

MFEX Group Compensation Policy

Applicable to MFEX Board members,
All staff of MFEX Group



MFEXby**Euroclear**

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1. Introduction

The MFEX Group Compensation Policy defines the general compensation framework for all staff, members of the Board, and specific remuneration guidelines for those employees whose activities could have a material impact on the risk profile of the Group, also known as Identified Staff (see section 4.5).

The overall purpose of the Compensation Policy is to align the interests of our employees with the long-term interests of our stakeholders.

The principles of the Compensation Policy are applied in view of aligning the Compensation Policy with the MFEX Group strategy and objectives, as well as the values and long term interests of the MFEX Group.

The compensation framework is designed to attract and retain talented human capital, taking into account that we are a “niche” business which requires specific technical knowledge not widely available in the general market. At the same time, our compensation framework takes into account the risk profile of the MFEX Group.

The principles of the incentive compensation system are performance-related and designed to be transparent, fair and equitable across all status groups and available to all our employees.

The Compensation Policy is aligned with the compensation policies of the mother company Euroclear SA/NV insofar imposed by the applicable legal and regulatory framework and desirable from an HR and Risk perspective.

For reasons of equitable treatment, we adopt a similar approach as far as possible across all the entities/countries in which we operate (recognising that there are certain local specificities and differing national legislative and regulatory requirements).

The Compensation Policy adequacy and effectiveness is reviewed on a yearly basis, taking into account potential changes required by new/changed local or European legislation.

2. Legal and Regulatory Framework

The legal entities, composing MFEX Group are regulated by several local requirements cascading from the IFD regulation. Each location in scope of the Remuneration policy ensures compliance with the remuneration requirements set out in the following EU Directives and Guidelines and the other ones relevant in MFEX locations:

- The Investment Firms Directive (IFD) including the RTS on the criteria to identify MRT UE2021/02 in particular articles 32 and followings
- Article 51 of regulation EU 2019/2033 on the prudential requirements of investment firms, about disclosure related to remuneration practices.
- The EU Commission’s Delegated Regulation (EU/2021/2154) with regard to regulatory technical standards specifying appropriate criteria to identify categories of staff whose professional activities have a material impact on the risk profile of an investment firm or of the assets that it manages.
- The EU Commission’s Delegated Regulation (EU/2017/565), in particular article 27,
- The EBA Guidelines on sound Remuneration policies (EBA/GL/2021/13),
- Article 32.2(a) in the Investment Firm Directive EU 2019/2034 for the anti-avoidance provision individuals
- The Swedish Supervisory Finance Authority (SFSA) FFFS 2017:2,
- The Swedish Securities act (2007:528) - chapter 8 § 4,

- The French requirements from Code Monétaire et Financier (CMF) articles L.511-71 to L.511-88 and order dated 3 November 2014 art. 198 and followings
- The Luxemburgish principles: CSSF Circular 10/437 presenting the guidelines concerning the remuneration policies, the CSSF Circular 14/585 transposing ESMA Guidelines (ESMA/2013/606) on remuneration policies and practices (MiFID), the CSSF Circular 22/797 for the application on the proportionality principle, the CSSF Circular 15/622 presenting the higher ratio notification procedure applicable to remuneration policy for material risk takers, the CSSF Circular 22/797 applicable as from January 31 2022 transposing the EBA Guidelines (EBA/GL/2021/04) on sound remuneration policy, CDR (EU) 2017/565 (MIFID) and Law of 5 April 1993.

Hence, the MFEX Group is responsible for compliance with remuneration-related requirements in the EBA guidelines and in relevant complementary rules, regulations and guidelines on a consolidated basis where appropriate.

MFEX Group applies the proportionality principle with regards to remuneration in line with Guidelines on sound remuneration policies under Directive 2013/36/EU.

3.Scope

The principles laid down in the Compensation Policy apply to the following categories of persons:

- all members of the Board
- all employees, and in particular:
 - all employees whose activities have a material impact on the risk profile of the MFEX Group
 - all staff employed in risk management, compliance, internal control.

The principles laid down in the Compensation Policy apply to all entities of MFEX Group: MFEX AB and its subsidiaries, branches and representative offices :Spain, Italy & Ireland, MFEX France, MFEX Luxembourg, MFEX Switzerland, MFEX Singapore, MFEX Hong Kong and MFEX Malaysia and Fondab¹.

