

FIMBank plc.
Directors' Remuneration Policy



FIMBANK

Version: 3.0

Effective Date: 12 June 2024

Directors’ Remuneration Policy

| Version | Date | Update | Clause | Detail |
|---------|------------|---|---|---|
| 2.0 | 14/06/2022 | Update | Throughout | Amendments to align the Supplement with the applicable provisions of Directive (EU) 2019/878 (CRD V), the EBA Guidelines on Sound Remuneration Policies (EBA/GL/2021/04), Banking Rule 21 on Remuneration Policies and Practices (BR/21/2022), Banking Rule 24 on Internal Governance of Credit institutions (BR/24/2022), , the amendments to Chapter 12 of the Capital Market Rules and to the Group Remuneration Policy as amended in March 2022 for the same scope. |
| 3.0 | 12/06/2024 | Change in title Inclusion of additional detail to further align the policy with the regulatory framework Amendment Amendment | Title Throughout where applicable Article 5 Non-Executive Directors’ | Changed title from <i>Remuneration Policy Supplement to Directors’ Remuneration Policy</i> . Inserted additional text, mainly extracts from BR/21/2022 and, or amended text, in both cases for completeness sake. Replaced “maximum ratio” with “indicative ratio” since maximum variable remuneration is stipulated under the sub-article “Variable Remuneration” within the same Article 5. |

Directors' Remuneration Policy

| | | | | |
|--|--|-----------|---|---|
| | | Amendment | Remuneration Policy Table Article 7 | Re-defined the performance measures for the payment of fees Clarified further how deviations to the Policy are governed. |
|--|--|-----------|---|---|

FIMBank plc.
Directors' Remuneration Policy

Table of Contents

| | |
|---|-------------------------------------|
| Table of Contents | 4 |
| 1. Overview | 5 |
| 2. Principles..... | 6 |
| • Sound and Effective Risk Management..... | 6 |
| • Non-discriminatory practices | 6 |
| • Internal equity | 6 |
| • External parity | 7 |
| • Affordability and Sustainability | 7 |
| 3. Key differences between Directors' remuneration and the remuneration of other employees | 7 |
| 4. Composition of the Nomination & Remuneration Committee | 7 |
| 5. Remuneration Components..... | 9 |
| 6. Independent Review | 27 |
| 7. Amendments to the Supplement | 27 |
| 8. Publication | Error! Bookmark not defined. |
| 9. Effective Date and Review | 28 |

Directors' Remuneration Policy

1. Overview

The Directors' Remuneration Policy (the/this "**Policy**"), previously titled The Remuneration Policy Supplement (the/this "**Supplement**") set out below will be put to a binding shareholder vote and subject to shareholder approval, will become effective from the date of the Annual General Meeting ("AGM"), that is, on 12th June 2024.

This Policy is, driven, in the main, by the enactment of Directive EU 2017/828¹ (often referred to as "**SRDII**") and the consequential changes to the Capital Markets Rules, in particular Chapter 12 dealing with shareholders' rights ("**Chapter 12**").

This Policy applies to 'directors' as such term is defined in Chapter 12, meaning:

- a) any member of the board of directors of FIMBank;
- b) where they are not members of the administrative, management or supervisory bodies of a company, the chief executive office and, if such function exists in FIMBank, the deputy chief executive officer; or
- c) any other person who is in charge of operations or activities of FIMBank.

Throughout this Policy, the term 'director' shall have the same meaning provided to the term in Chapter 12.

It is intended that this Policy will be applied for three years to the end of the AGM in 2027. This notwithstanding, this Policy shall be reviewed annually by the Group Chief Human Resource Officer ("**GCHRO**"), Group Chief Compliance Officer ("**GCCO**") and Company Secretary to reflect any new regulatory requirements or changes requested by the Board of Directors. Any material amendments are to be approved by the Board Nomination and Remuneration Committee ("**BNRC**") which is also the body delegated by the Board of Directors to oversee its implementation, prior to being submitted to the General Meeting for its binding vote.

The remuneration structure of Executives, as such term is defined below (Executives' Remuneration Policy Table) comprises both fixed and variable remuneration and is intended to attract, develop and retain a high-performing workforce while remaining aligned to FIMBank's long-term strategy, risk appetite, sustainable performance, good corporate governance, regulatory compliance, corporate values and long-term value creation for shareholders. In parallel, the remuneration of Non-Executive

¹ Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

Directors' Remuneration Policy

Directors is composed mainly of a fixed fee, augmented (when applicable) with *inter alia* additional fees associated with memberships (and chairpersonships) within committees. Independent Directors are paid a flat fee for Board and Committee memberships. Where the director is a Chairperson of a Board Committee an additional allowance is also applicable.

All compensation structures including those of the branches and the subsidiaries of FIMBank located in third countries are aligned with the requirements emanating from the CRD unless local legislation in the respective jurisdiction mandates otherwise.

As a result of this Policy, FIMBank shall draw up a year's remuneration report in line with the requirements of Chapter 12, which shall be subject to an advisory vote at the subsequent General Meeting.

This Policy describes the different components of directors' pay and the range of the relative proportions. It is designed as a framework within which the pay of directors' is to be implemented. It contributes to the business strategy, long term interests and sustainability of FIMBank and is not linked mainly or entirely to short term objectives.

