



Charter of the Remuneration Committee

July 2020

Version 7

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1. Introduction

1.1. Background

The management body of ID2S (hereafter, the "Board of Directors") established a Remuneration Committee under the supervision of and accountable to the Board of Directors, which is responsible for advising the Board of Directors on ID2S' remuneration policy, which it oversees.

This charter aims at describing roles and responsibilities, mandate, governance and reporting related to the Remuneration Committee.

The present Charter is published on ID2S' website.

1.2. Relevant regulation

- CSDR of EU 909/2014 Article 26 related to General provisions related to organisational requirements;
- RTS of CSDR of EU 2017/392 Article 48 related to Risk monitoring committees.

2. Members and composition

The Remuneration Committee consists of a minimum of three (3) members who are appointed by the Board of Directors.

The appointment of the Remuneration Committee members is based on an assessment by the Board of Directors of their ability and combined experience to fulfil the objective of the Remuneration Committee and is passed by a simple majority of votes of the Board of Directors members present or represented in the decision of the appointment.

Members are appointed among the members of the Board of Directors.

Members are appointed to the Remuneration Committee for one-year terms. Members may be removed by the Board of Directors at any time. Any member of the Remuneration Committee who resigns from the Board of Directors must also resign from the Remuneration Committee.

The majority of the members of the Remuneration Committee shall not be executive members of the management board. In the present Charter, executive members include the Chairman (*président du conseil d'administration*) and Chief Executive Officer (*directeur général*) and the Deputy Chief Executive Officer(s) (*directeurs généraux délégués*) if any.

The Remuneration Committee elects a Chairman for a one-year term, with appropriate experience, who is independent from ID2S' executive members of the management body. The Chairman of the Board of Directors cannot be Chairman of the Remuneration Committee.

The Chairman of the Remuneration Committee is not considered as independent if he or she (non exhaustive list) fulfils the following criteria:

- He/she is - or has been within the last five years - a manager/executive officer of ID2S or of any affiliated company;

- He/she has received a significant amount of remuneration from ID2S or any affiliated company other than as member of the Board of Directors;
- He/she represents the interests of a controlling shareholder;
- He/she has had within the last year important business relations (as a partner, shareholder, customer, supplier or member of a governing body of a company or companies with similar relations) with ID2S or any affiliated company; or
- He/she is, or has been within the last three years, an employee or partner of ID2S' external auditor;
- He/she is a manager of any company and there is overlapping board membership between that company and the ID2S;
- He/she has served on the Board of Directors for more than twelve years.
- He/she is closely related to any person who is not considered to be independent.

If the Chairman resigns or can no longer exercise his/her functions, the Remuneration Committee must appoint a new Chairman within a short time frame.

3. Missions

3.1. Mandate

The Remuneration Committee has as its objective to:

- Submit recommendations and proposals to the Board of Directors on the remuneration policy applicable to the Board of Directors and ID2S' management;
- Ensure that the remuneration of members complies with the Remuneration policy;
- Monitor and ensure the accuracy of the information about remuneration in the annual report;
- Answer questions about the Remuneration Committee's charter and activities.

On top of this, the Remuneration Committee is responsible for:

- Review and recommend arrangements for the Corporate Officers and other executives, including contract terms, annual remuneration and participation in ID2S' short and long term incentive plans;
- Review major changes and developments in ID2S' remuneration, recruitment, retention and termination policies and procedures for ID2S' management, and remuneration policies;
- Review and approve short term incentive strategy, performance targets and bonus payments;
- Review and recommend to the Board of Directors major changes / developments to ID2S' equity incentive plans in respect of a financial year;
- Review and recommend to the Board of Directors the remuneration arrangements for the Chairman of the Board of Directors and the non-executive members of the Board as defined in the section 2 of the present charter, including fees, travel and other benefits;
- Review and facilitate shareholder and other stakeholder engagement in relation to ID2S' remuneration policies and practices;

- Ensure that the remuneration of the independent and other non-executive members of the management body is not linked to the business performance of the CSD.

The Remuneration Committee has 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 Remuneration Committee's function is merely preparatory in connection with the transaction of business by the Board of Directors. Accordingly, the setting up of the Remuneration Committee does not limit or render superfluous any requisite consideration by the Board of Directors, and important information required by all members of the Board of Directors must therefore be provided to all members the Board of Directors and not only to the Remuneration Committee. The Board of Directors is accountable for all recommendations that have been prepared by the Remuneration Committee.

3.2. Operating procedures of the Remuneration Committee

Meetings of the Remuneration Committee will be held as often as the Chairman deems necessary and if requested by a member of the Remuneration Committee or by the General Secretary (hereafter, the "GS"), subject to a minimum of two meetings per year.

