

## DSB Subcontracting and Audit Policy

### I General

- 1.1 This DSB Subcontracting and Audit Policy (the “**Policy**”) sets out the:
- (a) terms applicable to subcontracting of the DSB Service by DSB in relation to certain Users (as described in paragraph 2 (“**In-Scope Users**”));
  - (b) information that the DSB will make available to In-Scope Users and their Authorities in relation to the DSB Services for audit purposes; and
  - (c) circumstances under, and terms upon, which In-Scope Users can request the DSB’s participation in additional audit activities.
- 1.2 This Policy forms part of the Agreement between In-Scope Users and the DSB. Defined terms shall have the same meaning as set out in the Main Terms and as otherwise set out herein.

### 2 Applicability of Policy

- 2.1 The rights granted to the User under this Policy apply only if the User:
- (a) is subject to Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (“**DORA**”) and the User has assessed the OTC ISIN Service and/or the UPI Service to be an ICT service supporting a critical or important function for purposes of DORA; or
  - (b) is regulated by the UK Prudential Regulation Authority (“**PRA**”) and has assessed the OTC ISIN Service and/or the UPI Service to be a “material” or “high risk” third party arrangement for purposes of Supervisory Statement SS2/21 on Outsourcing and Third Party Risk Management,
- in each case as evidenced by the User to the DSB’s reasonable satisfaction.
- 2.2 In addition to paragraph 2.1, if the User wishes to exercise the rights in ~~paragraphs 4 and paragraph 5~~ of this Policy it must acquire a Subscription to ~~the DSB’s DSB Select Premium Support Ancillary Service.~~
- 2.3 Any disputes regarding the applicability of this Policy shall be resolved in accordance with paragraph 4 of the DSB Governance Policy.

### 3 Subcontracting of the DSB Service

- 3.1 The User acknowledges and agrees that the DSB may use subcontractors in the provision of the DSB Services, as set out in clause 4.8 of the Main Terms. Details of the DSB’s subcontractors, their locations and the services they provide are set out on the DSB’s website<sup>1</sup> (“**Subcontractors**”).
- 3.2 The DSB shall:
- (a) provide notice of changes to the identity of its Subcontractors, their locations or the services they provide (“**Subcontracting Change**”) in accordance with clause 1.2(b) or 1.2(c) of the Main Terms;
  - (b) where notice has been given in accordance with clause 1.2(b) of the Main Terms, consider any reasonable objections or modifications requested by the User in relation to the Subcontracting Change before it becomes effective and only implement the Subcontracting Change on expiry of

<sup>1</sup> <https://www.anna-dsb.com/subcontractors/>

the relevant notice period.

- 3.3 The User may terminate the Agreement on written notice to the DSB if the DSB implements a Subcontracting Change notified in accordance with clause 1.2(b) of the Main Terms: (i) despite the User's objections or requests for modification, or (ii) before expiry of the relevant notice period, in each case provided that notice of termination is given within thirty (30) days of the Subcontracting Change taking effect.
- 3.4 The DSB, insofar as it is able to do so having made reasonable enquiries has taken (and will take in relation to new Subcontractors) reasonable steps to assess: (i) the operational and financial ability of its Subcontractors to perform the subcontracted services; and (ii) the risks associated with the location of its Subcontractors, their parent companies and the locations from where the subcontracted services are provided.
- 3.5 The DSB's obligations to report to the User pursuant to clause 6.1(c) and (d) of the Main Terms apply equally to components of the DSB Service that are subcontracted. The DSB shall monitor its Subcontractors to ensure that its obligations to the User pursuant to the Agreement are continuously met.
- 3.6 The DSB shall take reasonable steps to ensure the continuity of subcontracted components of the DSB Services throughout its subcontracting chain in the event of a failure by the Subcontractor to comply with its obligations, including as set out in paragraph 3.7(b) below and in paragraph 7.1 of the DSB DR and Business Continuity Policy.
- 3.7 The DSB shall take reasonable steps to ensure that its written contracts with its Subcontractors include:
- (a) provisions enabling the DSB to monitor the performance of the Subcontractors as contemplated in paragraph 3.5;
  - (b) obligations on the Subcontractor to implement and test business contingency plans and, where appropriate and relevant, service levels (such as RTO and RPO objectives) to be met by the Subcontractor in relation to such plans;
  - (c) an obligation on the Subcontractor to implement appropriate security measures and standards in relation to its services;
  - (d) contractual rights of access, inspection and audit that are equivalent to those granted to the User and Authorities under this Policy.
- 3.8 In response to questions asked by the User pursuant to paragraph 4.2 (and subject to paragraph 6.3), the DSB shall provide reasonable information relating to the contractual documentation in place between the DSB and its Subcontractors and on relevant performance indicators, but shall not provide copies or extracts of such contracts.

