

# REMUNERATION COMMITTEE

**TERMS OF REFERENCE**

MAY, 2021



**MONTETITOLI**

A EURONEXT COMPANY

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# 1. DOCUMENT SUMMARY



## Document Summary

Document Summary	
Document status	Updating approved by Board of Directors
Version	May 2021
Effective Date	Dec.19 – CSDR auth
Executive Responsible	Mauro Dognini
Document Owner	Marina Forquet Famiglietti
Approval(s)	Board of Directors approval
Approval date (s)	12 May 2021

# 2. VERSION CONTROL



## Version Control

Date	Version	Summary of changes
July 2017	0.1	Board of Directors' Remco TOR approval
April 2018	0.2	Board of Directors' Remco TOR approval
October 2019	0.3	Board of Directors' Remco TOR approval
March 2020	0.4	Board of Directors' Remco TOR approval
May 2021	0.5	Updating to reflect the new composition of the Remuneration Committee appointed by the Board of Directors' meeting held on 12 May 2021

# 3. CONTENTS



## 3.1 Membership and attendees

### 3.1.1 Members

Board Directors position	Remuneration Committee	Name
Independent non executive Director	Chairman	Francesca Fiore
Independent non executive Director	Member	Maria Cannata
Executive Director	Member	Giorgio Modica

### 3.1.2 Supplementary Invitees

Position	Name
CEO	Mauro Dognini
Head of Human Resources Italy	Marina Forquet Famiglietti
Statutory Auditors Chairman or members	Roberto Ruozi (Chairman) Giuseppe Levi Mauro Coazzoli
External Advisors	If any

### 3.1.3 Secretary

Position	
Head of Human Resources Italy	Marina Forquet Famiglietti or his/her nominee shall act as the Secretary

### 3.1.4 Governance

The Remuneration Committee members shall be appointed by the Board of Directors. The Committee shall be made up of at least 3 Board of Directors' members, of whom majority are Board of Directors non-executive members.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Head of Human Resources Italy, Statutory Auditors and external advisors may be invited by the Committee to attend for all or part of any meeting as and when appropriate.

The Board of Directors shall appoint the Committee Chairman, who should be independent, in compliance with the assessment of the independence of Directors carried out by the Board of Directors and who has the appropriate experience. In the absence of the Committee Chairman and/or an appointed deputy, the remaining attending member with longer service in the office shall chair the meeting.

## 3.2 Scope

The scope of the Remuneration Committee is to advise the Monte Titoli Board of Directors on the Monte Titoli remuneration policy, which it shall oversee, exercising its competent and independent judgment in putting forward proposals and reviewing its practical operation on a regular basis.

## 3.3 Quorum

The quorum necessary for the transaction of business shall be 2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

The Committee shall adopt resolutions with the favourable vote of the majority of the participants and, in the event of a tied vote, the vote of the Chairman shall prevail.

## 3.4 Authority

The Authority of the Committee is invested in the Chairman. The Committee is authorized to:

- meet to carry out its responsibilities as set out within this terms of reference
- shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its responsibility where action or improvement is needed
- obtain at company's expenses any outside legal or other external expert professional advice and to commission any reports or surveys which it deems necessary to help it fulfill its duties.

## 3.5 Meeting Frequency and Minutes

The Remuneration Committee meets at least once a year and at such other times as the Chairman shall require, generally after Group Remuneration Committee meeting.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded three days prior to the date of the meeting by the Secretary on behalf of the Remuneration Committee Chairman to each member of the Committee and any other person required to attend. Supporting papers shall be sent at the same time to Committee members and to other attendees as appropriate.

The Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in the attendance.

Finalized minutes are sent within five days to all Committee members and attendees.

## 3.6 Responsibility

The Committee is responsible for submitting recommendations by approval of the Board of Directors on the following matters taking into consideration the group remuneration framework and policies, the preparatory work of HR function and any relevant legal and regulatory requirements, provisions and recommendations:

- the **remuneration policy**, as proposed by the HR function, ensures that will be designed, implemented and monitored accordingly to:
  - align the level and structure of remuneration with regard to sound, effective and prudent risk management and in line with the MT risk framework
  - support the growth of the company and the business in the short and long-term interests of the Group's stakeholders
  - be competitive with remuneration packages in the international financial sector
  - be fair to any payments made to the individual, and the company, guaranteeing that failure is not rewarded and that the duty to mitigate loss is fully recognized
- the **annual variable compensation pool of MT**, ensuring balance between fixed remuneration and variable remuneration and alignment with the MT risk framework

- upon Board's request, the fees of the **Chairman of the Board of Directors** and of the additional fees of the **Directors** appointed to special offices or to whom specific powers have been delegated
- the remuneration of the **Chief Executive Officer** and the remuneration of the **General Manager**, ensuring that the managers are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contribution to the success of the company
- the remuneration of the **Head of Internal Audit, the Chief Risk Officer** and the **Chief Compliance Officer**, and the **Head of Post Trade Technology Services and CTO**, where employed by the company, ensuring that they will be remunerated in a manner that is independent of the business performance of the MT and adequate in terms of responsibility compared to the remuneration in the business area.

The Remuneration Committee Chairman shall report formally to the MT Board of Directors after each meeting on all matters within duties and responsibilities of the Remuneration Committee.

### 3.7 Confidentiality and conflicts of interests

All confidential matters considered by the Committee and any confidential information disclosed by the members of the Committee in connection with their position as a member of the Committee must remain confidential. Any other persons involved in the Committee's work shall either be bound by undertakings of professional secrecy or by specific confidentiality agreements with the Committee.

No director or manager shall be involved in any decisions as to their own remuneration.

If a member of the Remuneration Committee is also a member of another Committee he/she shall disclose to the Remuneration Committee Chairman the possible conflict of interests situation.

The Chairman will decide after carefully evaluation if the conflict of interests is actual and consequently the member will abstain from the vote on that specific matters.

## **3.8 Disclosure**

Monte Titoli, on its website, shall make available the Remuneration Committee Terms of Reference.

## **3.9 Review of the Terms of Reference**

The Terms of Reference for the Committee will be reviewed and where necessary updated on annual basis.

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