

**Internal Rules and Regulations
of
the Board of Directors of LuxCSD S.A.**

v 4.0 December 2022

CONTENTS

- 1. General**
 - 1.1. Purpose
 - 1.2. Management Structure
 - 1.3. Legal Basis
- 2. The Company**
 - 2.1. Corporate Status
 - 2.2. Organs
- 3. The General Meeting of Shareholders**
 - 3.1. Representation of Shareholders
 - 3.2. Powers
- 4. The Board of Directors**
 - 4.1. Status and General Powers
 - 4.2. Membership
 - 4.3. Selection
 - 4.4. Term
 - 4.5. Chairperson
 - 4.6. Vice-chairperson
 - 4.7. Secretary
 - 4.8. Conduct of Meetings
 - 4.9. Attendance and Voting
 - 4.10. Minutes of Meetings
 - 4.11. Assessments
 - 4.12. Specific Powers
 - 4.13. Conflict of Interest
 - 4.14. Internal Control
 - 4.15. Guests
- 5. Daily Management**
 - 5.1. Delegation of Powers
 - 5.2. Scope
- 6. The Comité Exécutif**
 - 6.1. Structure
 - 6.2. Responsibilities
 - 6.3. Working Conditions
- 7. The Committees**
 - 7.1. General
 - 7.2. Audit Committee
 - 7.3. Risk Committee
 - 7.4. Remuneration Committee
- 8. Miscellaneous**
 - 8.1. Applicable Law and Dispute Resolution
 - 8.2. Amendments

Version History

Date	Author	Comment	Version
25.03.2014	Legal		1.0
21.08.2014	Legal		2.0
04.09.2014	BCL		2.1
10.09.2014	Legal		2.2
16.09.2014	BCL		2.3
2.10.2014	LuxCSD		2.4
16.10.2014	BCL		2.5
21.11.2014	BCL		2.6
March 2015	LuxCSD		2.7.
Sept 2017 (effect 1 Jan 2018)	Legal LuxCSD		2.8
Dec 2017 (effect 1 Jan 2018)	Legal LuxCSD		2.9
19.09.2018	Legal LuxCSD		3.0
12.08.2019	Regulatory Governance		3.1
28.08.2019	Regulatory Governance	Editorial changes to the table of content, no approval of the BoD required	3.2
28.09.2020	LuxCSD	Annual Review and approval	3.3
14.12.2021	Legal LuxCSD	Addition of Deputy CEO	3.4
15.12.2022	Legal LuxCSD	Annual review	4.0

1. General

1.1. Purpose

The purpose of these internal rules and regulations (the "Internal Rules and Regulations") is to provide LuxCSD S.A. ("LuxCSD" or the "Company") with a modern and professional governance structure suitable for a financial institution.

1.2. Management Structure

The corporate governance of the Company is based on a management structure composed of a Board of Directors of the Company (the "Board of Directors") and a daily management (the "Comité Exécutif" - referred to as the "ComEx").

1.3 Legal Basis

The Internal Rules and Regulations of the Board of Directors are an internal governing document of the Company. They shall be binding on the Board of Directors in their most up to date version.

This document shall be read in conjunction with the internal document "LuxCSD S.A. ComEx Internal Rules & Regulations"; the latter shall however prevail in case of discrepancy with respect to the provisions relating to the ComEx only.

2. The Company

2.1. Corporate Status

The Company has been incorporated as a public limited liability company (*société anonyme*) in accordance with the laws of Luxembourg. It shall be governed by the Articles of Association of the Company (the "Articles of Association"), and by any applicable legislation, including the law of 10 August 1915, as amended, on commercial companies (the "Companies Act") and the Central Securities Depository Regulation (CSDR)¹.

2.2. Organs

The Company shall have the following organs:

- the general meeting of shareholders (*assemblée générale des actionnaires*),
- the Board of Directors (*conseil d'administration*),
- the ComEx (*comité exécutif*).

