



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about its contents or as to the action which you should take, you are recommended to seek your own independent financial advice from your stockbroker, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred any or all of your shares in Plus500 Ltd. (the "Company"), please pass this document together with the accompanying Form of Proxy or Form of Direction as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was affected for onward transmission to the purchaser or transferee.

This document should be read as a whole together with the accompanying Form of Proxy or Form of Direction in connection with the 2023 Annual General Meeting (the "AGM").

Whether or not shareholders propose to attend the Annual General Meeting (the "AGM"), they are requested to complete and return the enclosed Form of Proxy or Form of Direction in accordance with the instructions printed on such form. The return of a Form of Proxy or Form of Direction will not preclude a member from attending and voting at the AGM in person should he/she subsequently decide to do so.

**Plus500 Ltd.**

**Notice of Annual General Meeting**



## Letter from the Chair of the Board

23 March 2023

### Registered Office:

Matam, Building 25  
Haifa 3190500  
Israel

Dear Shareholder,

### Annual General Meeting

I am writing to inform you that the 2023 Annual General Meeting ("AGM") of Plus500 Ltd. (the "Company", or "Plus500") will be held on Tuesday, 2 May 2023 at 10.00 am (UK time) at the offices of Liberum Capital Limited, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY. The formal notice of the AGM and full details of all resolutions to be proposed are set out in this document.

### AGM Resolutions

This year, there are 22 resolutions for shareholders to vote on. The first six resolutions involve re-electing six Board members (who are not External Directors), including the Company's two Executive Directors.

Resolutions 7 and 8 relate to the re-appointment and remuneration of the Company's auditors, while resolutions 9, 10 and 11 are similar to those approved at last year's AGM and relate to the disapplication of pre-emption rights on the issuance of equity securities and the grant of approval for the Company to buy back its shares.

Anne Grim, Chair of the Remuneration Committee, explains Resolutions 12 to 21 in her letter on the following pages of this document. These resolutions relate to the Company's new proposed remuneration for the Company's Independent Non-Executive Directors (of which two are also External Directors), including that of the Chair of the Board, as well as introducing a new Remuneration Policy for the years 2024-2026 and packages for its Executive Directors for the same period, including details of the Remuneration Policy terms. The current Remuneration Policy for the years 2021-2023 was approved by shareholders in May 2021.

### Recommendation

The Board considers that all of the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. The Board unanimously recommends that shareholders vote in favour of them, as they intend to do in respect of their own beneficial holdings in the Company.

Yours sincerely,

**Prof. Jacob A. Frenkel**  
Chair of the Board

# Letter from the Chair of the Remuneration Committee

23 March 2023

Dear Shareholder,

Further to Prof. Frenkel's letter, I am writing to outline reasons for the enhancements being proposed to the remuneration for the Company's Independent Non-Executive Directors, including the Chair of the Board, as well as to introduce the Company's new Remuneration Policy for its Directors and Executives for the years 2024-2026, and several related matters.

Following a rigorous consultation and policy development process in FY 2020 and FY 2021, during which time the Remuneration Committee consulted with shareholder advisory bodies and shareholders, with a view to finalising the Company's current Remuneration Policy, the Policy was consequently approved by 94% of shareholders who voted for the related resolution at the Company's 2021 AGM.

Based on this process and high level of shareholder approval, and in conjunction with consultation with shareholder advisory bodies and various shareholders, the Remuneration Committee has taken the decision to develop a new Remuneration Policy. This new proposed Remuneration Policy, to take effect on 1 January 2024, replicates the structure of the current Remuneration Policy, and has been positively adjusted to further align it with UK governance standards, including ensuring a post contractual equity commitment element of 200% by Executive Management, significantly increasing the portion of their annual bonus allocation from cash to deferred shares and increasing from 50% to 100% the proportion of the LTIP ordinary shares post vesting holding period.

## Context to proposed remuneration-related resolutions

Plus500 has produced an excellent operational and financial performance in recent years and is expected to deliver accumulated EBITDA of approximately USD 1.1 billion, from FY 2021 to FY 2023 (based on FY 2021 and FY 2022 reported results and current analysts' consensus forecasts for FY 2023, as outlined on the Company's website).

This operational and financial performance has reflected the establishment of the Group's new strategic plan in FY 2020, which was designed for the Company to become a global multi-asset fintech group. Since that time, Plus500 has consistently delivered against this plan as a global multi-asset fintech group, extending and diversifying its product portfolio from a single product focus to three key products, including OTC ("Over-the-Counter" products, namely Contracts for Difference (CFDs)), share dealing, as well as futures and options on futures. Furthermore, the Group is now extremely well positioned to deliver further growth and value in the future, as it continues to execute against its strategic roadmap.

A key element of delivery against the Group's strategic plan has been the traction achieved by Plus500 in accessing the substantial potential growth opportunities available in the US futures market. In particular, major progress has been made in establishing a new commercial model, business vertical and strategic position as a market infrastructure provider, delivering execution, clearing and brokerage services for institutional clients.

Key strategic and commercial achievements delivered by the Group in recent years include:

- In FY 2021
  - Acquisitions of Cunningham Commodities LLC., a regulated Futures Commission Merchant (FCM), and Cunningham Trading Systems LLC., a technology trading platform provider, which established the Group's position in the futures and options on futures markets in the US. Through these acquisitions, Plus500 has immediately expanded its geographic footprint and product offering in the significantly growing, but underserved, US retail trading market in futures and options on futures;
  - Launch of 'Plus500 Invest', the Group's proprietary share dealing platform. In FY 2022 this trading platform was rolled out in mobile applications and in new countries across Europe, with new equities added to this product offering;
  - Expansion of its core OTC product offering in new and existing markets;
  - Continued deepening engagement with customers;
  - On-going organic investments in marketing technologies, PR campaigns, technology innovation and product development, supported by the established R&D centres in Israel; and
  - Over USD 200 million delivered in shareholder returns, through dividends and share buybacks.

