



**CORPORATE GOVERNANCE STATEMENT OF RBC INVESTOR SERVICES BANK S.A.’
BOARD OF DIRECTORS AND ITS SPECIALIZED COMMITTEES
NOVEMBER 2022**

Reference is made to article 96 of the DIRECTIVE 2013/36/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

Board of Directors

The Board of Directors (the “Board”) is responsible for managing RBC Investor Services Bank S.A., including its subsidiaries and branches (the “Bank”). Its members are jointly accountable for the management of the Bank. The duties, responsibilities and procedures of the Board are to oversee and advise the Authorized Management (as defined in Circular CSSF 12/552, (as amended by Circulars CSSF 13/563, 14/597, 16/642, 16/647, 17/655, 20/750, 20/759, 21/785 and 22/807) and other applicable regulation) in its management of the Bank. Major decisions affecting the Bank require an approval from the Board. The Board, appointed by the shareholder(s) of the Bank, appoints the members of the Authorized Management and creates related succession plans. It may also specify more extensive information and reporting duties for the Authorized Management beyond what is required by law. The Board reviews the efficiency of its work on a regular basis.

For the purpose of increasing its effectiveness, the Board is assisted by specialized sub-committees notably in the fields of audit and compliance, risk, remuneration and human resources (notably through the intervention of a nomination committee). These specialized sub-committees include directors who are not members either of the Authorized Management or of the Bank’s staff. They also include, if need be, external independent experts of the Bank. Their mission is to provide the Board with critical assessments in respect of the organization and operation of the Bank in the aforementioned areas in order to enable the members of the Board to fulfil their supervisory mission and to take on their responsibilities pursuant to the applicable regulations.

Each specialized sub-committee has a written mandate which sets out its responsibilities and qualifications for sub-committee membership under applicable regulations. The Board ensures that the various specialized sub-committees effectively interact and report to the Board on a regular basis. The Board cannot delegate its decision-making powers and responsibilities to specialized sub-committees pursuant to the CSSF Circular 12/552, as amended, from time to time.

Specialized Committees

- Audit and Compliance Committee;
- Risk Committee;
- Nomination Committee; and
- Remuneration Committee.

Audit and Compliance Committee

The Audit and Compliance Committee's purpose is to review the adequacy and effectiveness of these activities and to assist the Board in its oversight of (i) the integrity of the Bank's financial statements, (ii) the qualification, performance and independence of the external auditors, (iii) the performance of the Bank's internal audit functions, (iv) internal controls and (v) compliance with legal and regulatory requirements.

Each member of the Audit and Compliance Committee must be "financially literate" or become financially literate within (i) a reasonable period after appointment to the Audit and Compliance Committee and (ii) the meaning of the rules to audit committees and the corporate governance standards of the ECB/CSSF and internal RBC guidelines.

Authorized Management of the Bank is responsible for maintaining appropriate accounting and financial reporting principles, policies, internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. The external auditor is responsible for planning and carrying out, in accordance with professional standards, an audit of the annual financial statements and an audit of internal control over financial reporting. The external auditor also reviews the quarterly financial information.

Risk Committee

The Risk Committee is responsible for overseeing risk management at the Bank, balancing risks and rewards while ensuring that management has in place policies, processes and procedures designed to identify and effectively manage the significant risks to which the Bank is exposed.

The Risk Committee reviews and recommends to the Board the amount and type of risk the Bank is willing to accept in the pursuit of its business objectives. The Risk Committee also reviews regular reporting on the assessment of the Bank's risk profile as measured against the approved risk appetite.

The Risk Committee reviews the Bank's program annually for identifying, measuring, controlling and reporting on the significant risks to the Bank. The Risk Committee also assists the Board in its oversight of the effectiveness and independence of the Bank's risk management function.

Nomination Committee

Nomination, resignation and succession issues should be seen as opportunities to strengthen and improve the Bank's corporate governance. The Nomination Committee ensures compliance with local regulatory requirements and identifies and reports all assignment and nomination matters.

The Nomination Committee assumed responsibility for assisting the Board in (i) overseeing nominations to the Board, Authorized Management and Key Function Holders and (ii) approving and laying down in writing, notably the guiding principles governing on the appointment and succession to the Management Body and to individuals with key functions in the Company, as well as the procedures governing the composition of the Board, including the aspects of diversity, responsibilities, organization, operation, and individual and collective assessment of its members.

The Nomination Committee establishes policies covering the approval process, the oversight function of current nominations the adequacy of the "fit and proper" concepts, controls and implementation of recruitment, succession and diversity principles.

In fulfilling its responsibilities, and by reviewing the qualifications and suitability of nominees, taking their background, diversity, qualities, skills and experience into consideration, the Nomination Committee has unrestricted authority to make recommendations in respect of the selection, retention, and termination of the nominations of any members of the Board, member of Authorized Management and Heads of Internal Control Functions.

Remuneration Committee

The Remuneration Committee supports the Board in the appropriate structuring of the compensation systems for senior management and regulated employees. It monitors the appropriate structure of the compensation systems for senior management and employees, as well as the appropriate structure of the compensation for the employees who have a material influence on the Bank's overall risk profile.

The committee assesses the effects of the compensation systems on risk, capital and liquidity management, while ensuring that the compensation systems are aligned to the business strategy focused on the Bank's sustainable development, to the risk strategies derived from this and to the compensation strategies within the Bank's group.

The committee is responsible for the oversight and operation of remuneration policies across the Bank, as well as its subsidiaries and branches and to ensure remuneration policies across the Bank are operated in a way that is consistent with and promotes effective risk management, and does not encourage risk-taking which exceeds the risk appetite of the Bank.

The Remuneration Committee approves any disclosures required to be made from time to time to the ECB / CSSF or any other relevant authority relating to the remuneration policies for the Bank or the remuneration of regulated employees and shall ensure compliance with relevant legal or regulatory requirements.