4. Compensation Policy

4.1. Governance Structure

The Group Nomination, Remuneration & Governance Committee (hereafter NRGC) has the following remit:

Assist and advises the AB Board of Directors in:

- defining a global compensation philosophy for the Group
- defining a compensation policy for the Company
- ensuring that the Board members of the Company are compensated as per principles described in the compensation policy
- ensuring that the Staff (and in particular identified staff) are compensated as per principles described in the MFEX Group compensation policy
- overseeing management’s implementation of the compensation policy

¹ Until effective sale of the Company.

The NRGC has the following responsibilities and advises the Boards (AB and other local boards when relevant) in relation to the same:

- provides its support and advice to the Boards on the MFEX Group's compensation philosophy and the design of the MFEX Group's compensation policy that must be established by the Boards; provide an opinion on the compensation policy, and on any changes made thereto; check whether the existing compensation policy is up to date, neutral (encompassing gender-neutral) and, if necessary, make proposals for changes. The NRGC is supported by specialised advice from Risk, Compliance, Audit, HR or external consultancy where necessary;
- ensure that the MFEX Group's compensation policy and practices are subject to a central and independent review at least annually;
- oversees the application of the MFEX Group's compensation policy, practices and processes and the compliance with the compensation policy as well as the compliance of the latter with the legal & regulatory framework;
- reviews the appointment of external remuneration consultants that the Boards may decide to engage for advice or support;
- periodically reviews and makes recommendations to the Boards in relation to the compensation of Board members, with the support of external advisors where necessary, within the limits set by shareholders;
- reviews and advises the Boards on the annual quantum of the variable remuneration taking into account internal & external events, the affordability, the capital, the liquidity and any ex-ante adjustments required from a risk perspective;
- assesses the achievement of the collective performance targets and the need for ex-post risk adjustment, including the application of malus and clawback arrangements;
- reviews and advises the Boards on the identification of Identified Staff;
- reviews and advises the Boards on the individual fixed and variable remuneration for the Identified Staff as well as the Heads of the control functions for the MFEX Group (Compliance, Risk and Internal Audit);
- ensures the adequacy of the information provided to shareholders on remuneration policies and practices, in particular on a proposed higher maximum level of the ratio between fixed and variable remuneration;
- assesses the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, including ESG, liquidity and capital levels and that the overall compensation policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values and the long-term interest of the institution.

While preparing decisions on remuneration, in particular decisions that have consequences for the risks and risk management of the Company and on which the Boards must decide, the NRGC shall take into account the long-term interests of the shareholders, investors and other stakeholders of the MFEX Group as well as the general interest.

All MFEX Boards of Directors have the following responsibility:

- the decision making authority on such remuneration matters (subject to compliance with applicable rules on conflicts of interest) for their respective jurisdictions.
- advises the shareholders' meeting on Board related remuneration.

The Management of the each legal entity is responsible for :

- the correct implementation of the compensation policy established by their respective Board;

- the continuous assessment of the adequacy of the MFEX Group remuneration principles taking into account the MFEX Group objectives and long-term interests as well as the external environment and legislative environment in which the MFEX Group operates;

The Risk Function shall advise the NRGC on its opinion with respect to:

- the consistency of the Compensation Policy with sound and effective risk management;
- the identification process of material risk takers in accordance with the regulation;
- the way the risk strategy and risk tolerance is reflected in the overall annual performance review so as to ensure that the NRGC takes into account all existing and future risks when advising the Boards on the incentive pool and individual incentive compensation for the Identified Staff;
- the quantitative and qualitative assessment of suitable risk-adjusted performance measures (including ex-post adjustments), as well as with assessing how the variable remuneration structure affects the risk profile and culture of the institution;
- the validation and the assessment of the risk adjustment data as well as to participate to the remuneration committee on this matter.

Internal Audit

- Internal audit carries out a yearly independent review of the design, implementation and effects of the MFEX Group's remuneration policies on its risk profile. This review assesses the compliance of the remuneration policies with national and international regulation as well as their effective and consistent implementation across the group.

4.2. Compensation for Members of the Board of Directors

Board of Director membership is not remunerated, except for independent Directors. The remuneration package of the independent board members is decided by the shareholder' meeting upon recommendation by the Board.

