

# **ISX005 - Remuneration Committee Charter**

**ISX Financial EU Plc**

**Corporate Governance Policies**

**ISX005 – Remuneration Committee Charter**

**Version 2.1, Issued January 2022**

This Policy shall apply to the boards of

-ISX Financial EU Plc (“ISX, the “Company” or “ISXPLC”)

## Composition

The Committee shall be members of, and appointed by, the Board of Directors and shall comprise at least three non-executive directors, all of whom are independent, when possible. One member shall be appointed to chair the Remuneration Committee and must be an independent non-executive director. All Committee members shall have a reasonable understanding of the industries in which the Company participates.

From time to time, non-Committee members may be invited to attend Committee meetings when remuneration matters are being discussed, if it is considered appropriate.

It is noted that as the members of both the Remuneration Committee and the Nomination Committee are the same non-executive directors, both Committees' meetings will be scheduled and held concurrently.

## Role

- Remuneration packages of Executive Directors, Non-Executive Directors and senior executives-those nominated as KMPs (Key Management Personnel); and
- Employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed; and
- The review and approval of the overall annual percentage increase in the remuneration for all staff; and
- Be available to meet with the Central Bank of Cyprus upon request.

## Operations

The Committee shall consider remuneration matters at least once a year and otherwise as required. Minutes of the consideration of such matters are to be kept and provided to the Board as part of their next meeting papers.

## **Responsibilities**

The responsibilities of the Committee include a review of:

- the Company's remuneration policy and framework;
- senior executives' remuneration and incentives;
- superannuation arrangements; and
- remuneration by gender.

## **Executive Remuneration**

In considering the Company's remuneration policy and levels of remuneration for executives, the Committee makes decisions which:

- motivates Executive Directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- demonstrates a clear correlation between senior executives' performance and remuneration;
- aligns the interest of key leadership with the long-term interests of the Company's shareholders; and
- prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

## **Non-Executive Remuneration**

In considering the Company's remuneration policy and levels of remuneration for non-executive Directors, the Committee is to ensure that:

- fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- Non-Executive Directors are remunerated by way of fees (in the form of cash and superannuation benefits);
- Non-Executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and

- Non-Executive Directors are not entitled to participate in remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that Non-Executive Directors do participate in equity based remuneration schemes, they are prohibited from entering into transactions or arrangements which limit the economic risk of participating in invested entitlements.

To the extent that the Company adopts a different remuneration structure for its Non-Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

## **Incentive Plans and Benefits Programs**

The Committee is to:

- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- continually review and if necessary, improve any existing benefit programs established for employees.

## **Authorities and Resources**

- The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.
- The Committee may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters