

FIMBANK

Directors' Remuneration Policy

AGM, 2026

Version Control

Approval History

Date	Version	Revision Information	Approved by
30.11.2020	1	Remuneration Policy Supplement	AGM 2020
14.06.2022	2	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.	AGM 2022
12.06.2024	3	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.	AGM 2024
June 2026	4	A redrafting to a more concise policy in line with the Capital Market Rules.	AGM 2026

Author

Version	Name
1 - 4	Board Nomination and Remuneration Committee (BNRC)

Document Owner

BNRC

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Directors' Remuneration Policy

Purpose and Scope

This Policy sets out the principles and framework governing the remuneration of Directors of FIMBank plc (“**FIMBank**”). This Policy has been drawn up in line with the Capital Markets Rules of the Malta Financial Services Authority which transposes the enactment of Directive EU 2017/828¹ (often referred to as “Shareholders Rights Directive” or “**SRDII**”).

This Policy applies to ‘Directors’ as such term is defined in the Capital Market Rules, i.e. FIMBank Directors, the Group Chief Executive Officer (GCEO) and the Deputy Group Chief Executive Officer (Deputy GCEO)² as applicable.

The aim of this Policy is to ensure that FIMBank is able to attract and retain qualified Directors, the GCEO, and Deputy GCEO, 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.

The Directors’ remuneration is designed to reflect members’ competencies, responsibilities, effort, and the scope of their work, including meeting frequency. It also considers market conditions, its size, its role in the local economy and any feedback received from the Shareholders during the Annual General Meeting (AGM). By implementing this Policy effectively, FIMBank can secure high-calibre individuals who support its business strategy and sustainability objectives.

Risk Owners

Board Nomination and Remuneration Committee (BNRC)

Governance

- **Board Oversight:** The Board of Directors delegates responsibility for reviewing and recommending remuneration matters to the BNRC. The BNRC shall oversee implementation and ensure adherence to this Policy. The BNRC is composed of at least three Non-Executive Directors, including one independent Director.
- **Annual Review:** The BNRC shall annually review this Policy to ensure compliance with regulatory requirements and alignment with FIMBank’s long-term interests.
- **Shareholder Approval:** The Policy shall be submitted for a binding vote at the AGM at least every four years or earlier if material changes occur.

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.

² FIMBank plc Directors, the GCEO and Deputy GCEO are considered as identified staff as defined in BR 21.

Principles

The below principles underpin this Directors' Remuneration Policy to be adopted and implemented by FIMBank.

- **Fairness & Transparency:**
 - Remuneration is clear, fair, and fully disclosed, following all legal requirements.
 - Practices are non-discriminatory and gender-neutral, rewarding true merit and supporting diversity.
- **Internal & External Equity**
 - Internal equity ensures fair distinctions based on individual performance.
 - External parity is maintained by aligning pay with industry standards through regular reviews and market comparisons for both monetary and non-monetary remuneration components.
- **Sustainability & Compliance**
 - Remuneration is designed to be affordable, sustainable, and aligned with business strategy, avoiding conflicts of interest.
 - All pay practices comply with contracts and regulatory obligations.
- **Risk Management & Strategic Alignment**
 - Remuneration aligns with the organization's risk appetite, discouraging excessive risk-taking.
 - Pay reflects responsibilities and market benchmarks, supporting long-term strategy and shareholder value.

Structure of Remuneration

- **Executive Directors/GCEO/Deputy GCEO:**

Remuneration for these roles, which includes fixed and variable components shall not be considered part of Directors' Remuneration and shall be paid in accordance with employment contracts and/or appointment letters.

- The **fixed remuneration** includes the base salary, statutory payments and where applicable cash allowances, non-cash benefits and or anniversary/exceptional one-time payments. The base salary is reviewed annually for indefinite contracts and on the contract anniversary for fixed term contracts. Such fixed remuneration ends with termination or resignation of/from employment.
- **Variable remuneration** may include performance, exceptional, retention and guaranteed/sign-on bonuses as well as buy-out compensation and severance payments in line with FIMBank's internal policies. The performance bonus is based on quantitative and qualitative criteria determined on annual basis by the

BNRC and is based on a multiyear assessment, risk-adjusted and considers capital and liquidity requirements in accordance with Banking Rule (BR) 21.

- The annual variable remuneration is capped at 100% of the total fixed annual remuneration for everyone. This can be increased up to a maximum of 200% of the total fixed annual remuneration subject to shareholder approval. In terms of paragraph 20 of Banking rule BR/21, the requirements set out in points (xii) and (xiii) and in the second paragraph of point (xv) referring to deferral shall not apply to a credit institution that is not a large institution in terms of article 4 (146) of Regulation (EU) 2019/876. Any variable remuneration extended to any of its Executives is subject to clawback and malus as defined in BR21.
- If an Executive resigns or is terminated before the contractual or legal pensionable age, the Executive will forfeit any bonus/share awards due, if any.
- Executive Directors shall not receive fees for serving on the Board of Directors or any Committee of FIMBank or its subsidiaries unless required by the competent jurisdiction.
- Unless the Executive Director/GCEO/Deputy GCEO is a FIMBank Group employee who at the time of appointment to these roles were engaged on an indefinite contract, newly appointed Executive Director/GCEO/Deputy GCEO shall be appointed on a definite term contract which may vary from one-year to three-year definite term, in such cases the contract may be renewed for further definite term periods.
- **Non-Executive Directors:**
 - Fixed fees are paid to Non-Executive Directors for Board and Committee memberships. Additional fees are paid for Chairpersonships and when Directors are appointed as permanent invitees on Committees. The fees vary between independent and non-independent non-Executive Directors. The fees are reviewed annually in line with market conditions, and the maximum limit requires the approval of the AGM.
 - Non-Executive Directors are not eligible for variable remuneration.
 - Direct expenses such as travel and accommodation expenses incurred in fulfilling their duties, in line with internal policies are reimbursed.
 - Non-Executive Directors are appointed pursuant to appointment letters. Their appointment is for a period of one year and it is renewed or otherwise at the subsequent AGM.

Review and Approval Process

- This policy will be reviewed annually by the BNRC.

- Material amendments must be approved by the BNRC and subsequently submitted to the AGM for a binding vote.
- The Policy remains effective for four years from the date of AGM approval unless amended earlier.
- This Policy will remain effective until the 2030 AGM.

Implementation

- Any deviations must be documented and justified to the Board. The BNRC may pre-approve minor deviations however material departures from the Policy require shareholder approval.

Disclosure Requirements

- The approved Policy shall be published on the Company's website after the AGM.
- The Annual Report which will be prepared by the BNRC and reviewed by the external auditors as part of the annual statutory audit shall include:
 - An annual remuneration report detailing how this policy has been applied, including individual Directors' pay.
 - The report will be subject to an advisory vote at the general meeting.

Compliance and Monitoring

- The BNRC shall monitor compliance and report annually to the Board.
- Any breaches shall be escalated to the Board and disclosed where required by law.