2. Principles

Across FIMBank remuneration is based on the below principles:

- **Sound and Effective Risk Management**

It is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds FIMBank's risk appetite;

- **Non-discriminatory practices**

It is consistent with the acknowledged principles of diversity as listed in FIMBank's Diversity Policy. This includes the principle that remuneration is gender neutral and thus all employees, independent of their gender are equally remunerated for work of equal value. True merit determines all remuneration related decisions.

- **Internal equity**

Fair distinction based on individual employee performance is applied;

Directors' Remuneration Policy

- External parity

FIMBank undertakes an annual alignment exercise with local compensation data to ensure that its remuneration packages are competitive and in line with industry standards; and

- Affordability and Sustainability

This Policy is in line with the business strategy, business objectives, values and long-term interests of FIMBank and incorporates measures to avoid conflicts of interest. In accordance with the FIMBank's strategy and in consideration of the budget and the economic conditions, certain limits on variable remuneration may be set from time to time to ensure that it does not limit the ability of FIMBank to strengthen its capital base.

3. Key differences between Directors' remuneration and the remuneration of other employees

Remuneration of employees on an indefinite contract including that of the Deputy CEO as may be applicable is reviewed annually with the intention of ensuring that all employees are paid appropriately in the context of their market and also of their individual skills, experience, and performance. The salary of the GCEO is reviewed if and when the definite contract is renewed for a further term/s. The review is guided by the above benchmarks and more specifically the market conditions.

The non-executive Directors are remunerated through a fixed-fee structure as opposed to a salary package.

4. Composition and remuneration-related role of the Board Nomination & Remuneration Committee

The **BNRC** is currently composed of three (3) non-executive Directors as per minimum stipulated in the BNRC Charter ("**Charter**"). One (1) of the members is an Independent Director. The BNRC may invite non-members to attend the Committee meetings, including consultants and members of the Executive Management to assist it in the effective execution of its duties. The Charter is reviewed on an annual basis by the Group Chief General Counsel before it is presented to the BNRC for its review and recommendation of approval to the Board of Directors.

Directors' Remuneration Policy

The remuneration related role of the BNRC shall as minimum be that as stipulated by BR21, Paragraphs 72 to 87. This includes having responsibility for:

- The preparation of decisions on remuneration to be taken by the supervisory function, providing advice, updates, support, policy design, implementation and compliance oversight to the supervisory function, in particular regarding FIMBank's remuneration policy and procedures as well as the remuneration of the management body in its management function, including senior staff members in independent control functions and of that of other identified staff;
- Making recommendations to the supervisory function on the design of the remuneration policy that is gender neutral and supports the equal treatment of staff of different genders.
- Verify whether the existing remuneration policy is still up to date and, if necessary, suggest proposals for reform.;
- Reviewing the appointment of external remuneration consultants that the supervisory function may decide to engage for advice or support;
- Ensuring the adequacy of the information provided to the shareholders on remuneration policies and practices, in particular on a proposed higher maximum level of the ratio between fixed and variable remuneration;
- Assessing the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values, risk culture and long-term interest of the institution;
- Assessing the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements and;
- Reviewing a number of possible scenarios to test how the remuneration policies and practices react to external and internal events, and back-test the criteria used for determining the award and the ex-ante risk adjustment based on the actual risk outcomes.

For the purpose of ensuring that the BNRC can execute the above responsibilities without limitations, it shall have adequate financial resources, unfettered access to all data and information concerning the decision-making process of the supervisory function on the remuneration policies and practices design and implementation, oversight and review and have unfettered access to all data available through the independent control functions. In addition, the BNRC shall ensure the proper involvement of the independent control and other relevant functions within the respective areas of expertise and where necessary seek external advice.

In particular, the Board Risk Committee (BRC), without prejudice to the tasks of the BNRC, examines whether incentives provided by the Remuneration Policy and the resulting practices take into consideration the institution's risk, capital, liquidity and the likelihood and timings of earnings. Moreover, a member of the BRC may where relevant, participate in the meetings of the BNRC and vice versa. Where periodic central and

Directors' Remuneration Policy

independent reviews as required by BR21/2022, reveal the need for some form of remedial actions or the need to make recommendations, the BNRC shall follow up through a proposed, approved and timely implemented action plan. Additionally, the BNRC documents the whole process from review to actions taken to remedy any findings and informs accordingly the management body, relevant committees and corporate functions as may be applicable.

5. Remuneration Components

Generally, the various remuneration components are combined to ensure an appropriate and balanced total rewards package that reflects the director's responsibilities as well as market practice.

- 1) The total package payable to Executives consists of fixed and variable remuneration (when applicable).

As per Paragraph 142 of Banking Rule 21 on Remuneration Policies and Practices (BR/21/2022) ("**Banking Rule 21**") transposing Paragraph 131 of the EBA's Guidelines on Sound Remuneration Policies (EBA/GL/2021/04), remuneration is considered to be fixed where the conditions for its award and its amount:

- a. are based on predetermined criteria;
- b. are non-discretionary reflecting the level of professional experience and seniority of staff;
- c. are transparent with respect to the individual amount awarded to the individual staff member;
- d. are permanent, i.e. maintained over a period tied to the specific role and organisational responsibilities;
- e. are non-revocable; the permanent amount is only changed via collective bargaining or following renegotiation in line with national criteria on wage setting;
- f. cannot be reduced, suspended or cancelled by the institution;
- g. do not provide incentives for risk assumption; and
- h. do not depend on performance.

