



**REMUNERATION  
POLICY**



13.May.2014

## A. GENERAL PRINCIPLES

The Remuneration Committee is responsible for the design and development of the remuneration policy, monitoring its implementation by the Board of Directors and the regular review of its practical operation in accordance with the relevant contents of the Regulation (EU) 648/2012, of 19 December 2012, supplementing Regulation (EU) 648/2012 of the European Parliament and of the Council on the regulatory technical standards concerning the requirements applicable to central counterparties (EMIR) and, more particularly, the provisions of Article 8 of the Delegated Regulations (EU) 153/2013, supplementing the EMIR, in order to fully comply with the principles defined in paragraphs 2 and 3 of the article quoted above. The actual policy shall be reviewed and documented every year.

The remuneration policy aims to tally the remuneration level and structure with the prudential management of risks, taking into account risk outcomes versus future and current risks.

As regards variable remuneration, the policy must cater for possible mismatches between performance and risk periods, and ensure that payments are deferred accordingly. The fixed and variable components of total remuneration should be balanced and consistent with adjustments to risk. Consequently, payment schedules must be sensitive to the time horizon of risks.

The remuneration policy ensures that the staff involved in risk management, in ensuring compliance and in internal audit functions shall be compensated independent of the business performance of OMIClear. The remuneration level should be commensurate with the responsibility undertaken and comparable to the remuneration level in the field of activity.

The remuneration policy shall be subject to an annual independent audit, the results of which shall be reported to the competent authorities.

## B. GOVERNING BODIES

### I. Approval process of the remuneration policy

#### a) Approval

The remuneration policy of the members of the governing bodies of OMIClear is defined by the Remuneration Committee, in line with the guidelines given by the shareholders of the holding companies OMEL and OMIP SGPS. The Remuneration Committee is responsible for designing and developing the remuneration policy, for approving it formally and monitoring its implementation by the Board of Directors and for the regular review of its practical operation.

#### b) Mandate of the Remuneration Committee

Pursuant to Article 24 of the company's Articles of Association, the Remuneration Committee is responsible for determining the remuneration of the Board of Directors of OMIClear.

The Remuneration Committee currently consists of four members, appointed by the shareholders on 12 September 2013, for a two-year mandate.

#### c) Composition of the Remuneration Committee

- Emílio Recoder de Casso;
- Victor José Lilaia da Silva;
- Juan Luís Lopez Cardenete; and
- Pedro Cabral Nunes.

No member of the Remuneration Committee of OMIClear is a Board member or has any family ties with any of its members.

In order to comply with existing recommendations on corporate governance, efforts shall be made to ensure the presence of a member of the Remuneration Committee in the annual general shareholders' meeting.

**d) Groups of companies as the basis for benchmarking**

This document was based on the benchmarking indicators of financial institutions of similar size to OMIClear operating in the Iberian market, as well as other OMI Group companies.

**II. Remuneration**

**a) Composition**

The remuneration of the governing bodies may be fixed, variable or consist of a fixed and a variable component.

**b) Determining the remuneration**

**1. Chairman and vice-chairman of the Board**

The chairman and the vice-chairman of the Board of Directors (executive members) receive an annual fixed remuneration, determined by the Remuneration Committee, paid twelve times per year.

The fixed component consists of the remuneration and supplements given to all OMIClear employees, such as meal and representation allowances.

The remuneration of the executive members of the Board of Directors is determined for each mandate by the Remuneration Committee and reviewed annually based on the assessment of performance in the preceding year.

The executive members of the Board of Directors may also receive a fixed attendance fee determined by the Remuneration Committee for each Board meeting attended.

Members who hold executive positions in the management bodies of companies in a group and/or control relationship with OMIClear, or who carry out specific functions assigned to them by the Board of Directors may be remunerated by these companies or by OMIClear, according to the nature of the functions performed, bearing as reference the concept of total remuneration.

The chairman and the vice-chairman of the Board of Directors also receive an annual variable remuneration, determined by the Remuneration Committee, paid once a year, subject to compliance with the risk management policy in force in the company.

**2. Non-executive members of the Board of Directors, Secretary and Alternate Secretary of the Company**

Non-executive members of the Board of Directors receive a fixed attendance fee determined by the Remuneration Committee for each Board meeting attended.

**3. Independent members of the Board of Directors**

Non-executive members of the Board of Directors Qualified as independent directors in accordance with legal criteria receive a fixed attendance fee determined by the Remuneration Committee for each Board meeting attended.