- In FY 2022, the Group has made significant progress in establishing and executing its strategic roadmap to evolve into a multi-asset fintech group, by entering new geographies, launching new products and developing new technologies to accommodate the greater customer care through retention technologies alongside a focus on monetisation and activation.

#### New services and products:

- Launch of 'TradeSniper', an intuitive new proprietary trading platform which provides a highly differentiated, technology-based proposition for Plus500 in the US futures retail market. The US futures market represents a strategic opportunity for Plus500 and therefore the launch of 'TradeSniper' represents a key milestone for delivering against the Group's roadmap;
- New technological retention initiatives developed and launched;
- Launch of '+Insights', Plus500's big-data, analytical tool designed to provide its OTC customers with access to real-time and historical trends, based on the Group's registered customer base; and
- Continued focus on customer care and protection, also through the launch of Plus500's Trading Academy and '+Insights'.

#### New geographies:

- Expansion into the US market by executing the integration roadmap. New B2B business line with major revenue opportunity, was established, based on a new strategic position developed by the Group as a market infrastructure provider, delivering execution, clearing and brokerage services for institutional clients;
- Access to the substantial Japanese retail trading market achieved, through acquisition of a regulated entity in Japan;
- Obtained new regulatory licence in Estonia, to act as an additional foundation to the Group's business across Europe in its OTC product offering; and
- In February 2023, obtained new regulatory licence from the Dubai Financial Services Authority (DFSA) in the high growth market of the UAE.

#### Shareholder returns:

- Over USD 270 million delivered in shareholder returns through dividends and share buybacks;
- Over 30% increase in share price during FY 2022 (while FTSE 250 index went down by c.20%); and
- c.USD 1.4 billion accumulated EBITDA was generated since new strategic roadmap initiated in FY 2020, to evolve into a global multi-asset fintech group.

In addition, the Group achieved major commercial milestone, with over 24 million worldwide customers now registered on its trading platforms since inception, providing significant potential value for Plus500 over time, through utilisation of new proprietary retention, activation and monetisation technologies

These achievements are a result of the leadership and commitment of Plus500's Executive Management, with clear and consistent guidance from the Board to enable the continued substantial success of the Company and to outperform in each year.

With this in mind, and to support the significant increase in the Group's global scale and operating activities, since the beginning of FY 2021, the Company's Executive Directors and Non-Executive Directors have allocated, and continue to allocate, a substantial additional amount of time, effort and resources on ensuring the Group continues to deliver on its strategic roadmap. This additional amount of time and resource, which further increased during the course of FY 2022 and in the first quarter of 2023, has been necessitated by the increasingly international nature of the business, in particular to accommodate a number of new global operating subsidiaries and business units given the Group has grown significantly over the last 18 months. This time and resource commitment by the Company's Executive and Non-Executive Directors is expected to increase even further, as the Group continues to grow and diversify in the future. This will also include strategic expansion into the UAE and continued expected progress in further building the Group's position in the US futures market.

Given these factors, the Remuneration Committee proposes an increase in the packages of the Non-Executive Directors of 5% effective as of 1 January 2023 and a similar increase for the Executive Directors, effective 1 January 2024 of a compound annual 5% in respect to the current Remuneration Policy period of FY 2021 to FY 2023, during which time the Executive Directors had no Base fees increase. This represents a modest increase compared to industry and market practice, and against domestic and internal benchmarks, with the average salary within the Israeli tech companies increasing during that period by 20% and the salary increase of Plus500 Ltd. employees during the period increasing by approximately 40%. In addition, the

Executive Directors' new proposed package on a total target basis is between the lower quartile and median for companies of a similar sized listed on the LSE by market capitalisation.

The Committee has not taken this decision lightly. It is very aware of the sensitivity of making salary increases in the current environment. In making its recommendation, the Remuneration Committee considered several factors, including comparable industry data, remuneration data of executive directors of other FTSE companies of a similar market capitalisation, data of peer companies in the Company's industry, market norms in the technology industry in Israel where the Company's HQ resides. The Remuneration Committee also considered the responsibilities and duties performed by the Non-Executive and Executive Directors and their substantial contribution to the Company's significant growth, and the fact that under the leadership of the Executive Directors the Company out-delivered its financial and non-financial KPIs in recent years, as well as certain other factors prescribed by the Israeli Companies Law 5759-1999 (the "Companies Law"), and the Company's Remuneration Policy for Directors and Executives.

### **Acknowledgement of shareholder feedback and subsequent changes to Remuneration Policy, following shareholder consultation**

The Remuneration Committee and the Board take governance matters very seriously and therefore acknowledge that, in recent years, a minority of shareholders have been unable to support decisions regarding remuneration for Directors of the Company. These shareholders have sought a greater level of disclosures as to the Remuneration Committee's decision-making process in its Remuneration Report.

This has been a key consideration throughout the Remuneration Committee's review process and the 2022 Remuneration Report (which is included within the Company's 2022 Annual Report) is structured to provide greater detail on the perspectives of shareholders and how the Remuneration Committee has responded.

In this context, the Remuneration Committee retained and sought advice from leading compensation consultants. In addition, following on-going engagement with shareholders following the 2021 AGM until Q1 2023, the Remuneration Committee and the Board have reviewed the current Remuneration Policy and have proposed changes to bring this policy more in line with UK norms and best practice, including through proposing a modest pay increase to the Executive and Non-Executive Directors, which represents a considerably lower increase than the average pay increase generally, in the country where the Company's HQ resides and specifically in the Company.

Therefore, the new Remuneration Policy includes several changes to accommodate this closer alignment with UK best practice. In particular:

- The new Remuneration Policy includes a modest pay increase for Executive Management, from 1 January 2024, after three years of no pay increases. This is in the context of a strong performance of the business against a challenging economic environment. This proposed increase would be approximately 60% lower than the average increase across the entire employee base of Plus500 Ltd. and would, however, still remain lower than the pay increase in comparable FTSE 250 companies.
- The proposed LTIP scheme for Executive Management would be 100% subject to a post-vesting holding period of two years, which reflects an improvement from the current post-vesting holding period (30% on the first year of the LTIP award, 40% on the second year of the LTIP award and 50% on the third year of the LTIP award). This proposed scheme positions the Company in line with UK best practice.
- The proposed LTIP scheme would continue with a newly implemented post-contractual agreement with a period of two years.
- Increasing STI award deferral to 67% in shares and 33% in cash, instead of 33% in shares and 67% in cash.