All other forms of remuneration are considered variable. There is no third category of remuneration type. FIMBank further notes the regulatory guidance contained in Paragraph 144 of Banking Rule 21, which deals with fixed remuneration.

Directors' Remuneration Policy

- Fixed remuneration
 - Base salary, statutory payments and where applicable cash allowances and non-cash-benefits and/or anniversary payments and/or one-time payments.
- Variable remuneration, means all remuneration which is not fixed which when applicable can be in the form of one or more of the following:
 - Performance Bonus;
 -
 - Exceptional Bonus;
 - Retention Bonus;
 - Guaranteed/Sign-On Bonus;
 - Buy-out Compensation; and
 - Severance Payments.

- No variable remuneration will be paid through vehicles or methods which aim at or lead to non-compliance with remuneration requirements for identified staff, or where such requirements are applied to all staff, with remuneration requirements for all staff. This includes any arrangement between the institutions and 3rd parties where the staff member has a financial or personal interest in. To this effect this Policy is additionally subject to the *Conflicts of Interest Policy Statement* as incorporated in the *Compliance Manual*.

- Although this Policy does not include the possibility of making pay out in instruments other than those as governed by BR/21/2022 Para 63(d), the Bank has procedures in place (annual declarations regarding obligations which persons holding managerial responsibility and persons closely associated to them) to ensure compliance with insider trading rules and that no measures are taken that can have a short-term impact on the share or instruments price of the Bank.

Financial and non-financial criteria are taken into account for variable elements of remuneration when performance related and that the performance is set in a multi-year framework. Variable remuneration components include an adjustment for all types of current and future risks and take into account the cost of the capital and the liquidity required. The allocation of the variable remuneration components within the credit institution also take into account all types of current and future risks. The overall responsibility for the actual assessment of the capital base lies within the Risk Management Department and the BRC with reasonable dependency on pipeline reporting as carried out by the Finance and Business Performance and Analysis Department. In line with Paragraphs 135-139 of Banking Rule 21, the Bank ensures that variable remuneration will not in any way be detrimental to its sound capital base. In the unlikely event that the soundness of the capital base may be at risk, this will be notified to the BNRC.

The competent authority shall intervene where the awarding of variable remuneration is detrimental to the maintenance of a sound capital base by requiring the institution to reduce or apply a cap to

Directors' Remuneration Policy

the overall pool of variable remuneration determined until the capital adequacy situation improves; and if necessary to apply performance adjustment measures, in particular malus and require institutions to use net profits to strengthen own funds.

The term 'sound capital base' is construed as an amount that is above the currently applicable Supervisory Review and Evaluation Process (SREP) total capital requirement, specific to FIMBank.

Remuneration is determined using the annual gross remuneration calculated on full-time equivalent basis.

Ratio between Variable and Fixed Remuneration

In the interest of balancing the variable component of the remuneration while incentivising safe and sound performance, FIMBank has a set an indicative ratio between variable and fixed remuneration of 35% for staff in control functions and of 50% for other employees. Such limitations on the percentage of total annual variable remuneration to total annual remuneration are intended to ensure that employees are motivated to improve their performance whilst balancing the need for prudent, ethical employee behaviour.

The BNRC on the GCEO's recommendation may *a priori* approve deviation from these ratios when determining the variable remuneration of the Deputy CEO. This may be necessary to ensure compliance with national legislation and/or to be aligned to market practice. Likewise, the BNRC can *a priori* approve deviations in respect of the ratio between the variable and fixed remuneration of the GCEO.

- 2) The total directorship fees' package payable to Non-Executive Directors consists of a fixed fee which is supplemented when applicable by additional fees payable *inter alia* with respect to any memberships and/or chairmanships of the different Board Committees. The fees vary also between independent and non-independent Directors. The fees are reviewed annually in line with market conditions and the maximum allocated budget requires the approval of the AGM.

FIMBank plc.

Directors' Remuneration Policy

Executives' Remuneration Policy Table

The tables below sets out the element and purpose of Executive Directors, GCEO and Deputy CEO (together "**Executives**")'s compensation and how each element operates, as well as the maximum opportunity of each element and any applicable performance measures. It also includes compensation to any other person who is in charge of operations or activities of FIMBank.