Meetings of the Remuneration Committee will be convened by the Chairman of the Remuneration Committee. In the Chairman's absence, meetings will be convened by a member of the Remuneration Committee who is not an executive member of the Board of Directors.

The GS, who is also responsible of the HR activities, will attend meetings of the Remuneration Committee, except where the Chairman of the Remuneration Committee specifically requests otherwise, and notably when a conflict of interest may arise such as (but not limited to) the remuneration of the GS and its staff.

The Chairman of the Remuneration Committee presides over the Remuneration Committee's meetings. The Chairman writes, with inputs from the other members of the Remuneration Committee, the agenda of the meetings. The final version of the agenda shall be communicated to the members of the Remuneration Committee at least seven days before the meetings. The agenda will notably include the following topics (but not limited to):

- Review of the remuneration policy;
- Control of the application of the remuneration policy;
- Endorsement of the exceptions to the remuneration policy; and
- Any other topics as deemed necessary by the members of the Remuneration Committee.

Copies of all meeting agendas must be sent by the GS to the Board of Directors for information. All material prepared for the Remuneration Committee must be made available by the GS to the Board of Directors.

The Remuneration Committee constitutes a quorum when more than half of its members are present. Are considered present for the quorum and majority, members participating in the meeting of the Remuneration Committee by videoconference or telecommunication is in accordance with laws and regulations and within the limits they provide. These shall comprise technical features allowing the identification of participants and ensuring effective participation. To this end, these means at least the voice of the participants must transmit and allow a continuous and simultaneous retransmission of the deliberations.

The Remuneration Committee has non-independent decision-making power. The Remuneration Committee only passes decisions where recommendations are to be made to the Board of Directors. All decisions by the Remuneration Committee must be passed by a simple majority of votes.

3.3. Authority

The Board of Directors authorises the Remuneration Committee to:

- Investigate and assess all matters that fall within the guidelines set out in this charter;
- Obtain all necessary information from the members of the Executive Management and employees;
- Obtain all the advice, guidance and assistance from external advisers that the Remuneration Committee deems to be necessary or appropriate for performing its duties.

3.4. Secretariat, resources and budget

ID2S makes available to the Remuneration Committee the resources required for the performance of the Committee's duties, including outside legal, accounting and other professional advice and assistance.

The Chairman of the Remuneration Committee must prepare an annual budget for the Committee, which must be approved by the Board of Directors. The Chairman must control the Remuneration Committee's budget on an on-going basis. Within the budget, the Remuneration Committee may engage external assistance on its own initiative.

The GS, appointed by the Board of Directors, is responsible for the secretariat to the Remuneration Committee, prepares and organises the meetings practically (reservation of the meeting rooms, communication of information to the members of the Committee, supply of the basic office furnitures, etc.) and drafts the minutes of the meeting in coordination with the Chairman of the Remuneration Committee.

4. Governance

4.1. Reporting to the Board of Directors

Minutes of all meetings of the Remuneration Committee must be prepared as soon as possible by the GS, no later than two weeks after the meeting and are upon approval by the Remuneration Committee.

The Remuneration Committee's reasoned recommendations to the Board of Directors must be set out in the minutes.

Minutes of the meetings of the Remuneration Committee must be presented at the next meeting of the Board of Directors.

Meetings of the Board of Directors to consider the Remuneration Committee's recommendations must be organised to enable the Chairman of the Remuneration Committee or a member of the Remuneration Committee who is not an executive member of the Board of Directors appointed by the Chairman to attend the meeting.

At least every six months, the Remuneration Committee must report its activities to the Board of Directors.

4.2. Publication of information about the Remuneration Committee

ID2S publishes the following information in its annual report and on its website:

- That ID2S has established an Remuneration Committee and the present Charter;
- The names of the members of the Remuneration Committee;
- The name of the Chairman of the Remuneration Committee;
- Which members of the Remuneration Committee are independent members, see clause 2 of this charter; and
- Which members have knowledge about and experience in relevant Remuneration matters;
- The mandate, procedures and access to external expert advice where necessary.

The Remuneration Committee must ensure that the information about the Remuneration Committee as set out in ID2S' annual report or on ID2S' website is true and accurate.

4.3. Remuneration

The members of the Remuneration Committee shall receive remuneration for their work. The remuneration shall be determined by the General Meeting once per year regardless of the performance of the Company, in accordance with Article 27 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on the improvement of securities settlement in the European Union and central securities depositories.

5. List of proposed members of the Remuneration Committee

Proposed members of the Remuneration Committee	Mandate
Aude de Chavanne	Chairman
Phi Nguyen	Member
Sophie Langlois	Member