## **4 Alternative assurance mechanisms**

### **4.1 Audit Pack**

Once annually during the Term at the User's request, the DSB shall provide the User with the following information for audit purposes:

- (a) a certification as to the DSB's compliance with ISO27001 (scope as defined in the certificate) insofar as it relates to the DSB Services;
- (b) a valid ISAE3402 attestation report; and
- (c) directions to the policies and other information available on the DSB's website that provide details of the DSB's practices and controls relating to the DSB Services,

(“**Audit Pack**”).

The User may provide the Audit Pack to its Authorities. The DSB shall also make the Audit Pack directly available to Authorities at their request (without prejudice to the DSB’s obligations under clause 4.3 of the Main Terms).

#### **4.2 Questions**

- (a) The User may request in writing that the DSB answers reasonable written questions in relation to the contents of the latest Audit Pack.
- (b) The User may exercise its rights pursuant to paragraph 4.2(a) only once annually during the Term, and must do so in respect of all Subscriptions for DSB Services held by the User simultaneously, except where an additional request is necessary to respond to an enquiry by an Authority.
- (c) The DSB shall have 60 days to respond to a request made by the User pursuant to this paragraph 4.2, but shall use its best efforts to respond within any shorter timeframe required by an Authority.
- (d) The User shall reimburse the DSB for its costs and expenses incurred in responding to requests pursuant to this paragraph 4.2. The DSB shall issue an invoice for such amounts promptly following provision of its response pursuant to paragraph 4.2(c) and the User shall make payment on the same basis as set out in clause 9.6 of the Main Terms.

#### **4.3 Pooled audits**

The DSB shall inform the User if it elects to implement a pooled audit process relating to the OTC ISIN Service and/or the UPI Service, including details of the audit timing and scope, any external auditors’ involvement, the costs to User of participation and any additional terms to which the User would need to agree.

#### **4.4 Approach to audit requests**

Without prejudice to its rights under paragraphs 4.2 and 5, the User shall:

- (a) exercise such rights in a risk-based and proportional manner, taking into account the requirements of Applicable Law or an Authority, the context of the audit and the nature of the DSB Service;
- (b) before requesting information or access to premises or other resources for audit purposes, reasonably assess the extent to which its audit requirements are satisfied by the contents of the latest Audit Pack, information received pursuant to paragraph 4.2 and/or participation in any pooled audit process implemented by the DSB; and
- (c) exercise its rights under paragraphs 4 and 5 in respect of all Subscriptions held by that User and its Affiliates simultaneously.

## **5 Right of audit and inspection**

- 5.1 During the Term and subject to paragraph 5.2, the User, its independent third party auditor reasonably acceptable to the DSB (which shall not include any third party auditors who are not suitably qualified or independent) and Authorities with jurisdiction over the User in relation to the DSB Services (each an “**Auditor**”) may audit the DSB’s control environment and practices relevant to the DSB Service to which this Audit Policy applies as set out in paragraph 2, for the sole purpose of assessing the DSB’s compliance with the Agreement, fulfilling the User’s audit requirements under Applicable Law and to enable Authorities to exercise their information gathering and investigatory powers under Applicable Law (an “**Audit**”). The DSB may require confirmation that an Audit of the scope requested is required as a matter of Applicable Law or pursuant to an Authority’s proper powers and decline its assistance if otherwise.