3. The General Meeting of Shareholders

3.1. Representation of Shareholders

The general meeting of shareholders represents the entire body of shareholders of the Company. At such meetings, each share is entitled to one (1) vote.

3.2. Powers

In accordance with Article 450-3 of the Companies Act, the general meeting of shareholders has the broadest powers to order, carry out or ratify all acts relating to the operations of the Company.

The general meeting of shareholders has more particularly the power to elect and remove the directors (*administrateurs*) of the Company in accordance with Article 441-2 of the Companies Act and Article 7. of the Articles of Association and the rules and criteria determined hereafter.

4. The Board of Directors

¹ 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 and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

4.1. Status and General Powers

The directors of the Company are members of the Board of Directors which operates as a body in accordance with Article 444-3 of the Companies Act. They may act only at duly convened meetings or by written consent in accordance with Article 9.1 of the Articles of Association.

The Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the interest of the Company, ensuring its sound and prudent management, except where such powers have been expressly reserved by law or by the Articles of Association to the general meeting of shareholders and without prejudice to the daily management delegated to the ComEx in accordance with Article 10 of the Articles of Association and the rules set-out in Sections 5 and 6 hereafter and any other relevant internal rules applicable to the ComEx approved by the Board of Directors.

The Board of Directors is empowered to set the Company's strategy, objectives and overall direction, overseeing and monitoring management decision-making and effectively directing the business of the Company.

Each member of the Board of Directors shall have a clear understanding of the detailed responsibilities of the Board of Directors.

4.2. Membership

The members of the Board of Directors shall be elected by the general meeting of shareholders, except when a member fills a vacancy on a temporary basis, pursuant to section 4.4 §2 below.

Natural persons (*personnes physiques*) and legal entities (*personnes morales*) may be members of the Board of Directors.

In case a member of the Board of Directors is a legal entity, it shall be represented by a permanent representative (*représentant permanent*) duly appointed by the said legal entity in accordance with Article 441-3 of the Companies Act.

The number of directors shall be determined from time to time by the general meeting of shareholders in accordance with Article 7.1. of the Articles of Association.

The Board of Directors is composed by at least one third and, in any event, no less than two independent members. The decision to appoint any of the independent members of the Board of Directors shall be taken unanimously by the general meeting of shareholders.

4.3. Selection

The Board of Directors shall be composed of suitable members of sufficiently good repute, with an appropriate mix of skills, experience and knowledge of the Company and of the market in which the Company operates.

With respect to the appointment of directors, the general meeting of shareholders shall respect the following objective and subjective criteria:

- Professional experience and expertise;
- Management and social skills;
- Objectiveness, incisiveness and ability to build a consensus decision within the Company's Board of Directors;
- Proficiency in spoken and written English.

4.4. Term

The directors shall be elected by the general meeting of shareholders for a period of no more than six (6) years and until their successors are elected, provided, however, that any director may be removed at any time by a resolution approved by a simple majority taken at a general meeting of shareholders. Every member is eligible for re-election.

In the event that a vacancy should arise on the Board of Directors as a result of the death, legal incapacity, bankruptcy, retirement or resignation of any director or for any other reason, the remaining directors shall be authorized to fill the vacancy on a temporary basis until the date of the next general meeting of shareholders, which shall make a permanent appointment to fill the vacancy.

4.5. Chairperson

The Chairperson of the Board of Directors is a *primus inter pares* and in case of a tie has a casting vote. The Chairperson calls and chairs the board meetings and the general meetings of shareholders and establishes the *agenda* for such meetings. The Chairperson consults with the Vice-chairperson on all important matters.

The Chairperson liaises with the other board members and the ComEx. The Chairperson acts as the spokesman of the Company and represents the latter when called upon with regulators and key constituencies.

The chief risk officer, the chief technology officer, the chief compliance officer and the chief internal auditor shall have direct access to the Board of Directors via the Chairperson.

4.6. Vice-chairperson

The Vice-chairperson acts as a deputy for the Chairperson. The Vice-Chairperson receives the same information from the ComEx as the Chairperson.