With respect to the Independent Members of the Board of Directors, it consists of an annual fixed fee (pro-rated to the number of months effectively in office), reimbursement of certain expenses, insurance coverage and office equipment. The latter do not receive incentive compensation (short or long-term) or stock options or employment benefits (other than reimbursement of expenses). Their remuneration is not linked to the performance of the MFEX Group.

4.3. Compensation for all employees

This section describes the processes applicable to all employees of the MFEX Group.

4.3.1. Remuneration structure

The compensation principles

Compensation for all groups of employees within the MFEX Group consists of fixed and variable compensation. In addition, a range of relevant benefits (including pension in some jurisdictions) is provided.

In order to have a consistent reward approach across countries MFEX has implemented gender-neutral approach. As a result, reward levels are based on job content as to ensure equal pay for equal work. The compensation is aligned to the relevant market.

Differences in remuneration can be justified by : educational, professional and training requirements, skills, effort and responsibility, work undertaken and the nature of tasks involved, place of employment, the hierarchical level, scarcity of staff available in the labour market, professional experience,....

Fixed Compensation

Fixed compensation is composed of:

- Fixed remuneration (also called: fixed monthly base salary) that is paid on a monthly basis, including fixed year-end gratifications (e.g. 13th month in some jurisdictions) and legally due holiday payments for employed workers;
- Any other fixed payments or gratifications, awarded in cash or in kind which do not depend on the individual, departmental, divisional, company or group performance whatsoever. This could concern in particular lunch vouchers/allowances, employer contributions in collective (non-discretionary) long-term insured benefit plans (pension plans, health care, hospitalisation, disability,...), fixed monthly allowances paid to expatriates,...

The level of fixed remuneration is benchmarked within the Financial Services industry per geography (with significant number of employees) in order to ensure competitive fixed remuneration levels. The individual fixed remuneration levels depend on the general role fulfilment of an individual, his/her development in the job and his/her role responsibilities.

Fixed remuneration can evolve taking into account :

- market dynamics (e.g. cost of living adjustments),
- legislative requirements (e.g. collective bargaining agreement)
- merit

Salary progression is based on the principle of:

- Equitable treatment
- Strict delegation rules
- Systematic double-check by business management and HR

Variable compensation

In line with the requirements of MIFID II, variable compensation, if and when granted shall be based on an assessment of the employees' overall performance that considers the best interest of MFEX clients. Variable remuneration can vary based on several criteria such as the financial performance of the Company, industry, and local practices and comprises:

- an individual bonus based on personal performance against formal objectives which is zero-based and carries no acquired rights.
 - The individual bonus is defined in proportion to the fixed remuneration. Individual bonuses represent an increasing proportion of the overall reward mix the higher the level of responsibilities of the incumbents and are adapted in function of performance;

The bonus allocation based on performance rating does not take into account the nature of the role fulfilled by the incumbent (revenue producing vs non-revenue producing);

As far as Identified staff are concerned, the individual bonus is the result of Boards decision based on personal performances against formal objectives. These decisions are taken annually and individually the Boards following the advice from the NRGC

supported where needed by market survey and financial affordability data and subject to compliance with applicable rules on conflict of interest.

- In no event, shall individual bonuses exceed fifty per cent of the annual fixed compensation, unless the variable compensation remains below 50,000 EUR.
 - The payment of the individual bonus is delayed in case of an investigation for a potential act of misconduct until the outcome of the investigation/disciplinary action is known; and for identified staff, payment can also be delayed if mandatory trainings are not completed on time
- In some jurisdictions, bonuses are mechanically and collectively determined (e.g. épargne salariale in France). These awards do not depend on individual performance and are determined by group, company and/or entity performance to the extent such is foreseen in those conventions.

Budgeting of Variable compensation

Variable compensation is budgeted via an annual incentive pool. This pool is set annually by the MFEX Boards with reference to performance, stability and profitability of the MFEX Group, and taking into consideration the overall environment and consolidated at MFEX AB Board level.

Determination of the overall variable compensation pool is calculated by the following methodology.

1. The NRCG makes a qualitative assessment of performance to ensure all relevant aspects of performance and risk are taken into account, i.e. financial stability, system stability, commercial and people stability.

