

Remuneration Policy 2024

Interbolsa

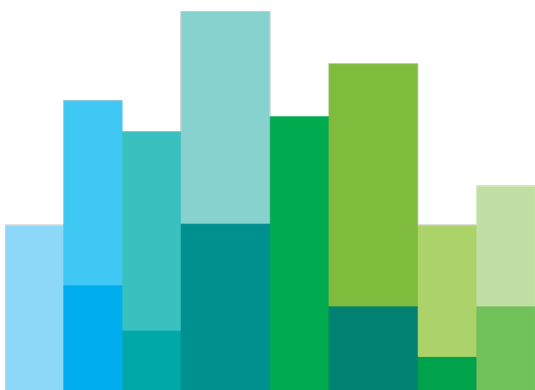
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1. DOCUMENT SUMMARY



Document summary

Document type	Policy
Purpose of the document	The purpose of the Remuneration policy is to provide guidelines and internal policies related to calculation and application of the remuneration of all employees, management, control functions and Board of Directors of Interbolsa, in line with shareholders' interest and business strategy
Classification	Internal and external
Document Owner	Head of Human Resources
Reference to related documentation	Remuneration Committee Terms of Reference
Regulations linked to this document	Regulation n. 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 98/26EC and 2014/65/EU and Regulation (EU) n. 236/2012" (CSDR) and the "Regulatory Technical Standards under CSDR issued by the Commission Delegated Regulation (EU) 2017/392 of 11 November 2016

2. VERSION CONTROL

Version control

This Policy will be reviewed at least once a year, for updating the necessary content related to governance and processes.

Version	Date	Author	Approval	Change Description
1.0	16/12/2020	Human Resources		First version.
2.0	15/12/2021	Human Resources		Update on names of Euronext Securities Porto
3.0	13/12/2022	Human Resources		Update to clarify the remuneration of the CRO, CCO, CTO and Head of Internal audit if employed by the legal entity and the CEO remuneration approval by the General Meeting in line with the Portuguese law.
4.0	12/12/2023	Human Resources		Update to strengthen the link with Euronext Group performance in the assessment of bonus payment level

3. CONTENTS

3.1 Principles and objectives of the Remuneration Policy

Our people and remuneration strategies aim to enable Euronext and Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (referred as “Euronext Securities Porto” or “the Company”) to attract, develop and retain talent that will ensure that we maximise long term shareholder value and support the development of capital markets and the growth of the real economy. In particular, Euronext Securities Porto provides depositories services with efficient infrastructure for the settlement of transactions in securities and the registration of ownership rights. We aim to engage people over the long term by fostering diversity, providing challenging work and development opportunities, and rewarding for measurable performance. This people strategy is underpinned by our Group wide values and our overall commitment to provide sustainable growth and development for both the Company and our employees.

Our remuneration strategy is based on the principles of aligning remuneration arrangements with our strategic objectives and those of the Euronext Group, and empowering employees by differentiating top performers, whilst achieving simplicity and transparency in the design and communication of remuneration arrangements. The remuneration strategy and supporting policies, and how they support our overall business strategy are set out in this remuneration policy document (hereinafter “the Remuneration Policy”) which is applicable as of 2024 and replaces any previous arrangements. This Remuneration Policy, aligned with the European Central Securities Depositories Regulation (CSDR)¹, establishes adequate remuneration practices and describes information about the fixed and variable elements of the remuneration of the Executives of Euronext Securities Porto, and employees of Euronext Securities Porto, in particular working in the risk management, compliance and internal control, internal audit and technology functions.

The Remuneration Committee is responsible for preparing Euronext Securities Porto’s Remuneration Policy in the context of the Remuneration Policy of the Euronext Group as a whole, taking into account all relevant factors.

¹ Regulation (EU) 909/2014 and Regulation (EU) 2017/392

The distribution of fixed and variable remuneration to the individuals, according to the level of individual performance, is under the responsibility of Euronext Securities Porto aligned with the Euronext Group Compensation Review process, acting on proposals from the managers.

The remuneration of the Chief Risk Officer, the Chief Compliance Officer, the Chief Technology Officer and Head of Internal audit, if employed by the legal entity, should be presented by the Euronext Securities Porto Chief Executive Officer to the Board on an annual basis, to make sure control functions are assessed without any conflict of interest, based on their performance against their job description and annual objectives. The level of remuneration shall be aligned to market practice and company standards.

