



EURONEXT SECURITIES

User Committee

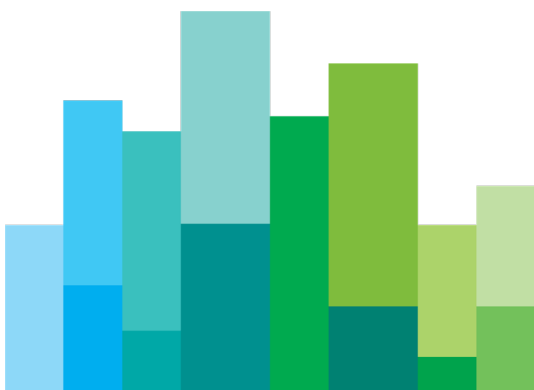
Terms of Reference

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1. Scope of the User Committee

- 1.1. Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (in this document referred as Euronext Securities Porto or ES-PTO) promotes the establishment of a User Committee in compliance with article 28 of Regulation (EU) 909/2014 of the European Parliament and of the Council of 23 July 2014 (CSDR).
- 1.2. The present document (“Terms of Reference”) outlines the governance arrangements and the operating procedures related to the functioning of the User Committee.
- 1.3. The Mandate of the User Committee is made public on Euronext Securities’ website.

2. Mandate of the User Committee

- 2.1. The objective of the User Committee is to establish a direct and effective channel to enable Euronext Securities Porto (hereinafter ES-PTO) users to advise the Board of Directors (i) on the main issues impacting ES-PTO users, including the criteria for the admission, suspension, exclusion of issuers or participants in the systems managed by ES-PT, (ii) on service levels referred to in the article 28(3) of the Regulation (EU) 909/2014 and (iii) on all other strategic issues that, by law or regulation, should be discussed in the User Committee.
- 2.2. The User Committee may submit to the Board non-binding opinions on pricing structure and on significant priorities concerning service enhancements and/or harmonisation practices to better serve the Portuguese market.
- 2.3. The User Committee shall provide advice in the interest of the sound and efficient management of the Core Services and shall promote strategic market-wide views.
- 2.4. Decisions concerning daily management of the Core Services shall not be subject to any scrutiny by the User Committee.

3. Composition of the User Committee

- a) The User Committee is composed of:
 - i. A Chair, elected amongst the Members of the User Committee;
 - ii. Members, represented by the Designated Representatives;
 - iii. A Secretary, appointed by the Chair;
 - iv. Observers, who could be Euronext Securities Porto or other Euronext Group's companies' staff who attend meetings of the User Committee upon request of the Chair.
- b) The Secretary and the Observers are bound by confidentiality obligations.
- c) The terms of reference of the User Committee are published on the Company website and notified to the national Competent Authority duly in advance of the first meeting.

3.1 Independency of the User Committee

- 3.1.1 The Chair and the Designated Representatives shall be independent from the management of the Company. To this end, the Chair and Designated Representatives shall not have any business, family or other relationship with any executive Members of the Board of Directors Euronext Securities Porto or with any senior manager of the Company which may give rise to a potential conflict of interest with the mandate of the User Committee at the time of their appointment and during the preceding two years.
- 3.1.2 The Chair and the Designated Representatives must not be Members of Euronext Securities Porto Board of Directors.
- 3.1.3 In case any Designated Representative does no longer meet the above independency requirements, for whatever reason, he/she shall resign immediately by written communication to the Chair. In this case a new Designated Representative shall be appointed by the Member within 30 days.

3.2 Chair

- 3.2.1 The Chair shall have knowledge and experience of the post-trading industry, the seniority to promote strategic market-wide views and the capacity to achieve consensus decision to reflect the views of all market stakeholders.

- 3.2.2 The Board of Directors shall appoint the Chair among the Members who have communicated their interest in this position. The appointment of the Chair is recorded in the minutes.
- 3.2.3 In case of absence or impediments of the Chair, the function shall be assigned to a person chosen by the Chair or chosen among the Designated representatives attending the meeting.
- 3.2.4 The Chair represents the User Committee vis-à-vis the Company, submits the advice and opinions of the User Committee to the Euronext Securities Porto Board of Directors. The Chair is in charge of leading the User Committee meeting, coordinating the activities, ensuring the observance of the rules and procedures for the functioning of the User Committee outlined in the present Terms of Reference (TOR).

3.3 Secretariat

- 3.3.1 The Company shall appoint a Secretary among one of their senior employees. The Secretary shall provide activities supporting the operations of the User Committee, as follows:
 - a) organizes the meeting facilities;
 - b) prepares a draft of the agenda under the coordination of the Chair;
 - c) conveys the User Committee meetings upon request of the Chair through the sending of the agenda and of the relevant documentation;
 - d) attends all User Committee meetings;
 - e) prepares minutes of all User Committee meetings.

3.4 Submission of advice to Euronext Securities Porto Board of Directors

- 3.4.1 The non-binding advice and opinions referred to in point 2 shall be signed by the Chair and approved by the User Committee before being sent to the Company Board of Directors.
- 3.4.2 Whenever the Board decides not to follow the received advice, the Company will promptly inform the User Committee. The same information will be provided to the Authorities.
- 3.4.3 On a yearly basis, a report on the activity of the User Committee is presented to the company Board of Directors.

4 Members of the User Committee

- 4.1 The User Committee shall be composed of the following Members:
- a) one Member representing the Portuguese Central Bank;
 - b) one Member representing the Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, EPE;
 - c) one Member representing each of the main associations:
 - i. AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado;
 - ii. APB – Associação Portuguesa de Bancos;
 - iii. APPFIM – Associação Portuguesa de Fundos de Investimento, Pensões e Patrimónios;
 - iv. APCRI - Associação Portuguesa de Capital de Risco e Desenvolvimento.
 - d) Two Members (maximum) representing non-Portuguese Financial Institutions;
 - e) Ten Members (maximum) representing Portuguese Financial Institutions;
 - f) Ten Members (maximum) representing Issuers – limited to non-financial entities and limited to a single representative per Corporate Group.
- 4.2 Criteria for the selection of the Members:
- a) Financial institutions: highest number of settlement instructions in the previous year;
 - b) Issuers: highest volumes of assets under custody in the previous year.
- 4.3 Membership is reviewed every two years based on the above criteria.
- 4.4 Euronext Securities Porto notifies the outcome of the selection process in writing to each selected or revoked issuer and financial institutions individually.
- 4.5 Issuers and financial institutions shall appoint a representative Member, and can also appoint a substitute Member, to the User Committee within 30 (thirty) days after receipt of the invitation from Euronext Securities Porto.
- 4.6 Designated representatives:
- a) The Designated Representatives shall be persons of proven experience in the post-trade field;
 - b) In case the Designated Representative cannot hold his/her position in the User Committee for whatever reason, the Member shall revoke without undue delay his/her assignment and notify Euronext Securities in writing. The Member shall appoint a new Designated Representative within 30 (thirty) days and notify the Chair of the respective assignment in writing to ES-PTO.
 - c) Members shall be liable for the behaviour of their Designated Representative if in breach of any provision of this Terms of Reference or any other applicable regulation related to the functioning of the User Committee.

- 4.7 Members, acting as representatives of the selected issuers and financial institutions:
- a) acknowledge and accept the mandate of the User Committee;
 - b) undertake to act fairly and to cooperate to the good functioning of the User Committee;
 - c) commit to abstain from discussing competitively sensitive information in the context of the User Committee or any associated gatherings/discussions;
 - d) consider the efficient and sound management of the Core Services as well as the needs of their customers and of their own organisations when responding to the points discussed in the context of the User Committee;
 - e) commit to abstain from discussing issues outside of the agenda items;
 - f) acknowledge the confidentiality of all the information, documents and data acquired as a consequence of the membership of the User Committee;
 - g) commit to abstain from using such information in their own interest or in the interest of third parties in any transaction;
 - h) assess and declare the existence of any conflict of interest;
 - i) can delegate an independent Designated Representative to sit in the Committee on their behalf.
- 4.8 In case of refusal of a Member to be part of the User Committee for any reason, a new Member is selected among other selectable entities to represent the same category of Members.
- 4.9 Members will be appointed for 2 (two) years. In case of substitution, the new Members will be appointed until the expiration date of the User Committee mandate in course.
- 4.10 If a Member is excluded from a Core Service (Settlement & Custody), or if an issuer no longer has securities registered in ES-PTO system, it immediately loses its status as Member of the User Committee. In this case a new Member shall be selected among other entities selectable for representing the same category of Members.
- 4.11 If a Member is suspended from a Core Service, it is immediately suspended as Member of the User Committee.