The Remuneration Committee and the Board confirmed that the targeted KPIs included within the Remuneration Policy are stretched enough and additional disclosures have been added in order to provide a greater level of visibility for shareholders.

### **Proposed changes to remuneration of Executive Directors**

The Executive Directors are highly experienced individuals, who have acted as Directors and Officers of the Company for more than a decade. Throughout this period, and driven by our Executive Directors, the Company has succeeded in delivering high levels of regulatory stability, an outstanding financial and operational performance, with significant compound annual revenue growth and consistently strong EBITDA margins, together with a financial position which has been substantially reinforced as a result of the Group's continued significant financial performance in recent years.

The Board is therefore fully supportive of the Company's Executive Directors and believe they have over-delivered against the objectives set by the strategic plan, which was originated at the end of FY 2020. Their

performance includes successes such as Plus500 receiving new licenses in Estonia, USA, Japan, and the UAE. In addition, the Group has executed three acquisitions, entered a new line of business, launched new products (such as 'Plus500 Invest'), enhanced its governance standards and diversified the Board. The Group continues to place significant emphasis on its employees, in particular attracting and retaining highly skilled and talented people. During the period of FY 2021 and FY 2022, the Group has delivered approximately USD 0.5 billion of returns to shareholders through dividends and share buybacks and Plus500's share price has increased by 104% from 1 January 2020 to 31 December 2022.

Taking into account the impact of the Executive Directors in driving the success factors outlined above, as well as the significant increase to the geographic footprint, and the substantial potential opportunity for Plus500 in the US futures market, the Remuneration Committee and the Board believe that the Executive Directors should both be entitled to a moderate increase in Base fees of 5% (compounded annual) from USD 639,000 (plus VAT, as applicable) to USD 750,000 (plus VAT, as applicable) gross per annum in respect of each year during the term of the current Remuneration Policy (FY 2021 to FY 2023), a period through which the Executive Directors did not receive any pay increases. This reflects the ongoing value to the Company and to shareholders of their particular skills and experience in achieving the strategic objectives on an increasingly international basis, along with the enhanced time and commitment this entails. This would be effective from 1 January 2024.

### **Proposed enhancements to the remuneration of the Chair of the Board and the Non-Executive Directors**

The Remuneration Committee proposes to increase the remuneration of Prof. Frenkel as Chair of the Board. These enhancements include a 5% increase in Prof. Frenkel's annual remuneration from USD 567,000 (plus VAT) to USD 595,000 (plus VAT) gross per annum, effective 1 January 2023 (split between cash and shares) and an allotment of shares of value USD 145,000 (plus VAT).

In addition, the Remuneration Committee proposes to increase the remuneration of each of the Board's Non-Executive Directors (other than the Chair of the Board) by 5% from USD 124,000 (plus VAT, as applicable) to USD 130,000 (plus VAT, as applicable) gross per annum, effective 1 January 2023.

The Remuneration Committee believes the remuneration enhancements proposed are commensurate with the increased attention and time required of the Chair and the Non-Executive Directors, to take account of an expanded and more globally diversified business. This additional amount of time and attention, which has further increased during the course of FY 2022 and is expected to increase further during FY 2023, has been necessitated by the increasingly international nature of the business, in particular to accommodate a number of new global subsidiaries and business units, given the Group has grown significantly over the last 18 months. This time and resource commitment from the Company's Executive and Non-Executive Directors is expected to increase even further, as the Group continues to grow and diversify in the future.

Furthermore, the Remuneration Committee believes that the enhancements are appropriate for the significant level of value that the Chair and Non-Executive Directors are providing, and will continue to provide, for the Group and its shareholders. In addition, and in light of the Company's expansion into the US market through its futures operations the proposed enhancements are aligned with US Non-Executive remuneration, which is relevant and appropriate, given several of the Board's Non-Executive Directors, including the Chair of the Board, are either based in the US or spend a significant amount of time there. This is in the context of a fast-growing, highly active Plus500 operation in the US, which requires a great deal of management, focus and attention by the Company's Chair of the Board and Non-Executive Directors, based on managing and enhancing local relationships and partnerships in the US to ensure a number of major growth opportunities are accessed now for the future benefit of the Group. To this end, the proposed remuneration increase is aligned to US-based Non-Executive Directors.

### **Proposed changes and approval of a new Remuneration Policy for Directors and Executives**

Pursuant to the Companies Law, all public Israeli companies are required to adopt a written remuneration policy for their executives and directors to be recommended by the remuneration committee and approved by the Board of directors and shareholders. The Company's current Remuneration Policy for the years 2021-2023 was approved by the Company's shareholders in May 2021. With this in mind, the Remuneration Committee deems it appropriate to now propose a new updated policy, in line with the latest market practice and investor expectations.

This follows a comprehensive review of the Company's current Remuneration Policy and operation, which has been conducted over the last few months by the Remuneration Committee. This review was supported by external remuneration consultants, Pearl Meyer and Partners, LLC ("Pearl Meyer"), to ensure the Board has a clear understanding of market practice and investor expectations, and develops the Company's Remuneration Policy accordingly. As part of this process, a comprehensive benchmarking review was undertaken to assess the peer group against which Plus500 now competes for talent, and to reflect the

significantly enlarged international presence, which is critical to the success of the Company's strategy. The comparator group includes a range of companies that are at a similar stage of development, comparable in size (in terms of market capitalisation), are listed in the UK, Israel or the US, and with whom the Remuneration Committee considers are appropriate competitors for key talent, both today and increasingly across the duration of the proposed revised Remuneration Policy.

Following this review, and in light of the significant growth in the Company's global operations, its strong financial results for FY 2022 and 2021, and the Company's increasing need to continue to appropriately incentivise, attract and retain high quality executives, the Remuneration Committee proposes to adopt an updated Remuneration Policy, as outlined in Resolution 19 of this AGM Notice, with further details in Annex A.

