

Charter of

The User Committee

As adopted by the Board of Directors on 22 August 2016.





Content

1. Establishment and objective.....	3
2. Composition and members	3
3. Meetings	3
4. Advice to the board of directors.....	4
5. Expenses	4
6. Sub-committees.....	4
7. VP support and meeting attendance.....	4



Charter of the User Committee

1. Establishment and objective

- 1.1. The Board of Directors of VP (the “Board of Directors”) has established a user committee (the "User Committee")
- 1.2. The User Committee's mandate and objective is to establish a direct and effective means of allowing VP's users to advise the Board of Directors on key arrangements that impact on VP's users, including the criteria for accepting issuers or participants in VP's respective securities settlement systems as well as on service level.
- 1.3. The User Committee may submit a non-binding statement to the Board of Directors containing recommendations regarding the price structures of VP.

2. Composition and members

- 2.1. The User Committee shall be composed by 8-10 members.
- 2.2. The Board of Directors of VP shall elect a person of sufficient repute, knowledge and experience who is (1) a member of the senior management of a user of VP, and (2) not a member of the Board of Directors or otherwise affiliated with VP, to be chairman (the “Chairman”) of the User Committee.
- 2.3. The Chairman shall nominate candidate members of the User Committee to the Board of Directors, and the Board of Directors shall approve or reject the members on a non-discriminatory basis.
- 2.4. The members of the User Committee must be composed of members of the senior management of representatives of issuers and of participants in VP's securities settlement systems, allowing both national and international representation. The members must include a member appointed by the Danish Central Bank and a member jointly appointed by the Association of Danish Mortgage Banks and the Danish Mortgage Banks' Federation.
- 2.5. Each member shall be elected for a period of 2 years. Members may be re-elected. If a member leaves his or her permanent employment at the main employer, the member must terminate his or her position at the User Committee.

3. Meetings

- 3.1. Meetings shall be held 4 times per year and otherwise as often as the Chairman deems it necessary or if requested in writing by a member of the User Committee.
- 3.2. Meetings of the User Committee will be convened by the Chairman with an agenda set by the chairman which generally shall include an update and status of VP matters presented by the CEO or other senior executive representative of VP. Invitations to meetings will be sent to the members by e-mail or such other communication means as deemed appropriate by the Chairman.
- 3.3. The Chairman of the User Committee presides over the User Committee's meetings. The Chairman will determine presence of participants from VP at the User Committee meetings upon consultations with the executive management of VP. The User Committee constitutes a quorum when more than half of its members are present.
- 3.4. The User Committee passes resolutions where recommendations are to be made to the Board of Directors. All resolutions by the User Committee must be passed by a simple majority of votes. The User Committee has no independent decision-making power.



- 3.5. The User Committee must keep a minute book of meetings, which shall reflect the deliberations and votings, if any, of the members of the User Committee.

4. Advice to the board of directors

- 4.1. The User Committee may provide any views and advice within its mandate in the form of reports, letters or other written means, directly and independently to the Board of Directors of VP.
- 4.2. At least once a year, the User Committee must send a report of its activities, including a highlight of key topics and decisions, to the Board of Directors.
- 4.3. The User Committee shall be informed about and have regard to the functionalities of the VP systems that are required and essential for the Danish mortgage bank's issuance and handling of mortgage bonds etc. cf. the statement of purpose in Article 2 of VP's Articles of Association.
- 4.4. The User Committee may inform the Danish Financial Supervisory Authority (Finanstilsynet) of important areas or issues in respect of which it considers that the advice of the User Committee has not been followed by the Board of Directors.

5. Expenses

- 5.1. VP will reimburse reasonable, documented out-of-pocket expenses for the members of the User Committee related to the participation in the User Committee meetings in accordance with general expense guidelines in effect from time to time.

6. Sub-committees

- 6.1. The User Committee may constitute sub-committees related to the User Committee's mandate in order to investigate and/or prepare discussions of specific issues of a technical nature.
- 6.2. Members of each sub-committee are appointed by and amongst the members of the User Committee.

7. VP support and meeting attendance

- 7.1. VP shall appoint a senior manager of VP to act as liaison between the User Committee and the Board of Directors and who shall attend User Committee meetings in order to provide information for the purposes of the User Committee's work, provided that VP shall not be required to provide information to the User Committee, which in VP's sole discretion constitutes confidential information.
- 7.2. At the Chairman's request, VP shall make reasonable information and staff available at User Committee meetings to inform about, discuss and receive input in respect of topics of relevance to the User Committee's mandate.
- 7.3. VP shall further provide reasonable practical assistance and support to the User Committee in the form of secretarial assistance, meeting facilities, office supplies and other amenities related to the carrying out of the User Committee's mandate at the request of the Chairman.

As adopted at the meeting of the Board of Directors on 22 August 2016.