FIXED REMUNERATION

| Element and Purpose of Remuneration | Operation | Maximum Opportunity | Performance Measures |
|---|---|--|---|
| <p>Base Salary</p> <p><i>To provide the basis of market-competitive overall remuneration package. It provides a fixed remuneration which is sufficient to recruit and retain individuals of the necessary calibre.</i></p> | <p>This is determined by:</p> <ul style="list-style-type: none"> a) the role and grade of the individual director; b) the base salary structure for other employees across FIMBank; and c) external factors such as economic conditions and market. <p>The base salary of Executives engaged on indefinite period employment contracts, is reviewed annually or when required to include any statutory payments.</p> <p>The fixed remuneration component of Executives engaged on definite or fixed-</p> | <p>When and where applicable the base salary of the Deputy CEO may also include annual increases. These are recommended by the GCEO, require approval by the BNRC inclusive of the effective date.</p> <p>No salary increases will be awarded when the Deputy CEO joins after September of the preceding year or when is rated '1' in the appraisal.</p> <p>Exceptional increases for the Deputy CEO during the year, require the recommendation of the GCHRO and GCEO to BNRC and thereafter <i>a priori</i> approval of the BNRC . Employment contracts may contain anniversary payments whereby at fixed annual intervals, amounts are paid to the individual Executives, as applicable. Such payments also require the <i>a priori</i> approval of the BNRC.</p> <p>The salary of the GCEO is reviewed by the BNRC if and when the definite contract is renewed for a further term/s.</p> <p>Exceptional one-time payments may be paid to Executives for working on specific projects during/outside office hours which go beyond the employee's role.</p> | <p>The base salary does not vary according to performance of the individual, the entity and FIMBank or results achieved. This is according to the FIMBank pay structure which is approved annually by the BNRC.</p> <p>Deviations from the pay structure are subject to approval <i>a priori</i> by BNRC.</p> |

FIMBank plc.

Directors' Remuneration Policy

| | <p>term contracts is as stipulated in the contract of employment and compensation therein is reviewed if and when the definite contract is renewed for a further term/s. The Executive is entitled to any newly introduced statutory payments or adjustments to existing ones.</p> | | |
|---|--|--|-----------------------------|
| Element and Purpose of Remuneration | Operation | Maximum Opportunity | Performance Measures |
| <p>Fixed allowances and benefits</p> <p><i>To ensure business continuity and assist executives in carrying out their duties efficiently.</i></p> | <p>The benefits may include different cash allowances and/or non-cash benefits as detailed in the respective contract of employment and/or as may be applicable depending on the role of the individual and the employing entity.</p> | <p>When and where applicable the base salary is supplemented by fixed benefits. These may commence either on employment and/or after probation, as determined in the respective contract of employment and/or as may be applicable depending on the role of the individual and the employing entity.</p> | <p>[NIL]</p> |

Directors' Remuneration Policy

VARIABLE REMUNERATION

As laid down in Banking Rule 21 Paragraph 19. (vii), total annual variable remuneration is capped at 100% of total fixed annual remuneration for each individual. This cap may be increased up to a maximum of 200% to total fixed annual remuneration for each individual provided the following conditions are fulfilled:

- i. the shareholders shall approve a higher ratio based on a detailed recommendation by FIMBank giving reasons for and the scope of the approval sought, including the number of staff affected, their functions and the expected impact of such variable remuneration on the requirement that the relevant FIMBank entities maintain a sound capital base;
- ii. the shareholders approve such variable remuneration award or awards by a majority of at least 66%, with at least 50% of the shares or equivalent ownership rights are represented or, failing that, shall act by a majority of 75% of the ownership rights represented;
- iii. the relevant FIMBank entity shall notify all shareholders that the approval shall be sought and shall provide a reasonable notice period in advance;
- iv. the FIMBank entity shall promptly inform its regulator of any recommendation to its shareholders to operate within the proposed 200% ratio and the reasons for this, and shall in such submission demonstrate that the higher ratio of variable remuneration does not conflict with FIMbank's entity's obligations under the applicable legislation, particularly in respect of own funds obligations;
- v. the FIMBank entity shall promptly inform its regulator of the decisions taken by the shareholders to approve the proposed higher maximum ratio; and
- vi. staff members directly concerned with the proposed higher maximum ratio shall not be permitted to exercise, directly or indirectly, any voting rights they may have in respect of the approval of any proposal relating to this ratio.

As per Banking Rule 21, variable remuneration for Identified Staff will not need to contain a deferred element as set out under the heading '*Deferral Structure*' later in this section, if both of the following criteria are fulfilled:

- the total annual employee variable remuneration does not exceed €50,000 in one calendar year; and
- the total annual employee variable remuneration does not represent more than one third of the staff member's total annual remuneration.

Deferral Structure

If an Identified Staff member's total annual variable remuneration is more than €50,000 or it represents more than one third of his/her total annual remuneration, then:

- at least 50% of total annual variable remuneration should be paid in shares or equivalent ownership interests²; and

² Banking Rule 21 Paragraph 19. (xii) refers.

Directors' Remuneration Policy

- at least 40% of total annual variable remuneration component is deferred for a period of not less than four (4) years and is appropriately aligned with the nature of the business, its risks and the activities of the staff member concerned³⁴.

Note that the two criteria are not mutually exclusive; that is, the first deals with the form of the remuneration (cash or shares) and the other with the timing (remuneration received now or later).

For the purpose of the above-mentioned thresholds, compensation is determined in Euro and converted into the national currency of the jurisdiction where the employee is employed using the internal exchange rate. The exchange rate is determined at the time of disbursement.

Should an employee leave before this time, s/he will forfeit the amounts due. In its multi-year performance assessment, the BNRC may decide to defer more than 40% in any given year.