This updated proposed Remuneration Policy has been designed to ensure a progressive change in the Company's approach to Executive remuneration. To this end, the new Remuneration Policy replicates the current Remuneration Policy as much as practicably possible, given the current policy was already developed in alignment with best practice across UK-listed entities, as recommended by key shareholder advisory agencies, and was approved by Plus500's shareholders at its 2021 AGM.

The new Remuneration Policy has been designed to be even further aligned with Executive remuneration best practice and investor expectations in the UK, in particular by reducing the cash element of the Executives' proposed annual bonus and increasing the deferred share allocation element, from a 33% and 67% split between shares and cash to 67% and 33%, as well as ensuring a post contractual equity commitment element of 200% of annual Base fees by the Executives. In addition, the proportion of shares vesting from the long-term incentive plan that are subject to a two-year post-vesting holding period will increase to 100% of all vested shares. This represents a significant change to the post vesting holding portion more aligned with UK best practice. The Remuneration Committee believes a two-year holding period is appropriate given the substantial development and growth which is expected to be achieved by the Group over that time, and the requirement to incentivise Executive Management to drive the Group's development and growth over that time period.

The overall structure of the proposed updated Remuneration Policy is therefore broadly unchanged from the Company's current Remuneration Policy.

Resolutions 20 and 21 outline the proposed remuneration for the Company's Executive Directors and Officers, which is in line with the new Remuneration Policy. This proposed remuneration includes an increase in Base fees for each of the Executive Directors, Mr Zruia and Mr Even-Chen, by a rate of 5% in Base fees (compounded annual) in respect of each year during the term of the new policy over the previous remuneration policy (FY 2021 to FY 2023), a period through which the Executive Directors did not receive any pay increases. The increase in Base fees will be effective from 1 January 2024.

### **Recommendation**

The Remuneration Committee considers that these remuneration-related Resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. The Remuneration Committee unanimously recommends that shareholders vote in favour of them as they intend to do in respect of their own beneficial holdings in the Company.

Yours sincerely,

**Anne Grim**  
Chair of the Remuneration Committee



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 Annual General Meeting (the "AGM") of Plus500 Ltd. (the "Company", or "Plus500") will be held on Tuesday, 2 May 2023 at 10:00 a.m. (UK time), at the offices of Liberum Capital Limited, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY.

### **The AGM will be held for the following purposes:**

To receive and discuss the financial statements of the Company for the year ended 31 December 2022 together with the report of the auditors thereon and the report of the Board of Directors.

As ordinary business to consider, and, if thought fit, pass Resolutions 1 to 8 inclusive below:

1. To re-elect David Zruia, who stands for re-election pursuant to Article 42 of the Company's Articles of Association, as a Director.
2. To re-elect Elad Even-Chen, who stands for re-election pursuant to Article 42 of the Company's Articles of Association, as a Director.
3. To re-elect Steve Baldwin, who stands for re-election pursuant to Article 42 of the Company's Articles of Association, as an Independent Non-Executive Director.
4. To re-elect Sigalia Heifetz, who stands for re-election pursuant to Article 42 of the Company's Articles of Association, as an Independent Non-Executive Director.
5. To re-elect Prof. Varda Liberman, who stands for re-election pursuant to Article 42 of the Company's Articles of Association, as an Independent Non-Executive Director.
6. To re-elect Prof. Jacob A. Frenkel, who stands for re-election pursuant to Article 42 of the Company's Articles of Association, as an Independent Non-Executive Director (if re-elected, Prof. Jacob A. Frenkel shall continue to serve as Chair of the Company's Board of Directors following the Annual General Meeting).
7. To re-appoint Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, as the Company's independent external auditor for 2023.
8. To authorise the Company's Board of Directors (or, the Audit Committee, if authorised by the Board of Directors) to fix the remuneration of the Company's independent external auditor.

As special business to consider, and, if thought fit, pass Resolutions 9 to 22 inclusive below:

9. To authorise the Directors pursuant to Article 10(c) of the Company's Articles of Association ("Articles") to allot and issue up to 4,586,553 ordinary shares (representing approximately 5 per cent. of the Company's issued share capital (excluding shares held in treasury) as at 21 March 2023) for cash as if Article 10(b) of the Articles of Association did not apply to such allotment.
  - The authority conferred by this Resolution shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, at the close of business on 5 August 2024, unless such authority is renewed prior to this time. Under the authority conferred by this Resolution, the Directors may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted or rights to subscribe for, or convert any security into, shares to be granted after the authority expires and the Directors may allot shares or grant rights to subscribe for, or convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.



10. To authorise the Directors pursuant to Article 10(c) of the Company's Articles of Association to allot and issue up to 4,586,553 ordinary shares (representing approximately 5 per cent. of the Company's issued share capital (excluding shares held in treasury) as at 21 March 2023) for cash as if Article 10(b) of the Articles of Association did not apply to such allotment and issue, such authority to be limited to the allotment of equity securities or sale of treasury shares, to be used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's Statement of Principles published in 2015.
  - The authority conferred by this Resolution shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, at the close of business on 5 August 2024, unless such authority is renewed prior to this time. Under the authority conferred by this Resolution the Directors may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted or rights to subscribe for, or convert any security into, shares to be granted after the authority expires and the Directors may allot shares or grant rights to subscribe for, or convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.
11. To authorise the Company to make purchases of up to 9,173,106 ordinary shares (representing approximately 10 per cent. of the Company's issued share capital (excluding shares held in treasury) as at 21 March 2023) for cash, provided that:
  - a. The minimum price which may be paid for an ordinary share is ILS 0.01, such minimum price being exclusive of any expenses;
  - b. The maximum price which may be paid for an ordinary share is not more than the higher of: (i) an amount equal to 105 per cent. of the average of the market value for an ordinary share as derived from the London Stock Exchange plc Daily Official List for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the London Stock Exchange at the time the purchase is carried out, such maximum price being exclusive of any expenses;
  - c. This authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, at the close of business on 5 August 2024, unless such authority is renewed prior to this time; and
  - d. Under the authority conferred by this Resolution, the Company may before the authority expires make an offer or enter into an agreement to purchase ordinary shares under this authority which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of ordinary shares in pursuance of such an offer or agreement as if the power conferred in this Resolution had not expired.
12. To approve an increase in the fees payable to Anne Grim for her services as an Independent Non-Executive Director and External Director, from USD 124,000 gross per annum to USD 130,000 gross per annum, effective 1 January 2023.
13. To approve an increase in the fees payable to Tami Gottlieb for her services as an Independent Non-Executive Director and External Director, from USD 124,000 (plus VAT) gross per annum to USD 130,000 (plus VAT) gross per annum, effective 1 January 2023.
14. To approve an increase in the fees payable to Steve Baldwin for his services as an Independent Non-Executive Director from USD 124,000 gross per annum to USD 130,000 gross per annum, effective 1 January 2023.
15. To approve an increase in the fees payable to Sigalia Heifetz for her services as an Independent Non-Executive Director, from USD 124,000 (plus VAT) gross per annum to USD 130,000 (plus VAT) gross per annum, effective 1 January 2023.
16. To approve an increase in the fees payable to Prof. Varda Liberman for her services as an Independent Non-Executive Director from USD 124,000 (plus VAT) gross per annum to USD 130,000 (plus VAT) gross per annum, effective 1 January 2023.

