

# **RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS**

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## 1. DUTIES OF THE BOARD OF DIRECTORS

In addition to carrying out the tasks and responsibilities listed in section 4.1 of the Corporate Governance Guidelines, it is the duty of the Board of Directors to:

- Ensure and control through the Audit Committee that the business of the company is run in accordance with the Danish Companies Act, the Danish Bookkeeping Act, and other relevant legislation, and regulations.
  - Obtain all information and documentation necessary for the fulfilment of the Board's functions, and for evaluating the matters reviewed by the Board, received from e.g. the Executive Management Board or from any senior manager called to appear before the Board of Directors.
  - Approve the guidelines regarding the organizational build-up of the company, hereunder the accounting function, internal control, IT organization, and budgeting, made by the Executive Management Board.
  - Follow up on plans, projects, etc., and to consider reports on the company's risk management, liquidity and volume of orders, substantial transactions, financing, cash flow, and special risks.
  - At least once a year, review the company's major insurance policies and insurance conditions.
  - Ensure the availability of all information required by the auditors.
  - Monitor the effectiveness of the company's internal control and risk management systems.
  - At least once a year, discuss the composition of the Executive Management Board, as well as development, risks, and succession plans.
- It is furthermore the duty of the Board of Directors to supervise the administration of the company according to the following guidelines:
- The Board of Directors through the Audit Committee shall ensure that the bookkeeping and the administration of the assets can be supervised in a satisfactory way, considering the company's business. To accomplish this, the Board of Directors shall continuously ensure that adequate internal checking and control procedures are established.
  - The Board of Directors shall ensure that it through the Audit Committee receives sufficient information and reports on the company's financial matters.
  - The Board of Directors shall through the Audit Committee monitor the mandatory audit of the annual report, and as part hereof discuss the audit plan and audit strategy with the auditors. The long-form audit report shall be presented at all Board meetings and all entries shall be signed by all Board members. The auditors must prepare the long-form audit report so that it includes information on the scope and extent of the audit carried out together with the conclusions made on the basis of the audit. The auditors must inform about significant issues relating to the audit, including such findings made by the auditors, which disclose material uncertainties, errors, or omissions on the part of SimCorp's book-keeping, accounting practices, or internal controls. Copies of all entries in the long-form audit report shall be sent directly to all members of the Board of Directors.
  - The Board of Directors shall continuously monitor that the company's Executive Management Board implements any agreed measures to mitigate risks which are identified as being part of the accounting process. Further, the Board of Directors shall ensure that the company's Executive Management Board monitors and acts diligently upon any identified errors or omissions or violations of SimCorp's internal policies, guidelines, processes, and administrative procedures. Reference is made to the "Description of control and risk management in financial reporting process" which can be found on SimCorp's website.
  - When requested by a member of the Board of Directors, the auditors shall, at appropriate notice from the Chairman, be summoned to answer questions raised during Board meetings. The auditors shall furthermore be requested to attend any Board meeting where the Board reviews and considers annual accounts and long-form audit report.

If the company is likely to face financial difficulties or become insolvent, the Board of Directors shall without undue delay come to a decision on what to do in this respect.

## 2. TASKS AND RESPONSIBILITIES OF THE CHAIRMAN AND THE VICE-CHAIRMAN

The Chairman is responsible for ensuring that the Board of Directors functions satisfactorily, complies with the Corporate Governance Guidelines for SimCorp, and generally performs its tasks and duties in the best possible manner. In this connection, the Chairman shall ensure that the company through the Board's work derives maximum benefit from any special knowledge and competencies held by individual Board members.

The Chairman shall seek to ensure that business transacted by the Board is considered by all Board members, and that all material resolutions are passed in the presence of all Board members.

The Chairman shall be in charge of the Board of Directors' dialogue with the company's Executive Management Board, generally by direct contact to the CEO. Furthermore, any member of the Board of Directors may request the Chairman to approach a member of the Executive Management Board with a view to elucidating facts or discussing the development of the company's business. The result and conclusion of such approaches shall be reported at the following Board meeting unless otherwise dictated by the nature of the discussions.

Neither the Chairman nor the Vice-chairman, or any other member of the Board of Directors, may carry out for the company such assignments which are not usually part of his function, apart from such specific assignments as he is requested to accept by and on behalf of the Board of Directors. Delegation of specific assignments shall be published on the company's website.

In the Chairman's absence, the Vice-chairman shall act in the place of the Chairman.

## 3. BOARD MEETINGS

Each year in December, the following year's meeting calendar shall be scheduled.

The Board of Directors shall meet when the Chairman considers it necessary, and when it is requested by a member of the Board of Directors or by a member of the Executive Management Board.

The Chairman shall ensure that all members are summoned to the meetings. Notice of the Board meetings, including the agenda, shall as far as possible be given with at least eight days' notice through letter, e-mail, or another suitable means of communication, to all members of the Board.

At each ordinary Board meeting the agenda shall, as a minimum, contain the following items:

1. Presentation of the minute book with the minutes of the previous meeting to be approved and signed by all present members of the Board.
2. Presentation of any entries in the long-form audit report and signing hereof.
3. Input from the Audit Committee including
  - 3.1. Presentation of interim accounts made since the previous Board meeting, and relevant turnover and result forecasts for the year.
  - 3.2. The company's cash position, hereunder a cash position forecast for the current year.
4. Briefing from the Executive Management Board on the company's and the subsidiaries' business since the previous meeting, including:
  - 4.1. Market conditions and the company's order books.
  - 4.2. Other issues of interest to the Board of Directors.
5. Input from the Nomination and Remuneration Committee
6. Any other business.