In determining the group bonus pool, the MFEX AB Board will also ensure and minute that:

- the proposed pool is affordable
- the impact on capital adequacy has been taken into account

To support their assessment, the NRCG/Board can take guidance from Risk, Audit and Human Resources and seek specialised external consultancy where necessary. The Board can make an adjustment (up or down) based on this qualitative assessment.

2. The bonus pool for the MFEX Group results from the distribution of portion of the MFEX Group pool that results from a bottom-up exercise
3. The entity bonus pools are submitted to the entity Boards for validation.

Withholding, clawback and cancellation of Variable compensation

As long as this is allowed by the applicable rules and regulations, MFEX Group reserves the right to withhold or cancel variable remuneration in the following conditions:

- evidence of misbehavior or serious error by the staff member (e.g. breach of code of conduct, if any, and other internal rules especially concerning risks and/or compliance);
- whether MFEX Group and/or the business unit subsequently suffers a significant downturn in its financial performance;
- whether MFEX Group and/or the business unit in which the staff member works suffers from a significant failure of risk and/or compliance management.
- the Board of Directors is responsible for requesting staff members to pay back the bonuses distributed if proven to be fraudulent

4.4. Performance Management ²

4.4.1. Group Performance

The primary measure of performance is progress against the corporate priorities of the MFEX Group which are contained in the objectives set at the beginning of the year and the budget. The objectives outlined are consistent with, though not solely related to, financial forecasts.

They include financial, business, operational, risk, ESG and other objectives.

4.4.2. Individual Performance

At the beginning of the performance year, each employee receives individual objectives. The Management decides on the corporate/management objectives.

Examples of objectives include commercial targets, achievement of project deadlines, delivery of specific actions as well as employee engagement levels.

Performance measurement for all staff is by 5-point rating scale. The evaluation takes multiple criteria into consideration including achievement of specific objectives, productivity, teamwork, behaviour, people management, communication, risk and compliance. Objectives for internal control staff are linked to their oversight responsibilities and are not linked to the financial performance of the business areas for which they are responsible.

The rating is supported by comprehensive documentation and formal manager/subordinate discussion. There is a direct link between rating and reward. Individual variable compensation for staff takes into account their performance against their short and longer term objectives as assessed through their formal annual performance evaluation.

4.5. Identified Staff ³

4.5.1. Determination of Identified Staff and assessment of risk Behaviour

On a yearly basis and taking into account all relevant legal and regulatory requirements and guidelines, MFEX Group identifies staff according to the following 3 steps.

MRT are identified from a group perspective when no local regulation is applicable to MFEX. When an entity is regulated locally then identification of MRT should be done locally.

Step 1: Per quantitative and/or qualitative criterion listed in Commission Delegated Regulation (EU) 2021/2154 establish a list of functions/persons corresponding to one or more quantitative and/or qualitative criteria.

Catch-all principle: all employees who hold a function, at Group level of department heads and above. A priori, all employees whose function is of department head or above are considered to carry on activities that have an impact on the risk profile of the MFEX Group.

Step 2: The list of people identified as such, is submitted each year to the Chief Risk Officer, the Chief Internal Auditor, Chief Compliance Officer and Heads of Finance and HR with 2 requests:

- 1) Is there any person and/or function missing in this list or that should be considered not to have a material impact on the risk profile of the Company or of the Group?

² The Performance & Reward Policy is repealed and will be part of HR guidelines.

³ The Identification MRT process Policy is repealed and will be part of HR guidelines.

- 2) An assessment on the risk behaviour of the identified staff is made which can - based on evidence and following specific criteria- result in a recommendation for ex-ante and/or ex-post risk adjustment.

Step 3: Upon advice of the NRG, the list of Identified Staff is validated by the Boards.

MFEX Group should also ensure that officers or employees of other Group entities whose activities have a material impact on the risk profile of MFEX Group (e.g. because such persons perform tasks on behalf of the Company pursuant to outsourcing arrangements) are included in the list of Identified Staff of the relevant entity and as such are subject to the rules of the relevant entity's Compensation Policy applicable to Identified Staff.

4.5.2. Remuneration of Identified Staff

Fixed compensation

Fixed compensation for Identified Staff, as for all other employees, is defined in relation to the general role fulfilment of an individual, his/her development in the job and his/her role responsibilities.

Variable compensation

Variable compensation for Identified Staff, as for all other employees, consists of an individual bonus and eventually a collective bonus. It is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking.