#### **4. Members of the Board of the General Meeting**

The members of the Board of the General Meeting receive a fixed attendance fee determined by the Remuneration Committee for each ordinary or extraordinary meeting attended.

##### **c) Remuneration limits**

The limits of the variable component of chairman's and vice-chairman's remuneration shall be determined by the Remuneration Committee and represent about 20% of the Total Annual Remuneration.

##### **d) Balanced remuneration**

The fixed component shall represent about 80% of the total remuneration, the remaining 20% being paid as a variable component, where the conditions for its attribution are satisfied.

Where the net annual result is positive, the exact amount of the variable component of the executive members every year depending on the extent to which the annual objectives have been met, set in the annual Budget, as approved by the Board of Directors.

##### **e) Criteria for defining the variable component and payment times**

The criteria for defining the variable component are those used by the Remuneration Committee to check compliance of the overall objectives approved by the Board of Directors.

The Remuneration Committee has determined that the variable remuneration is split into an immediate portion, paid after compliance with objectives set for the year has been approved by the Board of Directors, corresponding to a 80% of the variable remuneration payable, and a deferred portion, corresponding to 20% of the variable remuneration payable, payable in equal parts in the two subsequent years. The payment of the deferred portion is subject to compliance with the overall objectives, at a level equal to or above 60%, set by the Board of Directors for the subsequent year(s).

##### **f) Remuneration paid in the form of profit sharing**

There are no other forms of remuneration besides the fixed and variable components described in this remuneration policy.

##### **g) Compensation payable for the unfair dismissal of an executive director and its relation with the variable component of the remuneration**

Where an executive director is unfairly dismissed, it shall be entitled to compensation equal to the sum of the remunerations due until the end of its mandate.

## **C. EMPLOYEES**

### **I. Scope of implementation and basic principles**

This remuneration policy applies to:

- a) All staff, in a broad sense, including: (i) the Senior Management, (ii) the Heads of Department, (iii) Staff with specific responsibilities, such as the Chief Risk Officer, Chief Technology Officer, Chief Compliance Officer, Chief Internal Audit and (iv) other operational staff;
- b) All other company employees, considering that besides the members of the governing bodies, and in the specific of OMIClear, these employees have a material impact on the company's risk profile.

## II. Approval process of the remuneration policy

### a) Approval

The remuneration policy of OMIClear staff is defined by the Board of Directors, in line with the guidelines given by the shareholders of the holding companies OMEL and OMIP SGPS. The Remuneration Committee is responsible for designing and developing the remuneration policy, for approving it formally and monitoring its implementation by the Board of Directors and for the regular review of its practical operation.

The Board of Directors shall be responsible for determining the remuneration.

### b) Mandate of the Board of Directors

Pursuant to the Law and to the Company's Articles of Association, the Board of Directors is responsible for setting the remuneration of the senior officers of OMIClear, in connection with the management of its staff and incentive policies, with a view to pursuing the strategic objectives of OMIClear.

### c) Composition of the Board of Directors

Current composition of the Board of Directors:

- Pedro Mejía Gomez (Chairman);
- José Carvalho Netto (Vice-Chairman);
- Eduardo Aguilar;
- Paulo Henriques;
- José Amado da Silva;
- Gonzalo Solana González.

## III. Remuneration of Senior Management and Heads of Department

### a) Composition

The remuneration consists of a fixed component, but may also consist of a variable component.

OMIClear's overall remuneration policy is reviewed every year by the Board of Directors in October/November. Accordingly, the fixed remuneration is reviewed every year based on indicators such as the inflation rate. Moreover, no later than the end of May each year a variable component is also set, based on the performance assessment of the previous year(s).

### b) Remuneration limits

The fixed component shall be subject to the limits established by the Board of Directors.

The fixed component consists of the basic salary plus some supplements given to all OMIClear employees, such as meal allowance.

### c) Balanced remuneration

If the Board of Directors decides to award a variable component, this component may represent, on average, up to 40% of the overall remuneration, for the senior management, and up to 15% for the heads of department.

The exact amount of the variable component shall vary each year depending on compliance with the main annual objectives set individually (quantity and quality-wise) for the senior officer in question, and for the respective business unit as a whole, in accordance with OMIClear's performance assessment model approved by the Board of Directors.

For the purpose of coherence with the senior management's efforts towards the pursuit of objectives, as well as its continuity, and towards a proper risk management, after three years in the office the director's performance shall be evaluated. The director may be entitled to a management award, limited to 25% of the fixed component of the annual remuneration of each period concerned, to be paid in full after the three years under consideration.