Bonuses will be based on a multi-year assessment, which takes into consideration the individual performance rating for the two previous years as well as the current year's rating and future potential.

Financial and non-financial criteria are taken into account for variable elements of remuneration when performance related and that the performance is set in a multi-year framework. Variable remuneration components include an adjustment for all types of current and future risks and take into account the cost of the capital and the liquidity required. The allocation of the variable remuneration components within the credit institution also take into account all types of current and future risks.

In line with Article 135-139 of Banking Rule 21, FIMBank ensures that variable remuneration will not in any way be detrimental to its sound capital base. In the unlikely event that the soundness of the capital base may be at risk, this will be escalated and presented to the BNRC.

The use of the term 'sound capital base' throughout this Policy means an amount that is above the currently applicable Supervisory Review and Evaluation Process (SREP) total capital requirement, specific to FIMBank. FIMBank further notes the regulatory guidance contained in Articles 135 – 139 of Banking Rule 21.

Derogation

As per Banking Rule 21, Paragraph 20. (a), FIMBank, as *"a credit institution that is not a large institution as defined in point (146) of Article 4(1) of the CRR⁵ and the value of the assets of which is on average and on an*

³ Banking Rule 21 Paragraph 19. (xiii) refers.

⁴ In line with Paragraph 264. of Banking Rule 21 the deferral period starts immediately after the award is made and in line with Paragraph 272. of Banking Rule 21 the first deferral portion should not vest sooner than 12 months after the start of the deferral period.

⁵ Article 4(1) of the CRR point (146): *"large institution" means an institution that meets any of the following conditions:*

(a) it is a G-SII;

(b) it has been identified as an other systemically important institution (O-SII) in accordance with Article 131(1) and (3) of Directive 2013/36/EU;

Directors' Remuneration Policy

individual basis [...] less than €5 billion over the four-year period immediately preceding the current financial year”, is entitled to avail itself of a derogation that, if availed, would exempt FIMBank from certain requirements related to the payment of variable elements of remuneration laid down in paragraph 19 of Banking Rule 21; namely those related to 1) a minimum 50% payment of any variable remuneration to consist of share-linked instruments, 2) the deferral of at least 40% of variable remuneration for a period of not less than 4 to 5 years, and 3) the rules relating to pensions holding/retention periods. This derogation, if availed, would also exempt FIMBank from the €50,000 annual variable remuneration cap.

(c) it is, in the Member State in which it is established, one of the three largest institutions in terms of total value of assets;
(d) the total value of its assets on an individual basis or, where applicable, on the basis of its consolidated situation in accordance with this Regulation and Directive 2013/36/EU is equal to or greater than EUR 30 billion”.

FIMBank plc.
Directors' Remuneration Policy

| Element and Purpose of Remuneration | Operation | Maximum Opportunity | Performance Measures |
|--|---|--|---|
| <p>Performance Bonus</p> <p><i>To motivate Executives in maximising individual, departmental and FIMBank's performance.</i></p> | <p>Executives may be entitled to a performance bonus. Employee performance is measured in the interim and annual performance appraisal which is detailed in the Bank's Performance Management Policy and Procedure. If the variable remuneration to be awarded amounts to more than €50,000 in one calendar year or this represents more than one third of his/her annual remuneration , at least 50% of the variable remuneration should be paid in shares. Note that this restriction on total annual variable remuneration would not apply in the case that a derogation is applicable (see 'Derogation').</p> | <p>Executives who join after September of the preceding year or who are rated '1' will not be considered for any variable compensation.</p> <p>Deferred performance bonus may be awarded at the discretion of the BNRC. Such bonus would be linked to a 3-year vesting period.</p> <p>Any performance bonus is dependent on the performance rating of the Executive, the team's performance, the entity and FIMBank's performance. The individual rating is based on the Executive's overall performance which is centred on core behaviours and performance targets. In term of core behaviours all employees including Identified Staff, as defined in the Group Remuneration Policy, are assessed for leadership, people management, personal effectiveness, creativity, innovation, holistic approach, teamwork, communication and company values.</p> | <p>A performance bonus relates to the Executive's performance as defined in the multi-year assessment where applicable and the cash component is awarded once yearly, generally by April.</p> |

