circulated as soon as possible after any of its meetings among all members of the Board of Directors.
 - 7.2. The chair of the Audit Committee shall upon request or at his own initiative at meetings of the Board of Directors provide further information on the outcome of the discussions of the Audit Committee. Each Board member shall have unrestricted access to all records of the Audit Committee.
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8. Miscellaneous

- 8.1. The Audit Committee shall, as often as it deems necessary, perform a review and evaluation of the performance of the Audit Committee and its members, including by reviewing the compliance of the Audit Committee with this mandate.
- 8.2. In addition, the Audit 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 Audit Committee considers necessary or valuable. The Audit Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.
- 8.3. Restricted Information means any information subject to confidentiality obligations pursuant to law or regulations. Any Restricted Information furnished pursuant to this mandate shall be treated as confidential and shall be used by the Audit Committee and its members solely for the purpose of the Audit Committee. The Audit committee and its members shall not disclose any Restricted Information to any other person unless it has obtained the prior written approval of the Company and only for the purpose covered by such approval.

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