In case of prolonged absence, disability or at the request of the Chairperson, the Vice-chairperson may call a board meeting and establish the relevant *agenda*. The Vice-chairperson may also ask the Chairperson to call a board meeting and include one or several items on the *agenda* of such meeting or to include one or several items on the *agenda* of a forthcoming meeting.

4.7. Secretary

The Board of Directors shall officially appoint a secretary who will not be a director and who will take and keep the minutes of the meetings of the Board of Directors and carry out such other administrative tasks and duties as directed to him or her from time to time.

4.8. Conduct of Meetings

The Board of Directors meets whenever the interests of the Company so require. Meetings are convened in writing. The Board of Directors should meet at least four (4) times per year. These four (4) meetings shall be scheduled at the end of each year for the next following year.

The individual agenda for each board meeting is decided by the Chairperson after consultation of all board members and is submitted at least five (5) working days prior to a said meeting date (excluding the day of submission and of the meeting) by Boards & Committees to all board members.

Each meeting of the Board of Directors is chaired by the Chairperson or, in his/her absence, by the Vice-chairperson or, in the absence of the Chairperson and the Vice-chairperson, by a member appointed by those directors present or represented.

The first scheduled meeting of the year will in principle include the approval of the financial statements of the previous year, the dividend proposal and the report of the Board of Directors to the general meeting of shareholders. The final meeting of the year will in principle focus on the business priorities of the Company and the budget for the next following year. All scheduled meetings shall focus on, at least, the strategy of the Company, as well as on Company policy review and approvals (including outsourced activities in the framework of the services agreement dated 9 September 2011, as amended (the "Services Agreement")).

All board meetings will be conducted in English and minutes and reporting will be made in English.

Documents for scheduled board meetings are to be submitted together with the agenda at least five (5) working days prior to a said meeting date (excluding the day of submission and of the meeting) by Boards & Committees to all board members.

4.9. Attendance and Voting

The directors shall endeavour to attend all meetings of the Board of Directors in person and during their full length.

Without prejudice of the next paragraph, a member of the Board of Directors may not send a deputy or substitute to be his/her representative at a meeting.

Any director may act at any meeting of the Board of Directors by appointing in writing or by telegram, telefax, or electronic mail another director as his/her proxy. A director, including the Chairperson and the Vice-chairperson, may not represent more than one (1) of his/her fellow directors.

The Board of Directors may deliberate or act validly only if at least the majority of the directors is present or represented at a meeting.

Decisions shall be taken by simple or qualified majority vote of the directors present or represented at such meeting except when a unanimous decision is required. In the event that in any meeting the number of votes for and against a resolution shall be equal, the Chairperson of the meeting shall have a casting vote.

Any director may participate in a meeting of the Board of Directors by conference call or similar means of communications whereby all persons participating in the meeting can hear each other, and participating in a meeting by such means shall constitute presence in person at such meeting.

Notwithstanding the foregoing, a resolution of the Board of Directors may also be passed by unanimous consent in writing which may consist of one or several documents containing the resolutions and signed by each and every director. The date of the resolutions shall be the date of the last signature of the directors.

4.10. Minutes of Meetings

Records of the deliberations of the Board shall be made in accordance with Article 8.9 of the Articles of Association. The minutes of the meetings shall be made available to the regulator and the auditor upon request.

All board members shall receive from Boards & Committees a first draft of the minutes of a said Board of Directors meeting within five (5) working days after the said meeting date (excluding the day of the meeting and the day of submission).

4.11. Assessments

The Board of Directors shall regularly assess its efficiency and these Internal Rules & Regulations in order to ensure compliance with all relevant regulatory and legal requirements. The results of the efficiency assessment shall be reported to the general meeting of shareholders.

The performance of the members of the Board of Directors shall be assessed on a regular basis.

The Board of Directors shall ensure the suitability of its members.