FIMBank plc.
Directors' Remuneration Policy

| Element and Purpose of Remuneration | Operation | Maximum Opportunity | Performance Measures |
|---|---|--|----------------------|
| <p>Exceptional Bonus</p> <p><i>To motivate Executives in maximising individual, departmental and FIMBank's performance.</i></p> | <p>Executives may be entitled to an Exceptional Bonus to reward remarkable performance in the individual's role which goes beyond the individual's call of duty.</p> | <p>Exceptional Bonuses up to 15% of fixed remuneration for the Deputy CEO are approved by GCEO and GCHRO and are ratified <i>a posteriori</i> by the BNRC. Exceptional bonuses in excess of 15% of fixed remuneration for the Deputy CEO and exceptional bonuses for the GCEO require the <i>a priori</i> approval of the BNRC.</p> | <p>[NIL]</p> |
| <p>Retention Bonus</p> <p><i>To ensure business continuity and assist executives in carrying out their duties efficiently.</i></p> | <p>Executives may, in addition to the Performance Bonus, be entitled to a Retention Bonus on condition that the employee remains in employment for a period of 12 months or more from the date of award as defined in the retention addendum to the contract of employment.</p> | <p>Retention Bonuses up to 15% of fixed remuneration for the Deputy CEO are approved by GCEO and GCHRO and are ratified <i>a posteriori</i> by BNRC. Retention bonuses in excess of 15% of fixed remuneration for the Deputy CEO and any retention bonuses for the GCEO require the <i>a priori</i> approval of the BNRC.</p> <p>Retention bonuses may be paid only in exceptional circumstances such as, for example and without limitation, in the case of a restructuring, wind-down, after a change in control or to ensure the completion of major projects. Retention bonuses will not be awarded merely to compensate for performance-related remuneration not paid as a result of insufficient performance or FIMBank's financial situation. Moreover, Retention Bonuses shall only be awarded if no reasons exist that lead to a situation where the Retention Bonus shall not be awarded, e.g. material compliance breaches, misconduct or other failures of that staff member.</p> <p>Retention bonuses to Executives must be justified based on, amongst</p> | <p>[NIL]</p> |

FIMBank plc.
Directors' Remuneration Policy

| | | | |
|--|--|--|--------------|
| | | <p>other things, the following factors:</p> <ul style="list-style-type: none"> i. concerns relating to the risk that certain Executives may choose to leave FIMBank; ii. the reasons why the retention of that Executive is crucial for FIMBank; iii. the consequences if the relevant Executive leaves FIMBank; and iv. whether the amount of the awarded retention bonus is necessary and proportionate to retain the targeted Executive. <p>The retention bonus is considered in the calculation of the ratio between the variable and fixed components of remuneration following one of the methods specified in Banking Rule 21 and shall be established in line with applicable legislation.</p> | |
| <p>Severance Payments <i>To close the employment relationship in case of redundancy, termination by the employer and/or of a potential legal dispute.</i></p> | <p>Severance payments may include redundancy payments. In the below situations, additional payments made, because of the early termination of a contract, shall be considered as severance payment:</p> <ul style="list-style-type: none"> a) FIMBank terminates the employment contract of the Executive because of failure of the institution; b) FIMBank needs to terminate the employment contract | <p>Any severance payments for the Deputy CEO, other than, notice related payments or gardening leave have to be reviewed and approved by the GCHRO, GCRO, GCCO and the GCEO. This with a view to ensuring that the Bank is acting in compliance with prevailing rules and regulations and does not reward failure. Failure is defined as situations where an Executive is no longer considered as meeting appropriate standards of fitness and propriety and/or is responsible for actions which result in significant losses for FIMBank and/or acts contrary to internal rules, values or procedures based on intent or gross negligence. Any severance payment to the GCEO requires the <i>a priori</i> approval of the BNRC.</p> <p>Unless stipulated by local regulation, the maximum severance payment awarded may be of a maximum of three (3) months' base salary. Severance packages in excess of the equivalent of three (3)</p> | <p>[NIL]</p> |

FIMBank plc.

Directors' Remuneration Policy

| | | | |
|---|---|---|--------------|
| | <p>following a material reduction of FIMBank's activities in which the Executive was active in or where business areas are acquired by FIMBank without the option for current employees to stay employed in the acquired entity; and</p> <p>c) FIMBank and an Executive agree on a settlement in case of a potential or actual employment dispute, to avoid a decision on a settlement by the courts.</p> | <p>months' base salary would require the <i>a priori</i> approval of the BNRC.</p> <p>In the event that this is extended, such extended amount would be considered as part of the variable remuneration component for the year it was awarded, however it would not be taken into account for the purpose of the calculation of the ratio of fixed to variable remuneration if it meets the definition set out in Paragraph 181 of Banking Rule 21.</p> | |
| <p>Guaranteed/Sign-On Bonus</p> <p><i>To motivate Executives in maximising individual, departmental and FIMBank's performance.</i></p> | <p>FIMBank may pay out a Guaranteed Bonus in the first year of employment, if applicable. Such sign on bonus for first year of employment will require the approval of the BNRC.</p> | <p>A Guaranteed Bonus is exceptional and can only occur where the institution has a sound capital base.</p> <p>FIMBank does not pay out or promise to pay out any guaranteed variable remuneration. In exceptional FIMBank may at employment stage agree to disburse a sign-on bonus. Such sign-on bonus requires the <i>a priori</i> approval of the BNRC and is disbursed on a one-time conditional basis during the first year of employment. In the event that this is awarded, such amount would be considered as part of the variable remuneration component for the financial year during which it was awarded, however it is not to be taken into account for the purpose of the calculation of the ratio between the fixed and variable components of the total remuneration for the first performance period if the probationary period initiates prior to the first performance period.</p> <p>The sign-on bonus is exceptional and can only occur where FIMBank</p> | <p>[NIL]</p> |

