

Remuneration Disclosures

31 December 2023

Introduction

These disclosures provide information about the Goodbody Group's remuneration policies and practices for its Material Risk Takers ("MRT") and, more specifically, qualitative information about;

- a. the design and structure of the remuneration system for those individuals who have been identified as MRTs;
- b. the ratios between fixed and variable remuneration set in accordance with the regulatory requirements;
- c. The use of derogations in Article 32 of Directive (EU) 2019/2034.
- d. These disclosures also include quantitative information, in aggregate form, about the amounts and structure of the remuneration of MRTs in the Goodbody Group.

a) the design and structure of the remuneration system for those individuals who have been identified as MRTs.

Our parent, AIB Group plc ("AIB"), has established a Remuneration Committee, which also acts as the Remuneration Committee of Goodbody Stockbrokers UC ("the firm"). The Remuneration Committee provides detailed oversight of the firm's remuneration structures and policies. The Remuneration Committee's responsibilities include overseeing that the firm operates remuneration policies and practices which are in line with Irish Regulations and associated guidance.

The Goodbody Remuneration Policy ("the policy") sets out the firm's remuneration policies and practices. The policy is designed to attract, motivate and retain highly skilled individuals in a competitive and international environment while achieving strategic objectives. It also seeks to promote sound and effective risk management and ensure that risk-taking is aligned with the firm's long-term objectives and business strategy. The policy and incentive structures are consistent with the long-term strategy including the overall business strategy, the risk strategy and risk appetite. The incentive structure ensures transparency in respect of the reward strategy.

The policy is designed to be gender neutral and the aim of the policy is to reward employees based on their role and responsibilities, regardless of gender, ethnicity, age, sexual orientation or any other characteristic. The firm also ensures that it meets all its requirements on Gender Pay Gap reporting.

The individual elements of staff remuneration packages may comprise both a fixed and a performance related component. Fixed remuneration is determined on the basis of the role of the individual staff member, their professional experience, responsibility, job complexity, as well as according to relevant market conditions.

Performance based remuneration is:

- A. designed to motivate and reward high performers who strengthen long-term customer relations, generate long-term income and shareholder value and have regard for the importance of effective risk management in carrying out their duties;
- B. awarded in a manner which promotes sound and effective risk management, does not induce excessive risk-taking and is in line with the firm's long term business interests; and is
- C. largely derived from the generation of a firm-wide bonus pool. A percentage of the profits of the firm is available to create a bonus pool. If no profits are made, no bonus is paid out under the bonus scheme, unless by exception and approved by the AIB Remuneration Committee. All such awards comply in full with regulatory requirements.

The total amount of performance-based remuneration is based on a combination of the assessment of the individual's performance, that of the business unit concerned, and the firm's overall results. In this way, the

firm achieves an appropriate combination of quantitative and qualitative criteria, including financial and non-financial criteria, to ensure that all risks are appropriately reflected. When awarding performance-based remuneration the firm ensures that the outcome reflects the risks underlying the achieved result and takes into account all types of risk. This consideration of risk will be at the discretion of the Remuneration Committee and will be informed by a report from the AIB CRO covering all aspects of risk and in particular whether any ex-ante or ex-post risk adjustment should be considered in relation to awards of variable remuneration. Any discretionary risk adjustment considered by the Remuneration Committee has the potential to apply to either individuals, teams, business units or the whole firm and would have the potential to reduce any bonus awards to zero.

The payment of performance-based remuneration components takes account of the firm's underlying business cycle and its business risk. The firm reserves the right to impose such conditions (including deferral or clawback) to performance-based remuneration as it deems appropriate in respect of any particular individual and such conditions will be notified to that individual when the award is made.

Performance-based remuneration is granted at the firm's sole discretion and staff shall not have any contractual right to such payments, unless and until such remuneration is awarded on such conditions as the firm sees fit. The firm will only pay performance-based remuneration where this is sustainable, according to the firm's financial situation as a whole and where that remuneration does not limit its ability of maintaining a sound capital base. The firm will not pay variable remuneration through vehicles or methods that facilitate the avoidance of the regulatory requirements applicable to remuneration.

Employees engaged in control functions (risk, compliance and internal audit) are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

MRTs are staff members whose professional activities, either individually or as part of a group, can exert material influence on the firm's risk profile. The firm has carried out an analysis for the purposes of identifying any MRTs in accordance with the criteria set out in the EBA Regulatory Technical Standard on the identification of staff under IFD. The list of MRTs is reviewed quarterly by the Board and is approved by the Remuneration Committee. All decisions relating to the remuneration of MRTs are taken by the Remuneration Committee (unless the Remuneration Committee have delegated decision making to management). Where an individual identified as an MRT is based in a control function, their variable remuneration will be determined separately from the business units they control.

The firm complies with Article 32(1) of IFD and ensures that variable remuneration awards made to MRTs are granted in accordance with all its provisions. This requires at least 50% of variable remuneration awards to MRTs to consist of shares or other non-cash instruments in line with Article 32(1)(j). Further under Article 32(1)(l), at least 40% of the variable remuneration is deferred over a 3-5 year period depending on the business cycle of the investment firm. This will be increased to 60% in the case of variable remuneration of a particularly high amount.

Article 32(1)(j) and Article 32(1)(l) as described above will not be applied on variable remuneration awards to MRTs where individual proportionality applies under Article 32(4)(b). This is applicable where the total annual variable remuneration awarded to the MRT does not exceed €50,000 and does not represent more than 25% of the individual's total annual remuneration.

The Remuneration Committee retains the discretion to apply deferral to a wider population and the current position will be kept under review.

b) the ratios between fixed and variable remuneration set in accordance with the regulatory requirements.