Failure to comply with applicable rules and procedures, inappropriate risk behaviour or blatant breaches of compliance or ethical standards will lead to a reduction or cancellation of the variable remuneration, independently of any disciplinary proceedings.

Individual bonuses for employees of support functions and control functions are made independently of the performance of the business lines controlled by the employees.

Variable compensation of employees of the MFEX Group whose activities have an impact on the risk profile of the MFEX Group cannot exceed 50% of their total fixed compensation, unless the variable compensation remains below 50,000 EUR.

Deferred Compensation Plan

The deferred compensation plan applies to all Identified Staff in all locations. The “Deferred Compensation Plan 2024” form integral part of this document on compensation principles.

In case variable compensation of Identified Staff does not exceed a threshold of 50,000 EUR and is less than 1/3 of the staff member's total remuneration, the specific provisions as outlined in the Deferred Compensation Plan do not apply.

The main characteristics of the deferred compensation plan are :

- Variable compensation is made up of :
 - An upfront award : 60 % of the total variable compensation
 - A deferred award : 40 % of the total variable compensation
- The deferred award is spread over a period of 4 years, i.e. six years after the reference year for determining the variable remuneration awards.

Each vestment is conditional upon achieving the conditions set at the time of the initial variable compensation on each annual vesting date. When the stipulated conditions are either partially met or not at all, the award can be reduced by up to 100 %.

All details on the conditions can be found in the annex “Deferred Compensation Plan”

4.5.3. Termination payments of Identified Staff

In no event termination can reward for failure.

In case local legislation governs the terms and conditions of termination payments and provided the termination payment is determined in line with and not exceeding that legislation, no specific procedures need to be followed.

Specific procedures for determining termination payments on behalf of members of the MFEX Group Management apply in any event.

- In order to decide on a termination payment, HR shall duly inform the NRGC on the termination payment to be considered, taking into account the applicable regulatory framework in this matter as well as the potential information/consultation procedures emerging therefrom;
- The NRGC shall advise the relevant Board on the termination payment to be considered.

Unless local legislation governs the terms and conditions of termination payments, specific procedures apply in case, at whatever moment in time, parties intend to enter into an agreement either 1) to deviate from applicable legislation or 2) determine the terms and conditions of termination payments on behalf of Identified Staff.

- Any specific arrangement - either at the moment of recruitment, at the moment of termination or any moment in between - shall be submitted to the Chief Human Resource Officer (CHRO) prior to concluding the specific arrangement;

4.6. Exceptional Remuneration Components

4.6.1. Exceptional guaranteed variable remuneration

To attract new hires, guaranteed incentive compensation payments ‘welcome’ or ‘sign on’ bonuses can be awarded for the first year of recruitment and will be subject to performance criteria as above. Such payments are not considered variable remuneration in the sense of provisions above and deferral rules will not apply.

4.6.2. Compensation or buyout of previous employment contract

When attracting specific profiles, the compensation for the buyout of a previous contract can only be awarded in the first year of employment provided that the Company has a strong and solid capital base.

Remuneration packages relating to the compensation or buyout of contracts in previous employment are considered as variable remuneration and therefore all requirements for variable remuneration and the provisions above apply.

4.6.3. Retention Bonus

For only very specific situations (e.g. restructuring, wind down, change of control...), retention bonuses may be granted.

The retention bonus has to be fully documented with clear plan rules.

Retention bonuses are variable remuneration and therefore, all requirements for variable remuneration and the provisions above apply.

4.7. Disclosure

An edited version of the above principles will be published on the Group website both internally and externally.

5. Oversight of this Board policy

The Boards have approved this policy on behalf of each entity in scope, in line with the relevant delegations and after advice of the NRGC and the Risk Function.

The Human Resources Department is accountable for overseeing its implementation.

The Human Resources Division will review this document every year and report any review findings to the NRGC and the Board.

6. Creating awareness on the Compensation Policy

HR is responsible for creating awareness around the Company Compensation policy.

Practical awareness tools include:

- a detailed explanation of our policy at the moment of recruitment
- permanent communication and information in case substantial changes to this compensation policy are conducted.

In addition, HR is available for any questions or concerns.

7. Violations of MFEX's policies

Violations of MFEX's policy documents, Code of Business Conduct, laws, regulations or market practices may lead to legal proceedings or criminal sanctions, in line with domestic legislation, as well as administrative or disciplinary actions.