4.12. Specific Powers

Without prejudice to the delegation of the daily management to the ComEx as determined in Section 5 and 6 hereof, as well as in the LuxCSD S.A. ComEx Internal Rules & Regulations, and to the powers of the general meeting of the shareholders, the Board of Directors shall have the exclusive right to decide on the following items:

- a. Annual budget, mid- and long-term financial planning;
- b. Exceeding the annual budget of the Company by 30 per cent or exceeding the budgeted expenses for a project of the Company by 50 per cent of the annual budget of the Company;
- c. Approval and amendment of internal rules and regulations of the Board of Directors, the committees and the ComEx;
- d. Commitment of the Company to enter into any joint venture or partnership arrangement;
- e. Purchasing or selling of any real estate assets and shareholding of the Company from or to any company;
- f. Commencement, termination or settlement of any legal action or proceedings before any jurisdiction or arbitration or administrative proceeding by or against the Company;
- g. Contracts or other transactions implying any conflict of interest of a shareholder, director or member of the ComEx;
- h. Approval of the Compliance Policy and the Compliance Charter;

- i. Approval of the Audit Policy and Audit Charter;

The Board of Directors shall also assume the following tasks:

- j. Establish well-documented policies, procedures and processes by which the Board of Directors, ComEx and committees shall operate;
- k. Establish clear objectives and strategies for the Company;
- l. Effectively monitor the ComEx;
- m. Establish adequate remuneration policies;
- n. Ensure the surveillance of the risk-management function;
- o. Take the decisions related to risk management;
- p. Ensure the independence and adequate resources of
 - i. a risk-management function;
 - ii. a technology function
 - iii. a compliance; and
 - iv. an internal audit function.
- q. Monitor outsourcing arrangements;
- r. Monitor and ensure compliance with all relevant regulatory and supervisory requirements;
- s. Be accountable to shareholders or other owners, employees, users and other relevant stakeholders;
- t. Approve internal audit planning and review;
- u. Review and update regularly the governance arrangements of the Company;
- v. Where tasks are delegated, the Board of Directors and its members shall retain the responsibility for decisions that may affect the smooth provision of services by the Company.
- w. The Board of Directors shall hold the final responsibility for managing the Company's risks.
- x. Define, determine and document an appropriate level of risk tolerance and risk bearing capacity for the Company and for all the services that the Company provides;
- y. Ensure that the Company's policies, procedures and controls are consistent with its risk tolerance and risk bearing capacity and that these policies, procedures and controls address how the Company identifies, reports, monitors and manages risks.

4.13. Conflict of Interest

Any director who has a direct or indirect conflict of interest in respect of an operation that has been submitted to the Board of Directors for approval shall be required to inform the Board of Directors of this conflict of interest and to have it noted in the minutes of the meeting. The minutes shall comprise a description of how the conflict was managed. Such a director may take no part in the discussions relating to such operation at the meeting concerned. Special mention shall be made, at the first subsequent general meeting of shareholder and before any vote

on other resolutions, of operations in respect of which any director has had a conflict of interest.

Where, by reason of a conflicting interest, the number of directors required, in order to validly deliberate is not met, the Board of Directors may decide to defer the decision on this specific item to the general meeting of shareholders. This shall not apply where the decision of the Board of Directors relates to ordinary business entered into at arm's length under market conditions.

No operation between the Company and any other party shall be affected or invalidated by the mere fact that a director (or any one of its directors, managers, officers or employees) is a director, manager, associate, member, shareholder, officer or employee of that other party. Any person related as described above to any company or firm with which the Company shall contract or otherwise engage in business shall not, by reason of such affiliation, be automatically prevented from considering, voting or acting upon any matters with respect to such contract or other business.

The provisions above shall apply *mutatis mutandis* to the persons to whom the Board of Directors has delegated the daily management of the Company in accordance with article 10 of the Articles of Association and Section 5 above.

4.14. Internal Control

The Board of Directors shall promote a positive attitude with regard to internal control, promote the development of structures allowing to achieve this objective and ensure that there is an adequate compliance function, risk management function and internal audit function. Further, the Board shall ensure that there is an adequate technology function and an information security function.

