

## **RULES OF PROCEDURE OF THE USERS' COMMITTEE IN THE SKD**

### **Article 1 Introductory Provisions**

The Users' Committee in the Short-term Bond System is appointed in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council<sup>1</sup>.

### **Article 2 Committee's Mandate**

(1) The Users' Committee (hereinafter only the "Committee") has an advisory function regarding the Operator that is the Czech National Bank.

(2) The Committee provides opinions to the Operator about:

- key measures that have an impact on participants,
- criteria for the acceptance of issuers or participants,
- the level of services.

(3) The Committee is entitled to submit to the Operator opinions containing detailed reasons concerning the pricing structure of the SKD or other problems that the Committee regards as important and could have an impact on participants.

(4) The Committee will examine the findings of an audit, as stipulated in the cases specified in Article 52 of Commission Regulation (EU) 2017/3922.

(5) The Committee is independent of any direct influence of the Operator.

(6) The Operator can ask the Committee to provide its opinion on any activities or decisions concerning the SKD. In such case, the Committee will provide the Operator with its opinion within 30 working days of receiving the relevant request.

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<sup>1</sup>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 (hereinafter only "Regulation (EU) 909/2014 of the European Parliament and of the Council").

<sup>2</sup>Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories, hereinafter "Commission Regulation (EU) 2017/392".

### **Article 3**

#### **Management of the Committee**

(1) Each agent or issuer that is not also an agent is entitled to appoint one Member of the Committee (hereinafter only the "Member"). The appointment of a Member is performed by a letter sent to the Operator stating names of a Member including his phone number and e-mail. The letter must bear the date and signature of the statutory body of the agent or issuer. The resignation of a Member or appointment of a new Member must be performed in the same manner. A letter can also state the name of the deputizing member.

(2) Every Member has one vote during votes.

(3) Meetings of the Committee are regular, usually once a year. Members elect the chairman of the Committee by a majority of votes at the first ordinary meeting of the Committee for the subsequent period, which will expire 24 months after the meeting at which the chairman was elected. After the expired period or when the chairman stopped his activity as a Member of the Committee, the Members of the Committee will elect a new chairman of the Committee.

(4) The chairman:

- chairs Committee meetings,
- provides opinions for the Committee,
- represents the Committee in dealings with the Operator, external independent experts or any other third party,
- invites external independent experts to Committee meetings, if agreed among the Members.

(5) The Operator designates one of its employees to be the secretary to the Committee.

(6) The secretary:

- arranges support for the Committee's work,
- administers the list of Committee members,
- convenes meetings of the Committee based on an invitation of the chairman or if at least 25% of ask the secretary to convene a meeting,
- informs the Committee of any proposals and procedures of the Operator.

(7) A Member is entitled to:

- attend Committee meetings and vote on matters proposed on the meeting's agenda,
- be informed about items on the agenda and proposed decisions,
- propose additional items for the agenda of a Committee meeting.

### **Article 4**

#### **Operating Procedures of the Committee**

(1) Committee meetings are held at CNB premises.

(2) The chairman will determine the time and place of a Committee meeting and the list of items on a meeting's agenda, and provide the secretary with this information, the secretary will draft the agenda and e-mail it to Members no later than 5 business days before a meeting.

(3) Each Member can propose additional items of the agenda of a meeting by handing over to the chairman in writing the text of the proposed items on the agenda no later than 2 business days before a meeting. In such cases the chairman will hand the proposed agenda to the secretary, who will hand them over to the Members.

(4) At a Committee meeting Members can propose additional items for the agenda, votes cannot be taken on the topics of such items at an ongoing meeting.

(5) A Committee meeting is sufficient in numbers if at least half of the total numbers of Members are present.

(6) A simple majority of votes cast is required for the Committee to adopt decisions. In the event of a tie, the chairman has the deciding vote.

(7) Committee votes are public. Votes can be secret at the request of any Member.

(8) The minutes of a Committee meeting are taken by the secretary. The minutes must contain a list of Members present at the meeting, the date and place of the meeting, the items on the meeting's agenda and their discussion, decisions adopted and the number of Members that voted "for" or "against". The secretary will ensure that the minutes of every Committee meeting are sent, within 1 week, to the chairman for a check and then to the individual Members. The minutes will also be provided to the Operator.

## **Article 5 Audit Conclusions**

(1) The conclusions of an SKD audit are handed over to the Committee in any of the following cases:

- if the conclusions concern criteria for accepting issuers or users into the SKD,
- if the conclusions concern any other aspect of the Committee's mandate,
- if the conclusions could influence the level of services provided through the SKD, including ensuring the continuity of operations.

(2) Members cannot be provided with information from an audit that could enable them to gain a competitive advantage.

## **Article 6 Conflict of Interests**

(1) A Member that is entered in the list of Members (including the chairman) is obligated to inform the Committee about the occurrence of any conflicts of interest.

(2) If the chairman determines that a Member has an actual or potential conflict of interests in a specific matter, the Member cannot vote on the matter.

**Article 7**  
**Confidentiality**

(1) Members are bound by a duty of confidentiality, without it affecting the right of their managerial employees to be fully informed.

(2) Each external independent expert that is invited to attend a Committee meeting will sign a non-disclosure agreement, so as not to disclose the matters discussed on the Committee or opinions provided to the Operator or any other related information.

**Article 8**  
**Miscellaneous Provisions**

(1) These regulations can be amended by a resolution of the Operator:

- if changes are requested for the purpose of facilitating the proper operation of the Committee, to a reasonable extent; or
- if the Operator receives a request for a change supported by at least 75% of the total number of votes of Members.

(2) The first meeting of the Committee will be convened by the Operator within 60 business days of the day the new Rules of the SKD come into force.