5 Confidentiality

- 5.1 For the purpose of this TOR, confidential information shall include information obtained in connection with the exercise of the role of Member/Designated Representative of the User Committee which is identified as confidential or which

is otherwise clearly confidential in nature including all and any technical, regulatory, commercial or product information including - without limitation business and marketing plans - client and product development plans, forecasts, financial and operational information, trade secrets, inventions, intellectual property rights, data processes and flows, file layouts, specifications, drawings, designs, computer software, know-how, contractual arrangements, future plans, reports and any material bearing or incorporating such information, disclosed by the Company or between or on behalf of Members of the User Committee either orally or in tangible or visible or machine readable form, including without limitation, any discussions undertaken in the User Committee ("Confidential Information").

- 5.2 By accepting their appointment, Members and their Designated Representatives are bound to keep strictly confidential any Confidential Information during the entire period of their mandate and successively for a period of 5 (five) years unless such information has been already made public by the Company or it is in the public domain.
- 5.3 Members and their Designated Representatives shall not disclose any Confidential Information to any person or body other than employees, members of the Board of Directors, and legal and financial advisers of the Member and its group who are directly involved in evaluating, developing, offering or selling, supplying, or administering the topics subject matter of the discussion taking place, from time to time, in the User Committee.
- 5.4 Members and their Designated Representatives shall hold Confidential Information in confidence and not disclose it to any third party (with the exception mentioned in the paragraph above) and to use their best efforts to protect it in accordance with the same degree of care with which it protects their own confidential information of same importance which it does not wish to disclose.
- 5.5 Members and their Designated Representative shall use the Confidential Information only in relation to the exercise of their role. They must not use any information they became aware of during the exercise of their mandate:
 - a) for their own purposes or for the purposes of third parties;
 - b) to advise third parties regarding any transaction or induce anyone to carry out transactions on the basis of the aforesaid information.
- 5.6 In case of breaches of the confidentiality duty referred to in this article, the Member shall be dismissed from its position and a new one is selected applying the criteria set out in section 4 among those that were excluded from the former

selection within the same category. New Members will be in charge until the expiration date of the User Committee.

- 5.7 Members and their Designated Representatives shall be aware that competition law requires great care when having any contact with competitors, including at industry forums such as the User Committee. Therefore, Members and the respective Designated Representatives are asked:
- a) to remind themselves of the competition compliance training they have received from the organisation they represent;
 - b) not to discuss competitively sensitive information at the User Committee or any associated gatherings/discussions;
 - c) to consider the needs of their customers, as well as their own organisation's when responding to the points on the agenda; and
 - d) not to discuss issues outside the agenda items.

6 Procedures of the User Committee

- 6.1 User Committee meetings are scheduled by Euronext Securities Porto, upon request by the Chair or the majority of the Members of the Committee;
- 6.2 The User Committee shall meet once a year (ordinary meeting), however extraordinary meetings may be scheduled whenever necessary;
- 6.3 The Secretary sends the agenda of the meeting at least 8 calendar days in advance of the meeting date; the Members of the User Committee may request the addition of items to the agenda whenever they fall within the scope of the Committee's object;
- 6.4 The deliberations of the Committee are merely advisory;
- 6.5 Consultation processes are always conducted by Euronext Securities Porto;
- 6.6 At the end of each meeting, minutes of the meeting are drawn up by the Secretary;
- 6.7 In cases of reasoned urgency, or in light of special circumstances, the Committee may be consulted by electronic mail. In this situation, the Secretary will apply best efforts to give Members a reasonable time to respond, considering the urgency of the issue.
- 6.8 The User Committee can create dedicated Working Groups to assess specific topics in a smaller setting. These Working Groups can be chaired by Euronext Securities or by a Member of the User Committee.

7 Duration of the User Committee

The composition of User Committee is reviewed every two years.