

Terms of reference for the Nomination and Remuneration Committee

February 4, 2020



Terms of reference for the Nomination and Remuneration Committee

1. Preamble and purpose

The SimCorp Nomination and Remuneration Committee (the “Committee”) has been established by the SimCorp A/S Board of Directors (the “Board”) to assist the Board with the oversight of:

1.1 Nomination matters, which include:

- a. The competence profile and composition of the Board
- b. Nomination of members of the Board
- c. Nomination of members of Board committees
- d. Succession plan for Group Management Committee
- e. Other tasks

1.2 Remuneration matters, which include

- a. The remuneration of the Board of Directors
- b. The remuneration of Group Management Committee
- c. The Remuneration Policy
- d. Restricted Stock Units pool and allocations
- e. Other tasks

The terms of reference for the Committee were adopted by the Board on May 18, 2018.

2. Scope and authority

The scope of the Committee includes the entire SimCorp Group.

The Board has delegated authority to the Committee to carry out its mandate. The Committee has the authority to seek external independent advice to assist it with carrying out its duties.

3. Accountability

The Chairman of the Committee (the “Chairman”) is accountable to the Board for the Committee discharging its duties and responsibilities as set out in the terms of reference.

4. Responsibilities

The primary function of the Committee is to assist the Board of Directors by reviewing information within the areas of oversight, cf. clause 1, and based on that present recommendations to the Board of Directors. All decisions will be made by the Board of Directors except as expressly stated in these terms of reference.

The Committee shall have the following responsibilities:

Nomination matters

4.1 The competence profile and composition of the Board

- 4.1.1. Annually analyze which general competences are necessary to be represented on the Board. Based on such analysis review the competence profile of the Board including criteria for being eligible to the Board and propose changes.
- 4.1.2. Annually review developments in respect of independence criteria for boards of directors.
- 4.1.3. The Committee shall also evaluate which independence criteria that it believes should be applied and the number of members who should qualify as independent under such criteria.
- 4.1.4. Annually review developments in respect of required and desired diversity aspects for boards of directors and review the composition of the Board in relation to diversity.
- 4.1.5. Receive from the Chairmanship information from the Board’s self-assessment process. Review the structure, size, and composition of the Board and propose changes.

4.2 Nomination of members of the Board

- 4.2.1. Regularly discuss a long-term succession planning for the Board and present a proposal to the Board.
- 4.2.2. Annually prepare and present a proposal to the Board on the process for nomination for candidates for the next Annual General Meeting.
- 4.2.3. Identify and recommend to the Board a specific proposal for nomination of individual members for election or re-election at the Annual General Meeting as Chairman, Vice-Chairman and board members and prepare the Board's recommendation to the Annual General Meeting. As deemed necessary, the Committee may consult major shareholders to seek opinions.
- 4.2.4. Evaluate candidates proposed by shareholders for the Board's further consideration.

4.3 Nomination of Board committees

- 4.3.1. The Committee shall prepare for and - after consultation with the respective chairman of a committee - present to the Board a specific proposal for election or re-election of individual members as Board committee members.

4.4 Succession plan for Group Management Committee

- 4.4.1. The Committee shall prepare for and present to the Board a succession plan for the Group Management Committee for the purposes of the Board's annual review of the succession preparedness of the Group Management Committee.

4.5 Other tasks

- 4.5.1. Carry out such other tasks on an ad-hoc basis as specifically decided by the Board.

Remuneration matters

4.6 Remuneration Guidelines

- 4.6.1. The Committee shall at least once annually review and recommend to the Board the Remuneration Guidelines to be proposed by the Board for adoption by the Annual General Meeting.

4.7 Remuneration of the Board

- 4.7.1. The Committee shall annually evaluate the Board remuneration, including structure and levels, against relevant benchmarks and in due time present a proposal for remuneration of the Board and its committees in respect of the next calendar year.
- 4.7.2. Monitor the administration of Board remuneration.
- 4.7.3. Review the annual reporting on remuneration of Board members that is required by applicable law or deemed appropriate to be included in SimCorp's financial reporting.

4.8 Remuneration and employment terms of Executive Management Board and Group Management Committee

- 4.8.1. Propose to the Board total compensation package and key terms including severance packages for new executives and approve all other employment contract terms for executives.
- 4.8.2. Annually evaluate the remuneration of each member of Executive Management Board, including their structure and levels, against relevant benchmarks and in due time present a proposal for adjustments in base salary (incl. pension contributions) for each executive in respect of the next calendar year.
- 4.8.3. Annually evaluate the total compensation of the Group Management Committee and in due time present a proposal for adjustments in base salary (incl. pension contributions) for Group Management Committee in respect of the next calendar year.