The Board of Directors shall be responsible for defining the compliance principles by which the company shall abide in carrying out its activities.

The Board of Directors shall assess, on a yearly basis, the way in which the Company manages its risks. To this end, it shall regularly, at least once a year, obtain a report from management on the status of compliance and the internal control system.

The Board of Directors may be supported by a committee.

4.15. Guests

The Board of Directors may invite guests to attend to the meetings of the Board of Directors to facilitate the decisions and to assist the members of the Board of Directors on specific subject matters.

In order to comply with Article 444-6 of the Companies Act, such guests shall commit not to disclose and to keep confidential any information received during such meetings.

5. Daily Management

5.1. Delegation of Powers

In accordance with Article 441-10 of the Companies Act, the Board of Directors delegates the day-to-day management of the Company as well as the representation of the Company towards third parties in relation with such management to the ComEx.

5.2. Scope

The ComEx determines the daily management of the Company in accordance with Article 10 of the Articles of Association.

6. The Comité Exécutif

6.1. Structure

The ComEx shall have at least two (2) members, including the Chief Executive Officer.

The decision to appoint any of the members of the ComEx shall be taken unanimously by all the members of the Board of Directors.

The Board of Directors shall appoint a member of the Board of Directors as Chairperson of the ComEx. Such person shall chair the meetings of the ComEx and may also carry the title of "Chief Executive Officer" or "CEO". The Board of Directors may appoint another member of the ComEx as deputy of the CEO ("Deputy CEO"). The Deputy CEO may substitute in the CEO's absence.

6.2. Responsibilities

The ComEx determines and co-ordinates the management of the various departments and business lines of the Company and its major subsidiaries. The ComEx is responsible for the review of internal policies and control procedures. It further proposes strategies and budgets to the Board of Directors. The ComEx shall conduct a yearly assessment of the quality of the service offered by its providers in the framework of the Services Agreement. Each member of the ComEx shall be allotted one or several departments or business lines for which he/she assumes management responsibility and accountability for his/her performance.

The ComEx is responsible for reporting to the Board of Directors at least four times per year and on an ad-hoc basis as required by the business needs.

Any member of the Board of Directors may request the transmission of relevant information from the ComEx.

The responsibilities within the ComEx may be allocated or reallocated from time to time by the CEO with the consent of the Board of Directors.

6.3. Working Conditions

The ComEx discusses all points on its agenda in a team spirit and seeks consent on all points.

Any communication from the members of the ComEx to the Board of Directors shall be made exclusively through the Chairperson or the Vice-chairperson.

Any of the members of the ComEx may call a meeting of the ComEx and the "Chief Executive Officer" ("CEO") of the ComEx shall chair the meetings and establishes the *agenda*. He/she is responsible for the effective follow-up of the actions decided at the meetings and acts as the spokesperson for the ComEx.

7. The Committees

7.1. General

7.1.1 Membership and Term

All the members of the Board of Directors may unanimously take the decision to create from time to time one or several committees composed of board members and/or external persons, unless provided otherwise by the applicable laws and regulations or these Internal Rules & Regulations, and to which it may assign tasks as appropriate. The Board of Directors shall constitute three separate monitoring committees; an audit committee, a risk committee and a remuneration committee. The Board of Directors shall not delegate its decision-making powers to the committees.

Appointments to the committees shall be made by the Board of Directors for a period of no more than six (6) years, which may be renewed, unless explicitly required by applicable laws, these Internal Rules and Regulations or any terms of reference for such committee.

The majority of members of each committee shall not be executive members of the Board of Directors.

The Board of Directors may adopt terms of reference, which shall govern the further details of the activities of each committee.

Unless explicitly stated otherwise in these Internal Rules & Regulations and the terms of reference, if any, the provisions of this Article 7 shall apply to all committees, in particular the audit committee, the risk committee and the remuneration committee.