In line with the IFD regulations, the firm is required to determine and document a maximum ratio of fixed to variable pay at the beginning of each performance year (and comply with this at the end of each performance year).

Taking into account:

- the firm's risk profile;
- the need to attract and retain talent; and
- ensure our ability to both incentivise MRTs without them being reliant on variable remuneration.

In respect of 2023, a maximum ratio of fixed remuneration to variable remuneration of 1:1 was considered appropriate to incorporate any such variable remuneration payments that may be required.

c) The use of derogations in Article 32 of Directive (EU) 2019/2034.

The firm does not avail of the derogation laid down in Article 32(4) of Directive (EU) 2019/2034.

d) Quantitative Disclosures

Remuneration Awarded in the Financial Year

As per IFR Article 51 (C)(I) the table below discloses the amounts of remuneration awarded in the financial year, split into fixed remuneration, including a description of the fixed components, and variable remuneration, and the number of beneficiaries;

		Senior Management	Other MRTs	Total
Fixed Remuneration	Number of Identified Staff	10	27	37
	Total Fixed Remuneration	€ 2,803,000	€ 3,396,000	€ 6,199,000
	Of which: cash based	€ 2,803,000	€ 3,396,000	€ 6,199,000
	Of which: shares or equivalent ownership interests	€ -	€ -	€ -
	Of which: shares-linked instruments or equivalent non-cash instruments	€ -	€ -	€ -
	Of which: other instruments	€ -	€ -	€ -
Variable Remuneration	Number of Identified Staff	1	6	7
	Total Variable Remuneration (Including Severance)	€ 43,000	€ 241,000	€ 284,000
	Of which: cash based	€ 43,000	€ 191,000	€ 234,000
	Of which: shares or equivalent ownership interests	€ -	€ 50,000	€ 50,000
	Of which: shares-linked instruments or equivalent non-cash instruments	€ -	€ -	€ -
	Of which: other instruments	€ -	€ -	€ -
Total Remuneration	€ 2,846,000	€ 3,638,000	€ 6,484,000	

Variable Remuneration

As per IFR Article 51 (C)(II) the table below discloses the amounts and forms of awarded variable remuneration, split into cash, shares, share linked instruments and other types separately for the part paid upfront and for the deferred part. Variable remuneration predominantly relates to severance payments as disclosed below.

		Senior Management	Other MRTs	Total
Variable Remuneration	Number of Identified Staff	1	6	7
	Total Variable Remuneration (Including Severance)	€ 43,000	€ 241,000	€ 284,000
	Of which: cash based	€ 43,000	€ 191,000	€ 234,000
	Of which: upfront	€ 43,000	€ 191,000	€ 234,000
	Of which: deferred	€ -	€ -	€ -
	Of which: shares or equivalent ownership interests	€ -	€ 50,000	€ 50,000
	Of which: upfront	€ -	€ 10,000	€ 10,000
	Of which: deferred	€ -	€ 40,000	€ 40,000
	Of which: shares-linked instruments or equivalent non-cash instruments	€ -	€ -	€ -
	Of which: upfront	€ -	€ -	€ -
	Of which: deferred	€ -	€ -	€ -
	Of which: other instruments	€ -	€ -	€ -
	Of which: upfront	€ -	€ -	€ -
	Of which: deferred	€ -	€ -	€ -
	Of which: other forms	€ -	€ -	€ -
Of which: upfront	€ -	€ -	€ -	
Of which: deferred	€ -	€ -	€ -	

Deferred Remuneration

As per IFR Article 51 (C)(III) the table below discloses the amount of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years.

		Senior Management	Other MRTs	Total
Deferred Remuneration for previous performance years	Amount of deferred remuneration awarded for previous performance	€ 36,000	€ -	€ 36,000
	Of which: due to vest in the financial year	€ 9,000	€ -	€ 9,000
	Of which: due to vest in subsequent years	€ 27,000	€ -	€ 27,000

As per IFR Article 51 (C)(IV) the table below discloses the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;

		Senior Management	Other MRTs	Total
Deferred Remuneration pay outs in the financial year	Amount of deferred remuneration due to vest in the financial year	€ 9,000	€ -	€ 9,000
	Of which: will be paid out	€ 9,000	€ -	€ 9,000
	Of which: has been withheld as a result of performance adjustment	€ -	€ -	€ -

Guaranteed Variable Remuneration

As per IFR Article 51 (C)(V) the table below discloses the guaranteed variable remuneration awards during the financial year and the number of beneficiaries of those awards.

		Senior Management	Other MRTs	Total
Guaranteed Variable Remuneration	Amount of guaranteed variable remuneration awarded	€ 43,000	€ -	€ 43,000
	Number of Identified Staff	1	0	1

Severance Payments

As per IFR Article 51 (C)(VI) the table below discloses the severance payments awarded in previous periods, that have been paid out during the financial year.

		Senior Management	Other MRTs	Total
Severance Payments from previous periods	Amount of severance payments awarded in previous periods, that have been paid out during the financial year.	€ -	€ -	€ -
	Number of Identified Staff	0	0	0

As per IFR Article 51 (C)(VII) - The table below discloses the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and the highest payment that has been awarded to a single person;

		Senior Management	Other MRTs	Total
Severance Payments from previous periods	Amount of severance payments awarded during the financial year.	€ -	€ -	€ -
	Of which: upfront	€ -	€ -	€ -
	Of which: deferred	€ -	€ -	€ -
	Number of Identified Staff	0	0	0
	Highest payment to a single person	€ -	€ -	€ -

