

# ***2022 Remuneration Policy***

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## About This Document

This document describes the Remuneration Policy for Euronext Securities Copenhagen.

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## Document Audience

Internal stakeholders

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## Document History

Document Version	Date	Author	Change Description
1.0	16/12/2020		First version.
2.0	15/12/2021		Update on names of Euronext Securities Copenhagen and the Short Term Incentive section to allow more flexibility

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## **1. Principles and objectives of the Remuneration Policy**

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

Our remuneration strategy is based on the principles of aligning remuneration arrangements with our strategic objectives, and empowering employees by differentiating top performers, whilst achieving simplicity and transparency in the design and communication of remuneration arrangements. The remuneration strategy and supporting policies, and how they support our overall business strategy are set out in this remuneration policy document (hereinafter “the Remuneration Policy”) which is applicable as of 2021 and replaces any previous arrangements. This Remuneration Policy, aligned with the European Central Securities Depositories Regulation (CSDR)<sup>1</sup>, establishes adequate remuneration practices and describes information about the fixed and variable elements of the remuneration of the Executives of Euronext Securities Copenhagen, and employees of Euronext Securities Copenhagen, in particular working in the risk management, compliance, internal audit and technology functions.

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

The Board of Directors of Euronext Securities Copenhagen is responsible for monitoring the implementation of this Remuneration Policy. Decisions will be reviewed taking into consideration recommendations from the management, in line with the Euronext Group processes, supported

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<sup>1</sup> Regulation (EU) 909/2014 and Regulation (EU) 2017/392

by Human Resources and Compensation & Benefits departments. Any exception to the Remuneration Policy will be approved by the Board of Directors.

## **2. Remuneration for members of the Board of Directors**

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

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

The members of the Board of Directors elected by employees receive annual fees decided by the Annual General Meeting. The other Executive Board members employed within the Euronext Group do not receive any specific remuneration related to their role of Board member.

## **3. Remuneration for Executives and other employees**

The remuneration may consist of the following components:

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

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

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### **3.1 Annual Fixed Salary ('AFS')**

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

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

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### **3.2 Bonus / Short Term Incentive in the form of cash reward ('STI')**

The Bonus / Short Term Incentive may be paid on a yearly basis in cash. Bonus / Short term incentives are allocated to employees at Euronext Securities Copenhagen at each year-end and based on an overall evaluation of performance relative to the successful implementation of action plans, financial targets, operational reliability, and quality standards.

Bonus / Short Term Incentive pool payment is determined in relation to predetermined objectives. The objective of this bonus / Short Term Incentive is to ensure the achievement of operational performance targets aligned with the strategic initiatives in the shorter term.

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

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### **3.3 Long Term Incentive in the form of equity ('LTI')**

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

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

an incentive to some critical employees and secure them against the competitive environment to continue their employment relationship with the Company.

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

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### **3.4 Pension provisions, employee share plan and fringe benefits**

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

## **4. Employment conditions**

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

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

## **5. Control and reporting**

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

The Board of Directors must ensure that compliance with the Remuneration Policy is controlled at least once a year. The Board of Directors shall lay down the guidelines for the control, which is performed by Risk & Compliance with Human Resources.

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