17. To approve an increase in the remuneration of Prof. Jacob Frenkel for his services as an Independent Non-Executive Director and Chair of the Board from USD 567,000 (plus VAT) gross per annum to USD 595,000 (plus VAT) gross per annum, effective 1 January 2023. It is proposed that this sum shall be paid to Prof. Frenkel as follows: (a) USD 470,000 (plus VAT) in cash and (b) USD 125,000 (plus VAT) by the allotment of ordinary shares of the Company.
18. To approve an additional allotment of shares to Prof. Frenkel of USD 145,000 (plus VAT).
19. As required by the Israeli Companies Law, 5759-1999 ("Companies Law"), to adopt a new Company's Remuneration Policy for Directors and Executives, in the form attached hereto as Annex A for the years 2024 – 2026 ("Policy Period").
20. To approve the following remuneration terms for Mr David Zruia, the Chief Executive Officer and an Executive Director of the Company:
  - (a) An increase in the fees payable to Mr Zruia, as Chief Executive Officer and Executive Director from USD 639,000 to USD 750,000 gross per annum, effective 1 January 2024 ("Base Fees"). The Base fees will be adjusted annually to the Inflationary Rate of each relevant FY.
  - (b) The payment to Mr Zruia of an annual bonus for each FY during the Policy Period, with an aggregate value of up to 250 per cent. of the Base Fees (USD 1,875,000), as detailed in the explanatory notes.
  - (c) The grant to Mr Zruia of an LTIP award with an aggregate value of up to 250 per cent. of the Base Fees (USD 1,875,000) for each FY during the Policy Period, and to approve that the effective grant date of which shall be 1 January 2024, as detailed in the explanatory notes.
21. To approve the following remuneration terms for Mr Elad Even-Chen, the Chief Financial Officer and an Executive Director of the Company.
  - (a) An increase in the service contract fee payable to Mr Even-Chen for his services as Chief Financial Officer and Executive Director from USD 639,000 (plus VAT) to USD 750,000 (plus VAT) per annum, effective 1 January 2024 ("Base Fees"). The Base Fees will be adjusted annually to the Inflationary Rate of each relevant FY.
  - (b) The payment to Mr Even-Chen of an annual bonus for each FY during the Policy Period, with an aggregate value of up to 250 per cent. of the Base Fees (USD 1,875,000) (plus VAT), as detailed in the explanatory notes.
  - (c) The grant to Mr Even-Chen of an LTIP award with an aggregate value of up to 250 per cent. of the Base Fees (USD 1,875,000) (plus VAT) for each FY during the Policy Period, and to approve that the effective grant date of which shall be 1 January 2024, as detailed in the explanatory notes.
22. As an advisory vote, to approve the 2022 Directors' Remuneration Report, in the form set out on pages 85 to 94 of the Company's Annual Report for the financial year ended 31 December 2022.

The Board considers that all of the Resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. The Board recommends that shareholders vote in favour of them as they intend to do in respect of their own beneficial holdings in the Company.

By order of the Board of Directors

**Prof. Jacob A. Frenkel**  
Chair of the Board

**Hila Barak**  
Company Secretary

23 March 2023

**Registered Office:**  
Matam, Building 25  
Haifa 3190500  
Israel  
Registered in Israel number  
514142140

## Explanatory Notes:

**Resolutions 1-6.** The Articles of Association of the Company (the “Articles”) provide that the Directors (other than External Directors (as defined in the Articles)) wishing to serve again may offer themselves for re-election by the shareholders at each Annual General Meeting. Provision 18 of the UK Corporate Governance Code 2018 issued by the Financial Reporting Council (the “Code”) recommends that all directors should be put forward for annual re-election by shareholders. The External Directors are subject to mandatory three-year terms under the Israeli Companies Law, 5759-1999 (the “Companies Law”) and are therefore not put forward for re-election at the AGM. All other current Directors submit themselves for re-election.

Biographical details for the Directors subject to re-election are provided on pages 52 to 55 of the Company's Annual Report for the year ended 31 December 2022.

**Resolution 7.** This resolution proposes the re-appointment of Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, as the Company's independent external auditor for 2023.

The Audit Committee has noted the tendering and rotation provisions in the EU Audit Directive and Regulation, which state that there should be a public tender every ten years and rotation of auditors at least every twenty years together with the provisions of the Statutory Audit Services for Large Companies Market Investigation (mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. To that effect, the Company intends to conduct a formal tender process for audit services during the financial year ended 2023. The Company's Audit Committee considers this timing to be in the best interest of the Company and following this process, a recommendation will be made to the shareholders at the 2024 AGM for the appointment of the selected auditors.

**Resolution 8.** This resolution authorises the Directors to set the Company's independent external auditor's remuneration.