Members of the Executive Management Board have the right to and are obliged to be present and to speak at the Board meetings, unless otherwise decided by the Board of Directors in any particular case.

The Board of Directors may decide to allow experts, hereunder external advisors, to participate in Board meetings; however, without the right to vote. The Board shall ensure that these experts and external advisors are informed that all information obtained in such meetings shall be treated as confidential, that, if necessary, a confidentiality agreement shall be signed and that, if necessary, these experts and external advisors are registered in the company's insider register.

## 4. BOARD DECISIONS

The matters discussed by the Board shall be determined by a simple majority of votes, cf. SimCorp's Articles of Association, Article 18.

In very special cases, and when the Board's decision cannot be awaited without appreciable inconvenience to the operations of the company, the Chairman shall be entitled to make a decision on his own. The Chairman shall, without undue delay, inform the Board of the decision made and ensure that it is entered into the minute book and that a copy of the entry is sent to the Board members.

The Board of Directors may authorize a member of the Board of Directors or a member of the Executive Management Board to act with full legal effect on behalf of the Board of Directors in specified, separate transactions. The appointment shall require the unanimous decision of all the members of the Board of Directors.

## 5. MINUTES, COMPANY RECORDS, INTERNAL RULES, ETC.

The Chairman of the Board presides at the meetings and shall keep, or arrange for the keeping of, minutes of the discussions that have taken place. The minutes and other records shall be signed by all members of the Board. Absent members are obliged to acquaint themselves with the entries made in the minutes during their absence and must sign the records, preceding their signature by the word "read".

The minutes of the meeting shall be sent to all members of the Board no later than two weeks after each meeting. The minutes shall show which written material that has been presented at the meeting, and this material shall be kept in a separate minute book.

The Board shall ensure that a list of shareholders is kept in the company or by a registrar outside the company designated by the Board of Directors, cf. the Danish Companies Act, section 50. For shares registered by name, the shareholder's name shall be recorded in the register of shareholders. Before any record is made the registrar shall ensure that the shareholder in question possess the share with a formally valid title. The register of shareholders shall be managed by the registrar appointed according to the company's Articles of Association.

The Board shall ensure that a record of trade of all SimCorp shares is kept. The shares possessed by members of the Executive Management Board and of the Board of Directors shall be entered into this record, as well as information on their subsequent purchases or sales of such shares. The Board may choose to keep a common record of trade of shares for all companies in SimCorp and its subsidiaries.

The Board shall ensure that the company keeps an insider register, cf. the Danish Securities Trading Act, and the Executive Order on Lists of Insiders, Notification of Insiders' Transactions, etc., issued by the Danish FSA. The Board may choose to keep the record of trade mentioned in the previous paragraph as part of the insider register. The Board shall ensure that the company establishes and maintains internal rules in accordance with requirements specified by the law and by Nasdaq Copenhagen.

The Board shall ensure that the company keeps a separate record of shareholders whose possession of shares aggregate to at least 5 per cent of the voting share capital, or whose possession of shares aggregate to at least 5 per cent of the nominal value of the share capital. Information on changed shareholdings shall be noted in the record, cf. the Danish Companies Act, Sections 55 and 56.

At each ordinary Board meeting, a list of information passed on through the whistleblower account, if any, together with an outline of any actions taken as a consequence of such information shall be presented to the Board of Directors.

## 6. CONFIDENTIALITY

The meetings of the Board of Directors and those of its committees are confidential.

A member of the Board of Directors is bound to observe confidentiality about all matters about the company that come to his knowledge in his capacity as a Board member or otherwise.

All decisions made by the Board of Directors that may be of importance or interest to one or more of the employees of the company shall be made known to the employees only through the Executive Management Board, unless the Board of Directors decides otherwise in each individual case.

All information and documentation delivered to the Board members shall be considered as strictly confidential and kept accordingly. A Board member shall, upon his resignation from the Board of Directors, return all documentation received by him to the Chairman, or solemnly declare that all such documentation has been destroyed. This duty shall also, if circumstances require it, apply to the estate after a deceased Board member.

## **7. BUDGETING AND PLANNING**

The Board of Directors shall initiate and has the overall responsibility for the planning of the company's business.

Strategic plans shall be drawn up for a three-year period and must be revised by the Board of Directors at least once a year together with the reviewing of SimCorp's mission, corporate vision, and basic values. The Board of Directors shall instruct the Executive Management Board to prepare annual budgets, including monthly budgets with detailed budget assumptions. The budgets shall reflect and include remarks on any future major changes or plans and be presented to the Board for approval prior to the beginning of a financial year.

The Board of Directors shall further instruct the Executive Management Board to prepare quarterly accounts together with budgetary control as well as commentaries concerning any substantial deviations from the budget, and expectations to the annual result, and the expected liquidity for the remainder of the financial year. This material must be available for the Board of Directors no later than six weeks after the end of the quarter.

The Board shall independently review the quarterly accounts, the budgets, and any discrepancies there from.

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