- 4.8.4. Propose to the Board the structure for a potential long-term incentive program.
- 4.8.5. Determine any settlement of claims in connection with executives' severance.
- 4.8.6. Monitor the administration of executive remuneration.
- 4.8.7. Review the annual reporting on remuneration of executives that is required by applicable law or deemed appropriate to be included in SimCorp's financial reporting.
- 4.8.8. Annually review EMB members' remuneration from and interest in companies other than SimCorp.

4.9 Restricted Stock Unit (RSU) pool

- 4.9.1. Review the proposal for annual RSU spend. Review the consumption of the Restricted Stock Unit pool and individual allocations during the year.

4.10 Top-earners

- 4.10.1. The Committee shall carry out an annual review of top-25 earners in the SimCorp Group.

4.11 Other tasks

- 4.11.1. Carry out such other tasks on an ad-hoc basis as specifically decided by the Board.

5. Committee members and invitees

5.1. Chairman

The Board appoints the Chairman of the Committee. The Chairman must be an independent, non-executive Director.

The appointment is for a period of one year at a time concurrent with the term for which external Board members are elected for their Board position at SimCorp A/S. Re-appointment may take place.

Should the Chairman be unable to attend a Committee meeting, the Chairman will delegate his responsibility to a nominated Chairman for that session.

5.2 Other standing members and other attendees

The Board will among them elect between 2 (two) and 5 (five) ordinary members of the Committee. The appointment is for a period of one year at a time concurrent with the term for which external Board members are elected for their Board position at SimCorp A/S. Re-appointment may take place. Other attendees are:

- SimCorp's Chief Executive Officer (CEO) (save for matters relating to CEO or other EMB member remuneration)

If an attendee of the Committee is unable to attend the Committee meeting, the attendee may, with agreement of the Chairman of the Committee, select an alternate to attend on their behalf.

5.3 Committee invitees

The Chairman may invite or require other persons relevant to Committee business to attend Committee meetings, including SimCorp's Chief HR officer and other representatives of the SimCorp's Business Units and Product Division, external professionals and other advisors as appropriate.

5.4 Committee Secretary

The Committee Secretary will be from Group Legal and Compliance.

- The Secretary to the Committee is not a member and carries no voting right;
- Should the Committee Secretary be unable to attend a Committee meeting the secretary will nominate a Committee Secretary to fulfil the duties for that session.

6. Committee meetings

6.1 Meeting frequency and forum

The Committee shall meet as often as it and its Chairman deem necessary however, at a minimum, the Committee will meet three times a year at appropriate times in annual cycle.

During the period between meetings of the Committee, the Board may request the Chairman to convene further meetings at which to discuss particular issues that may require the Committee's advice.

The meetings can take place both as physical meetings as well as telephone/ video conference.

7. Papers and minutes

The agenda shall be prepared by the Committee Secretary, reviewed by the SimCorp CEO, and approved by the Chairman. The agenda, reports and supporting papers shall be issued in a timely manner to allow appropriate consideration by the Committee members. Meetings of the Committee shall be formally minuted by the Committee Secretary and circulated within 10 working days of each meeting to all members of the Committee and to Board members and the CEO.

7.1 Voting and quorum

Only Committee members shall have the right to vote on resolutions put to the Committee. The quorum for meetings of the Committee for carrying out its duties shall be a least three members, including:

- The Chairman, or the nominated representative to act as Chairman; and
- Two additional members of the Committee.

7.2 Annual wheel

The Committee will prepare an annual review and approval cycle describing the review and approval tasks relative to each of the ordinary meetings of the Committee.

8. Reporting

The Committee reports to the Board and will make a report once a year describing the activities and work done in the Committee during the year. This report may be a part of the annual report to the shareholders or it can be disclosed separately at the company's website.

9. Committee member fee

Members of the Committee shall receive an annual fee in accordance with the Company's Remuneration Guidelines, proposed by the Board and approved by the Annual General Meeting.

This policy is adopted in Copenhagen
on February 4, 2020

Board of Directors

Peter Schütze

Morten Hübbe

Joan A. Binstock

Simon Jeffreys

Hervé Couturier

Adam Warby

Else Braathen

Vera Bergforth

Hugues Chabanis



About SimCorp

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For more information, please visit www.simcorp.com.