7.1.2 Mission

The mission of the committees is to provide the Board of Directors with critical assessments in respect of the organisation and operation of the Company in order to enable the members of the Board of Directors to fulfil their supervisory mission and to take on their responsibilities pursuant to the applicable national and European laws and the CSSF circulars.

The committees shall be able to request any document and information they deem necessary to fulfil their mission. Each committee may, at the Company's expense, obtain outside legal or professional advice on any matter within its responsibilities.

Each committee shall report regularly to the Board of Directors on its activities and functioning.

7.1.3 Chairperson and Secretary

The Board of Directors shall appoint a member of each committee as chairperson of that committee. These chairpersons shall have appropriate experience in the field of competence of that committee.

The chairperson of each committee shall

- (a) ensure a proper flow of information,
- (b) ensure a free and open discussion during the committee meetings urging members to ask critical questions,
- (c) act as an effective link between the committee he/she chairs and the Board of Directors as well as the ComEx as appropriate, and
- (d) be entitled to invite members of the Board of Directors, the ComEx or other experts as guests as deemed appropriate.

Each committee may appoint a committee secretary.

7.1.4 Meetings and Decisions

Meetings of each committee shall be held regularly; further details shall be determined by the chairperson of each committee.

The meetings shall be convened in a timely manner.

Any member may participate in a meeting by conference call or similar means of communications whereby all persons participating in the meeting can hear each other, and participating in a meeting by such means shall constitute presence in person at such meeting.

Notwithstanding the foregoing, a resolution of the committee may also be passed by unanimous consent in writing which may consist of one or several documents containing the resolutions and signed by each and every member. The date of the resolutions shall be the date of the last signature of the members.

The quorum necessary for taking resolutions shall be two members.

Resolutions are passed by simple majority of the members present or represented. In the event of the parity of a vote, the chairperson shall have a casting vote.

7.1.5 Minutes of Meetings

There shall be minutes of the meetings of each committee which shall also minute the existence of a conflict of interest, if any.

The minutes shall be signed by the chairman of each committee and the secretary, if any. They shall be submitted for the committee's approval.

7.1.6 Confidentiality and Conflicts of Interest

The members of the committees shall be bound to secrecy in respect of any confidential information and data of the Company, in particular trade and business secrets, which become known to members through their activities on the respective committee. This obligation shall survive their term of office. Upon resigning or removal from office, any confidential documents must be returned to the chairperson of the committee or, if unavailable, to the designated deputy.

Any member of a committee having a conflict of interest shall be obliged to advise the chairperson of the committee thereof and to cause a record of this to be included in the minutes of the meeting. The member may not participate in the deliberations or vote relating to the issue. The minutes shall comprise a description of how the conflict was managed.

7.1.7 Assessment

Each committee shall regularly assess its efficiency. The results of such assessments shall be reported to the Board of Directors.

The performance of the members of the committees shall be assessed on a regular basis.

7.2. Audit Committee

7.2.1 Membership and Guests

The audit committee shall be composed of three (3) non-executive members of the Board of Directors.

The majority of the members as well as the chairperson shall be independent from the executive members of the Board of Directors. The chairperson shall have expertise in the fields of accounting and auditing. To ensure a separation between the audit committee, the risk committee and the remuneration committee, the chairpersons as well as the majority of their members should be different.

The CEO, the Chief Internal Auditor and a representative of the external auditor shall attend the meetings as permanent guests.

7.2.2 Meetings

The audit committee shall meet at least twice per year. The meetings shall be called by the chairperson of the audit committee or the committee secretary, if any, at the request of any of its members or at the request of external or internal auditors if they consider it necessary.