FIMBank plc.
Directors' Remuneration Policy

| | | | |
|---|--|--|------------|
| | | <p>has a sound capital base. It will only be awarded once to the same single employee and cannot be awarded again if the same employee receives a new contract from the same Group entity or another entity with the scope of consolidation of the Group.</p> <p>The sign-on bonus may be awarded either in cash or in instruments.</p> | |
| Buy-Out Compensation of Previous Employment Contract | <p>FIMBank may pay a buy-out compensation of a previous employment contract in the first year of employment, if applicable. Such buy-out compensation will require the approval of the BNRC.</p> | <p>FIMBank may, in exceptional circumstances (where the deferred variable remuneration of a new Executive was reduced or revoked by the previous employer because of the termination of the contract), pay a buy-out compensation to on-board a new Executive. Such bonus would require the <i>a priori</i> approval of the BNRC and is disbursed on a one-time conditional basis during the first year of employment.</p> <p>The buy-out compensation is exceptional and can only occur where FIMBank has a sound capital base.</p> | NIL |

Variable Remuneration (continued)

Clawback and Malus

- Any variable remuneration extended by FIMBank to any of its Executives is subject to clawback and malus. These are defined in Banking Rule 21 as follows:
- Malus means an arrangement that permits the institution to reduce the value of all or part of deferred variable remuneration based on ex post risk adjustments before it has vested.

FIMBank plc.

Directors' Remuneration Policy

| | |
|--|---|
| | <ul style="list-style-type: none">▪ Clawback means an arrangement under which the staff member has to return ownership of an amount of variable remuneration paid in the past years or which has already vested to the institution under certain conditions. <p>Malus will be capable of being applied in respect of deferred elements of variable remuneration at any time during the applicable deferral period. Clawback will apply during the period of four (4) years from the date of award or until the end of the applicable retention period⁶, as applicable.</p> <p>FIMBank reserves the right to apply clawback and malus on 100% of bonus paid and/or deferred, in the case of gross misconduct as defined in the Disciplinary Policy and in the event that conditions stipulated in the performance targets in the subsequent two years are not met.</p> |
| Total Maximum Variable Remuneration | <p>The total annual variable remuneration for Executives is capped at 100% of total fixed annual remuneration for each individual. This cap may be increased up to a maximum of 200% to total fixed annual remuneration provided the following conditions are fulfilled:</p> <ul style="list-style-type: none">▪ the shareholders shall approve a higher ratio based on a detailed recommendation giving reasons for and the scope of the approval sought, including the number of staff affected, their functions and the expected impact of such variable remuneration on the requirement that the relevant FIMBank entities maintain a sound capital base;▪ the shareholders approve such variable remuneration award or awards by a majority of at least 66%, with at least 50% of the shares or equivalent ownership rights are represented or, failing that, shall act by a majority of 75% of the ownership rights represented;▪ the relevant FIMBank entity shall notify all shareholders that the approval shall be sought and shall provide a reasonable notice period in advance;▪ the FIMBank entity shall promptly inform its regulator of any recommendation to its shareholders to operate within the proposed 200% ratio and the reasons for this, and shall in such submission demonstrate that the higher ratio of variable remuneration does not conflict with the FIMBank's obligations under the applicable legislation, particularly in respect of own funds obligations;▪ the FIMBank entity shall promptly inform its regulator of the decisions taken by the shareholders to approve the proposed higher maximum ratio; and▪ staff members directly concerned with the proposed higher maximum ratio shall not be permitted to exercise, directly or indirectly, any voting rights they may have in respect of the approval of any proposal relating to this ratio. |
| Payment of deferred | <p>In case FIMBank incurs a loss in a financial year, in the interest of strengthening the capital base and getting FIMBank back in good standing,</p> |

⁶ "Retention period" is the period of time after the vesting of instruments that have been awarded as variable remuneration during which they cannot be sold or accessed.

FIMBank plc.
Directors' Remuneration Policy

| | |
|------------------------------------|--|
| bonus in case of loss | payment or otherwise of any deferred bonus will be decided by the BNRC. Such bonuses may be further deferred in the interest of sustainability. |
| Reassessment of Performance | Every year, before paying out the deferred part of cash or the vesting of deferred instruments,, a reassessment of the performance and, if necessary, an ex post risk adjustment shall be applied to align variable remuneration to additional risks that have been identified or materialised after the award. This also applies where multi-year accrual periods are used. |

Contracts

The GCEO is appointed on a definite term contract which may vary from a one-year definite term contract to a three-year definite term contract, in such cases the contract may be renewed for further definite term periods. The Deputy CEO is appointed pursuant to an indefinite term contract. The notice periods applicable for both the GCEO and the Deputy CEO are in accordance with the prevailing legislation by which the respective employment contract is governed in terms of jurisdiction.

Directors' Remuneration Policy

Non-Executive Directors' Remuneration Policy Table

The remuneration policy for the Non-Executive Directors, including the Chairman, is to pay fees necessary to attract Non-Executive Directors of the calibre required, taking into consideration the size and complexity of the business and the time commitment to the role, without paying more than is appropriate.

| Element and Purpose of Remuneration | Operation | Maximum Opportunity | Performance Measures |
|--|---|--|---|
| <p>Fixed Fees</p> <p><i>To provide the basis of market-competitive overall remuneration package. It provides a fixed remuneration which is sufficient to recruit and retain individuals of the necessary calibre.</i></p> | <p>All Non-Executive directors receive a basic fee for their duties as Board members. Additional fees are paid for added responsibilities such as chairpersonship, membership, being permanent invitees on committees as outlined below, and/or acting as independent Directors Cash and non-cash benefits with an aggregate value not exceeding EUR1,000 may also apply.</p> | <p>The BNRC reviews the remuneration for Non-Executive Directors and makes recommendations to the Board of Directors in this respect. Each year the total emoluments payable to the directors are approved in the Annual General Meeting.</p> <p>In determining the level of fees the BNRC considers the time commitment and other requirements of the role and market data for Independent roles. Each member is paid for assigned chairpersonship and/or membership as well as for any other additional assignment they may be tasked with by the Board.</p> | <p>Regular participation at Board and Committee meetings.</p> |

FIMBank plc.