The Board of Directors of Euronext Securities Porto is responsible for monitoring the implementation of this Remuneration Policy. Decisions will be reviewed taking into consideration recommendations from the management, in line with the Euronext Group processes, supported by Human Resources and Compensation & Benefits departments. Any exception to this Remuneration Policy will be approved by the Board of Directors.

3.2 Remuneration for members of the Board of Directors

The remuneration of the members of the Board of Directors, including the Chief Executive Officer and the Independent Non-Executive members' remuneration is, by law (cfr. Article 399 of the Portuguese Companies Act), decided by the Annual General Meeting.

Independent Non-Executive members receive annual fees decided by the Annual General Meeting. Given the nature of the Board's responsibilities, their remuneration is not linked to Company performance.

Independent Non-Executive members of Board of Directors are not eligible to participate in any benefits programmes offered by Euronext Securities Porto to its employees. The Company does not provide any loans to members of the Board of Directors.

The other Executive Board members employed within the Euronext Group do not receive any specific remuneration related to their role of Board member.

3.3 Remuneration for Executives and other employees

The remuneration may consist of the following components:

- 3.3.1. Annual Fixed Salary component ('AFS')
- 3.3.2. Bonus / Short Term Incentive in the form of cash reward ('STI')
- 3.3.3. Long Term Incentive in the form of equity ('LTI')
- 3.3.4. Pension provisions, employee share plan and fringe benefits

This Policy doesn't apply to Executives who are employed in another entity within the Euronext Group.

3.3.1 Annual Fixed Salary ('AFS')

Annual Fixed Salary is based on a combination of factors, including role, accountability, experience and overall responsibilities taking into account the individual's area of responsibility, results achieved, expertise and background and will be determined on the basis of benchmarking comparable companies in relevant markets. Typically, Annual Fixed Salary will be positioned at a competitive level against external benchmark in line with the overall job responsibilities of the individual.

Annual Fixed Salary for the Executives of Euronext Securities Porto is approved by the Board, following recommendation from the Group Head of Post Trade, in line with the Euronext Group processes, supported by the Human Resources and Compensation & Benefits departments.

3.3.2 Bonus / Short Term Incentive in the form of cash reward ('STI')

Employees may be awarded an annual Short Term Incentive, paid on a yearly basis in cash. This Short Term Incentive is discretionary and is reassessed every year based on Euronext Group and company results, changes in the competitive landscape, personal retention objectives and individual performance in relation to predetermined objectives on a full year basis. Short Term Incentives are therefore not part of any recurring compensation, not acquired nor payable prorata temporis, and are subject to presence in the company

The objective of this bonus / Short Term Incentive is to ensure the achievement of operational performance targets aligned with the strategic initiatives in the shorter term.

Bonus / Short Term Incentive for the Executives of Euronext Securities Porto is approved by the Board, following recommendation from the Group Head of Post Trade, in line with the Euronext Group processes, supported by Human Resources and Compensation & Benefits departments.

3.3.3 Long Term Incentive in the form of equity ('LTI')

Euronext N.V. performance shares may be granted to Euronext Securities Porto employees to reflect the importance of the Company activities for the Group as a whole in supporting Euronext N.V. ambitions to grow and transform its post-trade business, including in particular Central Securities Depositories (CSD) activities.

Employees of Euronext Securities Porto are eligible to participate in the Long Term Incentive plan (LTI), which provides an incentive for longer term commitment and retention of selected employees. When granted, LTI awards will be made in the form of performance shares of Euronext N.V. ("Performance Shares") with a 3-year cliff vesting schedule. LTI awards are not part of any recurring remuneration and will be reassessed every year. The key objective of the LTI is to provide an incentive to some critical employees and secure them against the competitive environment to continue their employment relationship with the Company.

Long Term Incentive for the Executives of Euronext Securities Porto is approved by the Board, following recommendation from the Group Head of Post Trade, in line with the Euronext Group processes, supported by Human Resources and Compensation & Benefits departments.

3.3.4 Pension provisions, employee share plan and fringe benefits

The employees in scope will benefit from the regular benefits package of Euronext Securities Porto and will have no specific rights compared to other employees in respect of pension benefits, employee insurance arrangements and usual fringe benefits.

3.4 Employment conditions

All employees in scope are subject to Portuguese Law and entitled to the mandatory notice period in the event of severance or termination.

The potential severance payment in case of termination of contract is based on market practice and legal rules for all employees.

3.5 Control and reporting

Remuneration decisions will be reviewed at Board of Directors meetings, following recommendation from the management, as part of the Euronext Group processes, supported by Human Resources and Compensation & Benefits departments, and in line with the Remuneration Policy approved by the Remuneration Committee.

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