Annex

Deferred Compensation Plan 2024

Deferred Compensation Plan 2024

(Performance year 2023)

Applicable to all identified staff

Introduction

The Deferred Compensation Plan 2024 (hereafter DCP 2024) governs the upfront and deferred elements of the discretionary bonus awards for the 2023 performance year and is designed to reward the employees in line with their contribution to the 2023 results of the MFEX Group (hereafter the Group). This contribution is assessed based upon the sustainable nature of the 2023 results generated and therefore an important portion of the awards under this scheme will be deferred based upon the lasting nature of the 2023 profits.

Any reference below to the employee is meant to cover both male and female employees. The notion “employee” here does refer to individuals bound by an employment contract.

1. Beneficiaries

In accordance with the Group regulatory obligations laid down in EBA/GL/2021/13, the DCP 2024 is intended to apply to all employees group-wide whose activities have a material impact on the Group’s risk profile provided their variable remuneration¹ is equal to or exceeds 50,000 euro or exceeds 1/3 of the staff member’s annual remuneration.

More specifically, the Beneficiaries are considered to be Identified Staff.

More information on the identification process of our Identified Staff can be found in our Remuneration Principles.

Features of the plan

Variable remuneration⁴ specified in accordance with the Group policies is made up of:

- An upfront Award (Upfront Award 2024);
- A deferred Award, the award of which shall be subject to certain award conditions (Deferred Award 2024).

The deferred Award equals to 40 % of the total variable remuneration on behalf of the aforementioned beneficiaries.

⁴ « Remuneration » covers here the definition as foreseen by the EBA Guidelines dated July 2nd, 2021 unless it is explicitly not considered “remuneration” by local legislation. This concerns more in particular collective, ancillary systems like “l’épargne salariale” in France, where the local legislation explicitly foresees that the award is not considered to be “remuneration”. For the purpose of this plan, such ancillary benefits are therefore classified to be “fixed components” as a result of which they are not subject to the specific provisions in terms of deferral, instruments and retention.

2. Schedule and conditions for the Upfront Award 2024

The award of the Upfront Award 2024 will be made in February 2024 (« Upfront Award date »)

3. Award schedule and conditions for Deferred Award 2024

3.1. Award schedule for Deferred Award 2024

Provided that, on the award dates specified below, the Beneficiary fulfils the award conditions described under 3.2, the award of the Deferred Award 2024 will be made according to the following schedule:

- March 2025 : release of one fourth of the Deferred Award 2024
- March 2026 : release of one fourth of the Deferred Award 2024
- March 2027 : release of one fourth of the Deferred Award 2024
- March 2028 : release of one fourth of the Deferred Award 2024

(together the « Deferred Award 2024 award dates »)

3.2. Award conditions for Deferred Award 2024

3.2.1. If a Beneficiary ceases to be an employee of one of the entities within the Group, (MFEX and / or Euroclear) gives or is given notice for any of the reasons set out in this subparagraph, his/her Deferred Award 2024 will not be forfeited under the conditions described hereafter provided he/she meets the conditions mentioned under 3.2.2 and 3.3:

- a) the Beneficiary's employing company ceases to be a member of the Group (MFEX and / or Euroclear) or the business in which the Beneficiary works being transferred to a person which is not a member of the Group (MFEX and / or Euroclear);
- b) the Beneficiary's role is redundant (provided that in the reasonable opinion of the Beneficiary's manager, the Beneficiary has conducted an appropriate handover of work where required and completed a run-down of his/her activities to the extent applicable);
- c) the Beneficiary retires (provided that in the reasonable opinion of the Beneficiary's manager, the Beneficiary has conducted an appropriate handover of work where required and completed a run-down of his/her activities to the extent applicable);
- d) if the HR Management confirms that in a particular case the Deferred Award 2024 should be awarded to the Beneficiary.

3.2.2. If the Beneficiary ceases to be an employee of the Group for any of the reasons stipulated in paragraph 3.2.1., the Group may require that the Beneficiary enters into a restrictive covenant on terms to be determined by HR Management as a condition of qualifying for award of his/her Deferred Award 2024 in accordance with paragraph 3.2.1.