7.2.3 Tasks and Responsibilities

The audit committee shall address finances and auditing, in particular the following issues, in order to assist the Board of Directors with the fulfilment of its supervisory mission:

- (a) Reporting and Accounting
 - i. monitor the reporting and accounting process and submit recommendations to the Board of Directors to ensure its integrity,
 - ii. review the annual accounts and the management report and make recommendations to the Board of Directors,
 - iii. deliberate on the compliance with the legal and statutory provisions as well as the CSSF rules for the annual accounts, and on the relevance of the accounting policies adopted,
- (b) Internal Audit
 - i. advise the Board of Directors on the internal audit function which it shall oversee,
 - ii. monitor the adequacy and effectiveness of the internal auditing system in the context of the Company's overall risk management system,
 - iii. deliberate on the quality of the work carried out by the internal audit function and compliance with the applicable rules and regulations,

- iv. monitor the independence of the internal audit function and that it has adequate resources, skills and appropriate access to information,
 - v. approve the internal audit charter and the internal audit plan,
 - vi. monitor management's responsiveness to the findings and recommendations of the internal audit function,
- (c) External Audit
- i. consider and submit recommendations to the Board of Directors in relation to the appointment, re-appointment or removal and the remuneration of the external auditor,
 - ii. consider the process for the selection and engagement of the external auditor,
 - iii. meet regularly with the external auditor to discuss any issue arising from the audit,
 - iv. deliberate on the quality of the work carried out by the external auditor, in particular critically analyse and assess the audit plan, the reports on the annual accounts, the management letters as well as the long-form reports,
 - v. examine and monitor (a) the independence and objectivity of the external auditor taking into account relevant professional and regulatory requirements, including the provision of non-audit services, and (b) that the external auditor has adequate time, resources, sufficiently experienced personnel, an internal quality control system and adequate remuneration policies providing sufficient performance incentives to secure audit quality.
 - vi. inform the Board of Directors of the outcome of the audit by the external auditor and explain how the audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process.
- (d) Internal Control System
- i. take note of the information on the state of the internal control provided by the management at least once a year,
 - ii. deliberate regularly on the state of the internal control system as provided by the relevant CSSF circulars.

7.3. Risk Committee

7.3.1 Membership and Guests

The risk committee shall be composed of at least two members, including members of the Board of Directors and, if and as appropriate, other external experts. The chairperson of the risk committee shall have expertise in the fields of risk tolerance and strategy. The majority of the members and the chairperson shall be independent from the executive members of the Board of Directors. To ensure a separation between the audit committee, the risk committee and the remuneration committee, the chairpersons as well as the majority of their members should be different.

The chairperson of the risk committee may make direct enquiries to both the head of the internal audit function and the head of the risk control unit.

7.3.2 Meetings

The risk committee shall meet at least twice per year.

7.3.3 Tasks and Responsibilities

The risk committee shall advise the Board of Directors on the overall current and future risk tolerance and strategy of the Company.

7.4. Remuneration Committee

7.4.1 Membership and Guests

The remuneration committee shall be composed of at least two non-executive members of the Board of Directors who shall have expertise in the field of remuneration. The majority of the members and the chairperson shall be independent from the executive members of the Board of Directors. To ensure a separation between the audit committee, the risk committee and the remuneration committee, the chairpersons as well as the majority of their members should be different.

7.4.2 Meetings

The remuneration committee shall meet at least once per year.

7.4.3 Tasks and Responsibilities

The remuneration committee shall address remuneration and its tasks shall include the following:

- (a) advise the Board of Directors on the remuneration policy, which it shall oversee,
- (b) prepare decisions of the Board of Directors regarding the general principles of remuneration of the employees,
- (c) support the Board of Directors in monitoring the general principles of remuneration, its implementation, appropriateness and compliance with the remuneration policy,
- (d) assess the effects of the remuneration system on the risk, capital and liquidity management as well as ensure that the overall remuneration policy is consistent with the long-term sound and prudent management of the Company.

8. Miscellaneous

8.1. Applicable law and Dispute Resolution

The present Internal Rules and Regulations shall be governed by and construed in accordance with the laws of Luxembourg.

8.2. Amendments

The present Internal Rules and Regulations may be amended or supplemented from time to time by a decision of the Board of Directors, acting unanimously and in compliance with the Articles of Association and any Shareholders Agreement.

* * *

Adopted by the Board of Directors of LuxCSD S.A. on 15 December 2022