The following table provides details of the audit fees and non-audit fees paid by the Company and its subsidiaries to Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, and to other local offices of PricewaterhouseCoopers, for each of the years ended 31 December 2021 and 2022:

<i>U.S. dollars in millions</i>	<i>Year ended 31 December</i>	
	<b>2022</b>	<b>2021</b>
Audit of Plus500 Ltd.'s consolidated financial statements	0.3	0.3
Audit of financial statements of Plus500 Ltd.'s subsidiaries	0.3	0.3
<b>Total audit fees</b>	0.6	0.6
Other assurance related services	0.3	0.3
Tax compliance services*	0.5	0.7
<b>Total non-audit fees</b>	0.8	1.0
<b>Total fees</b>	<b>1.4</b>	<b>1.6</b>

\* Part of the amount is related to tax assessments which are provided by the external auditor according to common practice in specific territories.

**Resolution 9.** Under Article 10 of the Articles, if the Directors wish to allot any shares or grant rights over shares (other than pursuant to an employee share scheme), they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares for cash without a pre-emptive offer to existing shareholders. This cannot be done under the Articles unless the shareholders have first waived their pre-emption rights. Resolution 9 asks shareholders to do this, and provides for non-pre-emptive allotments up to 4,586,553 ordinary shares, representing approximately 5 per cent. of the Company's issued ordinary share capital (excluding shares held in treasury) as at 21 March 2023 (being the latest practicable date prior to publication of this notice) until 5 August 2024 or, if earlier, the conclusion of the next Annual General Meeting of the Company.

**Resolution 10.** This resolution will enable the Directors, in appropriate circumstances, to issue for cash, without a pre-emptive offer to existing ordinary shareholders under Article 10 of the Articles, equity securities up to 4,586,553 ordinary shares, representing approximately 5 per cent. of the Company's issued ordinary share capital (excluding shares held in treasury) as at 21 March 2023 (being the latest practicable date prior to publication of this notice). This is to be used only for the purposes of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's Statement of Principles published in 2015 (the "Pre-Emption Principles").

The Directors confirm that, in accordance with the Pre-Emption Principles, it does not intend to issue more than 7.5% of the issued ordinary share capital of the Company for cash on a non-pre-emptive basis in any rolling three-year period (other than as set out in the Pre-emption Group's statement of Principles) without prior consultation with shareholders.

**Resolution 11.** This resolution seeks authority for the Company to make purchases of its own ordinary shares. If passed, the resolution gives authority for the Company to purchase up to 9,173,106 ordinary shares, representing approximately 10 per cent. of the Company's issued ordinary share capital (excluding shares held in treasury) as at 21 March 2023 (being the latest practicable date prior to publication of this notice) until 5 August 2024 or, if earlier, the conclusion of the next Annual General Meeting of the Company.

The purpose of this resolution is to provide the Company with the flexibility to manage its capital effectively and as a mechanism for returning cash to shareholders. The Company currently has a buyback programme in place. Ordinary shares that are being purchased as part of the Company's buyback programme are held in treasury.

During 2022 the Company repurchased an aggregate of 6,943,359 ordinary shares for an aggregate purchase price of USD 138.8 million, with an average purchase price of £16.27 per share.

From 1 January 2023 through 21 March 2023 (being the latest practicable date prior to publication of this notice), the Company repurchased an aggregate of 2,044,677 ordinary shares for an aggregate purchase amount of USD 45.0 million, with an average purchase price of £18.28 per share.

**Resolutions 12-13.** Resolutions 12 and 13 propose to increase the remuneration of Anne Grim and Tami Gottlieb, the Independent Non-Executive Directors and External Directors, by 5% from USD 124,000 (plus VAT, as applicable) gross per annum to USD 130,000 (plus VAT, as applicable) gross per annum, effective 1 January 2023. This amendment is required in order to conform with the provisions of the Companies Law which require that the remuneration paid to all External Directors (other than "expert" External Directors) be identical, and based on the proposed increase in the remuneration of the "other" Independent Non-Executive Directors of the Company, Steve Baldwin, Sigalia Heifetz and Prof. Varda Liberman as set out in Resolutions 14, 15 and 16. The remuneration was approved and recommended by the Remuneration Committee and the Board, and is subject to the approval of the Company's shareholders.

The Remuneration Committee and the Board believe that it is in the best interest of the Company and its shareholders to approve the terms of remuneration of Anne Grim and Tami Gottlieb, as Independent Non-Executive Directors and External Directors. The rationale for this is set out below.

During Q1 2023, FY 2022 and FY 2021, the Company has significantly expanded its international operations, making an initial entry in the US, through two acquisitions, by establishing a new operation in Europe through a new licence in Estonia and in Asia, through an acquisition in Japan and an enhanced presence in the UAE, through a new licence. In addition, the Company is expected to establish further new operations in additional geographies over the next twelve months and into the future.

With the expanded, and expanding, global operations of the Group, additional time, availability and attention is required from the Non-Executive Directors.

This additional amount of time and attention, which has increased during the course of FY 2022 and is expected to increase further in FY 2023, has been necessitated by the increasingly international nature of the business, in particular to accommodate a number of new global subsidiaries and business units, given the Group has grown significantly over the last 18 months. This time and resource commitment from the Company's Non-Executive Directors is expected to increase further, as the Group continues to grow and diversify in the future. The Remuneration Committee therefore believes the remuneration increase proposed is commensurate with the increased attention and time required from the Non-Executive Directors, to take account of an expanded and more globally diversified business.

In addition, this proposed level of remuneration is appropriate and in line with US Non-Executive remuneration, which is relevant as several of the Board's Non-Executive Directors are either based in the US or spend a significant amount of time there.

The above rationale is also applicable for Resolutions 14 to 16, as outlined on the following pages.

The remuneration of the External Directors in the Company is in accordance with the Companies Law and the regulations promulgated thereunder and in accordance with the relative remuneration model, which provides that the remuneration of the External Directors shall be relative to the remuneration of the "other" Directors, as defined under the regulations. Shareholders are being asked to approve the annual fees for Anne Grim and Tami Gottlieb, subject to the approval of Resolutions 14 to 16.