3.2.3. Where paragraph 3.3.1. applies, the Deferred Award 2024 will not lapse, but will be awarded to the Beneficiary on the award date referred to in paragraphs 3.1.1 and 3.1.2 above subject to the performance conditions stipulated in paragraph 3.3 and subject to the Beneficiary's compliance with any restrictive covenant entered into in accordance with paragraph 3.2.2. (when relevant).

3.2.4. Any Deferred Award 2024 will lapse and the Beneficiary will have no entitlement under the DCP 2024, if before the Cash Deferred Award 2024 Release Date (in the case of the Deferred Award 2024) or the relevant measurement date (in case of the PSP Deferred Award 2024):

- a) a Beneficiary ceases to be an employee of the Group (MFEX and / or Euroclear) for any reason other than those stipulated in paragraph 3.2.1. above, or
- b) a Beneficiary gives or is given notice by the Group (MFEX and / or Euroclear) for any other reason than those stipulated in paragraph 3.2.1. above, or
- c) as stipulated in paragraph 3.2.1., a Beneficiary leaves in the circumstances specified under 3.2.1 a) to c) but does not have conducted an appropriate handover of work where required and completed a run-down of his/her activities to the extent applicable and/or where the Beneficiary fails to comply with any restrictive covenant entered into in accordance with paragraph 3.2.2 above.

3.3. Performance conditions for the Deferred Award 2024

The award of the Deferred Award 2024 will be made to the Beneficiaries in accordance with the arrangements specified in paragraphs 3.1.1 and 3.1.2. above. However, the Deferred Award 2024 will be reduced by up to 100% for Beneficiaries in the following circumstances:

3.3.1. Where at the relevant Measurement Date, the Euroclear Group has become aware that the annual after-tax net income (ATNI) of the Euroclear Group is negative, the award of that reference year will become forfeited.

The financial and accounting data required to determine the performance condition, shall be provided by the Euroclear Group Finance Division. Annual data will be as disclosed each year in the registration document;

and/or

3.3.2. where at the award dates stipulated in paragraph 3 (as applicable), the Group has become aware that the Beneficiary has been issued with a formal warning pursuant to the employer's disciplinary procedure for their involvement in a material act of misconduct. If the Beneficiary is in the process of being investigated for a potential act of misconduct, assessment of the Deferred Award 2024 will be delayed until the outcome of the investigation/disciplinary is known. If such a Beneficiary is subsequently, at the conclusion of the investigation, absolved of any wrongdoing, the Beneficiary's entitlement to the Deferred Award 2024 will be assessed within 10 days of the outcome of the investigation. If the Beneficiary has not completed all mandatory trainings, assessment of the Deferred Award 2024 will be delayed until such trainings are completed. If such a Beneficiary has subsequently, completed all mandatory trainings, the Beneficiary's entitlement to the Deferred Award 2024 will be assessed within 10 days of the outcome of the investigation.

4. Award arrangement

4.1. Upfront Award 2024

Upfront Award 2024 will be awarded in the currency of the country in which the Beneficiary is on the Upfront Award date.

4.2. Deferred Award 2024

Subject to the conditions above, the award of the Deferred Award 2024 will be made in the currency of the country in which the Beneficiary is employed on the Deferred Award 2024 Award Date.

4.3. Specificities for all awards

Any awards under this DCP 2024 will be subject to any deductions for social security obligations, insurance obligations and/or tax deductions applicable at the time of awards taking into account the nature of the awards and the local legislation applicable thereto.

5. Bank account details

If the Beneficiary is entitled to awards under the DCP 2024 after leaving the Group's employment, it is the Beneficiary's duty to inform the Chief HR Officer of the MFEX Group of any changes in his/her bank account details. Such information needs to happen in writing and at least one month before any award is due. If no such information took place, the awards under the DCP 2024 will be made to the bank account used for the Beneficiary last awards.

6. Interpretation, modification or transfer of the plan

The MFEX Group has the authority to interpret any provision of the Plan, and any such interpretation shall be final and binding. The MFEX Group reserves the right to modify or transfer this plan on its own initiative and at any time, on condition that this does not prejudice any allocation under this plan (subject to the provisions in paragraph 3.2 and 3.3) except in the case of any prejudicial modification resulting from legal or regulatory obligations.

7. Personal hedging strategies

Beneficiaries are not allowed to use personal hedging strategies or insurance to undermine the risk alignment effects embedded in their remuneration arrangements. This would be considered as a material act of misconduct.