**d) Mechanisms of Limitation of the Variable Remuneration**

By definition, Variable Remuneration is limited to the performance of OMIClear's net income. The variable remuneration, if any, to be paid to all the employees may not be more than 15% of the net profit for the previous year, and is subject to compliance with the risk management policy.

**e) Criteria for performance assessment**

The criteria for defining the variable component are those used by the Board of Directors to review the performance and check compliance with the objectives by the employee, which can be set on a multi-annual basis. The level of compliance with the overall objectives shall also be taken into consideration.

**IV. Remuneration of staff engaged in risk management, compliance and internal audit functions**

**a) Composition**

The remuneration consists of a fixed component, but may also consist of a variable component.

OMIClear's overall remuneration policy is reviewed every year by the Chairman and Vice-Chairman of the Board of Directors when preparing the company budget no later than late November. Accordingly, the fixed remuneration is reviewed every year based on indicators such as the inflation rate. Moreover, no later than the end of May each year a variable component is also set, based on the performance assessment of the previous year(s).

**b) Remuneration limits**

The fixed component shall be subject to the limits established by the Board of Directors.

The fixed component consists of the basic salary plus some supplements given to all OMIClear employees, such as meal allowance.

**c) Balanced remuneration**

If the Board of Directors decides to award a variable component, this component may represent, on average, up to 15% of the overall remuneration.

The exact amount of the variable component shall vary each year depending on the individual performance evaluated by the Chairman and Vice-Chairman and approved by the Board of Directors, but shall be wholly independent of compliance with the main annual objectives of the company and all its employees.

**d) Criteria for defining the variable component and payment times**

The variable remuneration shall be calculated at the beginning of each year by the Chairman and Vice-Chairman and approved by the Board of Directors, based on individual performance.

This remuneration shall be paid in cash in the year immediately following the value date for the year, after the accounts for the year in question are approved.

**e) Criteria for performance assessment**

The criteria for defining the variable component are those used by the Board of Directors to review the performance and check compliance with the objectives by the employee. The level of compliance with the overall objectives shall also be taken into consideration.

These general criteria do not include employees engaged in risk management, compliance and internal audit functions, for whom the evaluation depends solely on individual performance in carrying out their specific functions.

**V. Remuneration of employees not included in groups III and IV**

**a) Composition**

The remuneration consists of a fixed component, but may also consist of a variable component.

OMIClear's overall remuneration policy is reviewed every year by the Chairman and Vice-Chairman of the Board of Directors when preparing the company budget no later than late November. Accordingly, the fixed remuneration is reviewed every year based on indicators such as the inflation rate. Moreover, no later than the end of May each year a variable component is also set, based on the performance assessment of the previous year(s).

**b) Remuneration limits**

The fixed component shall be subject to the limits established by the Board of Directors.

The fixed component consists of the basic salary plus some supplements given to all OMIClear employees, such as meal allowance.

**c) Balanced remuneration**

If the Board of Directors decides to award a variable component, this component may represent, on average, up to 10% of the overall remuneration.

The exact amount of the variable component shall vary each year depending on the individual performance evaluated by the Chairman and Vice-Chairman and approved by the Board of Directors, taking into account the level of compliance with the main annual objectives of the company and of the business unit in which the employment worked.

**d) Criteria for defining the variable component and payment times**

The variable remuneration shall be calculated at the beginning of each year by the Chairman and Vice-Chairman and approved by the Board of Directors, based on individual performance.

This remuneration shall be paid in cash in the year immediately following the value date for the year, after the accounts for the year in question are approved.

**e) Mechanisms of Limitation of the Variable Remuneration**

By definition, Variable Remuneration is limited to the performance of OMIClear's net income. The variable remuneration, if any, to be paid to all the employees may not be more than 15% of the net profit for the previous year, and is subject to compliance with the risk management policy.

**f) Criteria for performance assessment**

The criteria for defining the variable component are those used by the Board of Directors to review the performance and check compliance with the objectives by the employee. The level of compliance with the overall objectives shall also be taken into consideration.

**VI. Main parameters and rationale for any annual bonus scheme and any other non-cash benefits**

By decision of the Board of Directors on a case-by-case basis, and always according to the economic and financial situation of the company.

In addition to the fixed and variable remuneration described in this remuneration policy, all OMIClear employees receive the following benefits:

Health insurance – Multicare / OMIP

Policy No. **1004402**

Insurance against occupational accidents – AON / OMICLEAR Policy No. **10.00350011**

*The Remuneration Committee*