**Resolutions 14-16.** Resolution 14 to 16 propose to increase the remuneration of Steve Baldwin, Sigalia Heifetz and Prof. Varda Liberman, the Independent Non-Executive Directors, by 5% from USD 124,000 (plus VAT, as applicable) gross per annum to USD 130,000 (plus VAT, as applicable) gross per annum, effective 1 January 2023. In accordance with the Companies Law, the remuneration was approved and recommended by the Remuneration Committee and the Board, and requires approval of the Company's shareholders. The Remuneration Committee and the Board believe that it is in the best interests of the Company and its shareholders to approve the terms of remuneration of Steve Baldwin, Sigalia Heifetz and Prof. Varda Liberman, as Independent Non-Executive Directors, given the rationale stated under Resolutions 12-13 above.

Subject to the approval of Resolutions 3 to 5, in accordance with Article 42 of the Articles, Steve Baldwin, Sigalia Heifetz and Prof. Varda Liberman will be re-appointed as Independent Non-Executive Directors. Shareholders are being asked to approve the annual fees for Steve Baldwin, Sigalia Heifetz and Prof. Varda Liberman, subject to their re-election at this AGM and effective 1 January 2023.

**Resolution 17.** Resolution 17 proposes to increase the remuneration of Prof. Jacob A. Frenkel as an Independent Non-Executive Director and Chair of the Board by 5% to USD 595,000 (plus VAT) gross per annum, from his current remuneration of USD 567,000 (plus VAT) gross per annum, effective 1 January 2023. It is proposed that this sum shall be paid to Prof. Frenkel, with the split of cash and shares remaining in line with the structure of his current remuneration, as follows: (a) USD 470,000 (plus VAT) in cash and (b) USD 125,000 (plus VAT) by the allotment of ordinary shares of the Company.

There are no performance-related elements attached to the share element of the proposed remuneration. The expectation is that Prof. Frenkel will retain and build, whilst Chair of the Board, his shareholding in the Company. The Remuneration Committee and the Board believe that providing the Chair of the Board with a fee consisting of a mix of cash and shares provides alignment to the longer-term interests of the Company and its shareholders. An amount equal to the applicable tax liability for the allotted ordinary shares shall not be paid by way of allotment of ordinary shares and instead shall be paid in cash to fund the tax liability.

The rationale for the Remuneration Committee and the Board's proposed increase in the remuneration of Prof. Frenkel as Chair of the Board is set out below.

Firstly, the Remuneration Committee has taken into account Prof. Frenkel's over 40 years of experience in global economics and in leading and advising major multi-national financial organisations and high-profile public sector institutions. In particular, he has significant, long-standing experience in the US financial, futures and capital markets, with a long track record of engaging with regulators and major government agencies and institutions in the US and around the world. His detailed biography can be found in the Company's 2022 Annual Report, which is available on the Company's website.

Secondly, the Group is already benefiting from leveraging his substantial and established global relationship network.

Thirdly, Prof. Frenkel is spending an additional amount of time and attention in his role as Chair of the Board of Plus500, which has further increased during the course of FY 2022 and is expected to further increase in FY 2023, has been necessitated by the increasingly international nature of the business, in particular to accommodate a number of new global subsidiaries and business units, given the Group has grown significantly over the last 18 months. This time and resource commitment from Prof. Frenkel is expected to increase even further, as the Group continues to grow and diversify in the future.

With these factors in mind, and given his significant leadership and contribution to Board meetings already in evidence since his appointment, Prof. Frenkel is proving to be a significant asset to the Company in crafting its strategic objectives and advancing the development of its operations.

Subject to approval of Resolution 6, in accordance with Article 42 of the Articles, Prof. Frenkel will be re-appointed as an Independent Non-Executive Director and Chair of the Board, until the next Annual General Meeting of the Company. Shareholders are being asked to approve the annual fees for Prof. Frenkel, subject to his re-election at this meeting and effective 1 January 2023.

**Resolution 18.** Resolution 18 proposes an additional allotment of shares to Prof. Frenkel of USD 145,000 (plus VAT), primarily based on the reasons outlined above relating to Resolution 17.

There are no performance-related elements attached to this proposed share award. The expectation is that Prof. Frenkel will retain and build, whilst Chair of the Board, his shareholding in the Company. The Remuneration Committee and the Board believe that providing the Chair of the Board with this additional allotment of shares ensures further alignment to the longer-term interests of the Company and its shareholders. An amount equal to the applicable tax liability for the allotted ordinary shares shall not be paid by way of allotment of ordinary shares and instead shall be paid in cash to fund the tax liability.

**Resolution 19.** Pursuant to the Companies Law, all public Israeli companies, including companies whose shares are only publicly-listed outside of Israel, such as the Company, are required to adopt a written remuneration policy for their officers and directors, which addresses certain items prescribed by the Companies Law. The adoption, amendment and restatement of the remuneration policy is to be recommended by the Remuneration Committee and approved by the Board and shareholders. The Company's Remuneration Policy was last updated and approved as a whole by the shareholders in May 2021 for the years FY 2021, FY 2022 and FY 2023. Pursuant to the Companies Law the remuneration policy must be re-approved by the shareholders once every three years.

Following its review, the Remuneration Committee reviewed and proposed to adopt a renewed Remuneration Policy for Directors and Officers.

While Plus500 is incorporated in Israel and listed in the UK and is therefore not legally required to comply with the requirements applicable to a company incorporated and listed in UK ("UK Listed Company"), the Remuneration Policy being brought to shareholders for approval has been prepared in the light of the standards for a UK Listed Company, whilst making required adjustments in order to conform to the requirements under the Companies Law and market practices in Israel.