- 5.2 The DSB will cooperate with the Auditor in relation to an Audit, including by designating and making available ~~to Customer~~to the Auditor a reasonable number of appropriately qualified and knowledgeable DSB staff to facilitate the Audit.
- 5.3 The User remains accountable for supervising and directing the activities of its third party Auditors (excluding Authorities) in connection with the exercise of an Audit.
- 5.4 The Audit will be conducted during normal business hours and in a manner that avoids any unreasonable or unnecessary disruption to the DSB's operations.
- 5.5 The User may conduct an Audit no more than once annually, and the Audit must be conducted in respect of all Subscriptions for DSB Services held by the User simultaneously, except in circumstances where an additional Audit is required by an Authority or a significant security incident has occurred.
- 5.6 The User shall provide at least 60 days advance notice of any requested Audit unless: (a) an Authority requires an Audit to be conducted on shorter notice, in which case the User shall provide as much notice as possible in the circumstances; or (b) 60 days advance notice is not reasonably possible due to an emergency or crisis situation, in which case the DSB shall use reasonable endeavours to accommodate the Audit on the requested dates.
- 5.7 The dates, length and scope of any Audit shall be mutually agreed between the Auditor and the DSB acting reasonably and in good faith and taking into account the principles in paragraph 4.4. Audits shall be limited to remote Audits where possible. If the Auditor determines that an on-site Audit is necessary to achieve the purpose specified in paragraph 5.1, the User shall use its best efforts to ensure that such Audit does not exceed 1 Working Day (except in relation to Audits conducted directly by an Authority). The User shall provide the results of any Audit to the DSB unless prevented from doing so by an Authority. All Audit activities will be performed under the supervision of the DSB. Any necessary system access will be granted on a display-only basis. The DSB shall permit the Auditor to take copies of relevant documents accessed during on-site Audits where reasonably necessary to achieve the purpose of the Audit.
- 5.8 Where the DSB receives multiple Audit requests from various Users that it is reasonably unable to accommodate on the requested dates, the DSB reserves the right to propose an alternative timeline suitable for the DSB to support such Audit requests.
- 5.9 The User shall bear its own costs and expenses (and those of Auditors to the extent applicable) incurred in relation to any Audits conducted pursuant to paragraph 5 and shall reimburse the DSB's costs and expenses incurred in participating in such audits. The DSB shall issue an invoice for such amounts promptly following completion of the audit and the User shall make payment on the same basis as set out in clause 9.6 of the Main Terms.
- 5.10 If an Audit determines that the DSB is in breach of its obligations under the Agreement, the DSB will promptly remedy the breach at its own cost.
- 5.11 Where the DSB's written contracts with its Subcontractors grant the User and Authorities direct rights of access, inspection and audit, the DSB shall use reasonable efforts to facilitate the exercise of such rights. Where the DSB's written contracts with its Subcontractors do not grant such rights, the DSB shall (subject to paragraph 6) provide Auditors with relevant information that it has obtained from the Subcontractor through exercising any contractual rights of access, inspection and audit granted to the DSB. The User shall reimburse DSB's costs and expenses incurred in facilitating Subcontractor audits or obtaining information from Subcontractors in accordance with paragraph 5.9.

## **6 Confidentiality and other restrictions**

- 6.1 All information and data provided by or on behalf of the DSB or accessed by the User or an Auditor in the exercise of the User's rights under this Audit Policy is Confidential Information of the DSB and the User undertakes to ensure that it is treated in accordance with clause 12 of the Main Terms.
- 6.2 The DSB may require any third party Auditor (other than an Authority) to enter into a confidentiality

undertaking in a form reasonably acceptable to the DSB before providing any access to information, premises or other resources under paragraph 5.

- 6.3 The DSB shall not be required to provide any information under paragraphs 4.2 or 5 that:
- (a) is already contained in the Audit Pack (but the DSB shall direct the User to the Audit Pack where applicable);
  - (b) cannot be provided due to obligations of confidentiality owed to third parties; and/or
  - (c) the DSB is unable to provide without the assistance of its external auditors or other third parties unless the User agrees in writing to pay any costs incurred by the DSB in obtaining such information. The DSB will use reasonable efforts to obtain any such information but does not guarantee that it will be able to do so.