Directors' Remuneration Policy

| Element and Purpose of Remuneration | Operation | Maximum Opportunity | Performance Measures |
|--|--|--|---|
| <p>Committee Memberships and Chairperson Allowance for Non-Independent Directors</p> <p><i>Directors may be members of one or more Committee/s</i></p> | <p>Non-Independent Directors are paid a fixed allowance depending on their committee memberships, chairpersonships and when they are appointed permanent invitees on committees.</p> | <p>Different limits are set if they chair the committee, are members of it or if they participate as permanent invitees of the committee. Should a new committee be formed, or the remit of an existing committee be materially expanded, the new or additional fees paid for the membership and/or chairmanship of the committee will be commensurate with the new or additional responsible and time commitment involved.</p> <p>Non-Executive Directors do not currently receive benefits. They are not eligible to participate in bonus plans or share award schemes.</p> | <p>Regular participation at Board and Committee meetings.</p> |
| <p>Committee Memberships and Chairperson Allowance for Independent Directors</p> <p><i>Independent Directors are nominated in accordance with applicable Banking and Capital Markets Rules. Such roles act as a sounding board for the Chairman and serve as an</i></p> | <p>Independent Directors are paid a fixed allowance depending on their committee memberships, and when they are appointed permanent invitees on committees. A different fixed allowance may also be paid to independent Directors depending on their committee chairpersonships.</p> | <p>Different limits are set if they chair the committee, are members of it or if they participate as permanent invitees of the committee. Should a new committee be formed, or the remit of an existing committee be materially expanded, the new or additional fees paid for the membership and/or chairmanship of the committee will be commensurate with the new or additional responsibility and time commitment involved.</p> <p>Independent Directors do not currently receive benefits. They are not eligible to participate in bonus plans or share award schemes.</p> | <p>Regular participation at Board and Committee meetings.</p> |

FIMBank plc.

Directors' Remuneration Policy

| | | | |
|--|--|---|---|
| <i>intermediary for the other Directors when necessary.</i> | | | |
| Reimbursements <i>This includes expenses incurred for the purpose of executing their role.</i> | Directors are reimbursed the direct expenses incurred to attend the scheduled meetings of the Board and/or committees. | Any travel and business expenses incurred by Non-Executive Directors in the normal course of business (for e.g. in relation to attendance at Board and Committee meetings) are met by the Company in accordance with the Corporate Travel Policy as applicable from time-to-time. | Against presentation of receipts and the applicable <i>per diem</i> allowance as stipulated in the Corporate Travel Policy. |

Service contracts

Non-Executive Directors are appointed pursuant to appointment letters. Their appointment is for a period of one year renewed or otherwise at the subsequent AGM of FIMBank.

Directors' Remuneration Policy

6. Independent Review

The BNRC shall ensure that the Policy and practices of the institution are subject to a central and independent internal review at least annually. The review shall include an analysis of whether the Policy is gender neutral. Where material differences between average pay of the different genders exists, the main reasons will be documented, and appropriate action will be taken, unless it is concluded that the difference does not result from a failure to adhere to gender neutrality.

On an annual basis, the Policy is also subject to a central and independent review by the internal audit function and/or qualified and independent external consultants as may be appropriate to, amongst others, ensure that the Policy:

- (i) is in compliance with applicable national and international regulations, principles and standards including ensuring gender equality;
- (ii) is in compliance with policies and procedures for remuneration adopted by the Board of Directors;
- (iii) operates as intended (in particular, that the approved Policy is being complied with and that the remuneration pay outs are appropriate in line with the business strategy and the risk profile, long-term objectives and other goals of FIMBank are adequately reflected); and
- (iv) is consistently implemented across FIMBank and do not limit the ability to maintain or restore a sound capital base.

In the case of any discrepancies, the internal audit function is to present the findings and propose a remedial action plan to the BNRC for its approval and timely implementation.

7. Deviations to the Policy

The BNRC is authorised to pre-approve deviations to this Policy prior to their implementation subject to the BNRC, being authorised to do so as per the terms of its Charter and subject to it not breaching any applicable regulation and that the deviations to this Policy are not deemed to be material.

8. Publication

Pursuant to Chapter 12, the Policy shall be made available on FIMBank's website after the Annual General Meeting and shall remain publicly available, free of charge, as long as it is applicable.

FIMBank plc.
Directors' Remuneration Policy

9. Retention, Effective Date and Review

The documentation related to remuneration and practices shall be retained for a period of at least five years as required by BR21/2022, Paragraph 330.

The effective date of this Policy is 12 June 2024 and will be reviewed as described herein.