Summarised below are the substantive elements proposed for shareholder approval:

#### ***Incentive quantum and balancing of short term and long-term***

- Total incentive pay is at a level of 500% of Base fees.
- Balancing 50% short and 50% long-term (250% of Base fees each).
- **Annual Bonus structure** - Targets applying to the Performance Related Annual Bonus are reviewed annually, and the Remuneration Committee uses analysts' external market consensus as a basis to the threshold targets. This is the market consensus of various analysts which cover the Company in their views towards the Company's performance in the coming year. The Remuneration Committee believes that using analysts' market consensus as a basis to the threshold target allows for alignment between remuneration paid to Executive Directors and market expectations. Thus, the Remuneration Committee feels comfortable that such independent measures are stretched enough.
- Target performance related to the Annual Bonus requires meaningful improvement on the previous year's outcome, and the financial targets are typically in line with the top end of analysts' consensus forecasts.
- Maximum bonus opportunity of 250% of Base fees.
- Increasing the bonus portion settled in shares to 67% (currently settled in shares is 33% and cash is 67%) which will be deferred by allotment of ordinary shares of the Company entirely at 31 December during the Policy Period. Bonus deferral increased to 67% of bonus paid. This was based on the Company's engagement with shareholders and shareholders advisory bodies' best practice and guidelines.
- Setting financial metrics and clearly defined and measurable non-financial metrics for all incentives.

#### ***Long-term incentive structure (LTIP)***

- 100% of the LTIP award is subject to a post-vesting holding period of two years. This post-vesting portion, which is much greater than the portion approved in the Company's current remuneration policy, was adopted as a result of implementing feedback and requests from shareholder advisory bodies
- Maximum LTIP opportunity of 250% of Base fees during the Policy Period.
- Threshold vesting at 25% of maximum (50% target performance of maximum bonus).

- Setting financial metrics and clearly defined and measurable non-financial metrics for all incentives.

### **Shareholding requirements**

- Retaining the in-service 200% of salary or base service fees shareholding requirement and ensuring that holding periods for both annual bonus shares and LTIP awards continue post-contractual agreement for a period of one year. The Remuneration Committee will keep this under review with the intention of potentially increasing the post cessation holding period to two years after engagement has ended.
- Providing that the in-service shareholding requirement should be achieved within 5 years of the later of appointment and the approval of the new policy.

### **Change of control**

A change of control performance will be tested and awards will be pro-rated for service, to the date of change of control with the Board having discretion to reduce the pro-rating, including to zero.

### **Israeli mandatory legal requirements**

- Inclusion of separate remuneration packages for Non-Executive Directors, in accordance with mandatory Companies Law and regulations provisions requiring, inter alia, a unified pay for all external and "Israeli independent" directors (other than directors with accounting and financial expertise, which may be paid higher) and limiting payment components which may not be provided to such Non-Executive Directors.
- Conforming other provisions of the Remuneration Policy to Companies Law requirements (e.g., the ratio between executives' pay and the average and median pay of Plus500's workforce).

The Board approved, following the recommendation of the Remuneration Committee, the Company's new Remuneration Policy for Directors and Executives and recommended that such new Remuneration Policy be adopted by the shareholders at the AGM.

A copy of the new Remuneration Policy for Directors and Executives of the Company is attached hereto as Annex A.

### **Policy matters to be addressed as part of the next Remuneration Policy review**

The Remuneration Committee and the Board believe that adoption of the Remuneration Policy is for the benefit of the Company and its shareholders and that the proposed Remuneration Policy provides an appropriate balance between the standards for a UK Listed Company and the requirements under the Companies Law and market practices in Israel.

**Resolution 20 and 21.** In accordance with the recommendation of the Remuneration Committee and the Board, Resolutions 20 and 21 propose to adopt remuneration terms for Mr David Zruia, the Company's Chief Executive Officer and an Executive Director, and Mr Elad Even-Chen, the Company's Chief Financial Officer and an Executive Director.

- 1) The Remuneration Committee and the Board have reviewed the remuneration terms of Mr Zruia and Mr Even-Chen, in consultation with a dedicated external remuneration advisers' firm, Pearl Meyer, and approved and recommended the proposed remuneration terms. In making its recommendation, the Remuneration Committee considered several factors, including comparable industry data, remuneration data of executive directors of other companies where Plus500 compete for talent, including FTSE companies, as well as companies listed in the UK, Israel or the US of a similar market capitalisation, data of peer companies in the Company's industry, market norms in the technology industry in Israel where the Company's Executive Directors reside, the responsibilities and duties performed by each of Mr Zruia and Mr Even-Chen and their substantial contribution to the Company's significant international growth in their executive roles, as well as certain other factors prescribed by the Companies Law, and the Company's Remuneration Policy for Directors and Executives. Furthermore, both Executives have expended an additional amount of time and attention in leading the business in achieving its strategic goals. This additional time commitments and attention have further increased during the course of FY 2022 and in the year-to-date FY 2023, which has been necessitated by the increasingly international nature of the business, in particular to accommodate a number of new global subsidiaries and business units, given the Group has grown significantly over the last 18 months. The growth and diversification of the business, and the consequent complexity of its operations, is expected to continue going forward. Therefore, it is anticipated that the Executive Directors will be committing even more time and resources in leading the business on its growth journey in the future.

- 2) In accordance with the Companies Law, the remuneration of an Executive Director (such as Mr Zruia and Mr Even-Chen) requires the approval of the Remuneration Committee, the Board and the Company's shareholders. The Remuneration Committee and the Board have approved, and recommended that the Company's shareholders approve, the remuneration terms for Mr Zruia and Mr Even-Chen as detailed in Resolutions 20 and 21.
- 3) The proposed remuneration terms are comprised of employment/service contract fees (as applicable), an annual 2024 bonus settled in deferral shares (67%) and cash (33%) and the grant of a 2024 LTIP award with a 100% proportion of any equity vesting being subject to a post-vesting holding period of two years.

### **Employment / Service Contract Fees**

- 1) The Executive Directors have out-delivered against the strategic roadmap which they developed together with the Board at the beginning of the period of the current Remuneration Policy. With the average salary within the Israeli tech companies increasing during that period by 20% and the salary increase of Plus500 Ltd. employees during that period increasing by approximately 40%. the Board proposes a moderate increase to Base fees which reflects an increase of 5% per annum in respect to FY 2021 – FY 2023, following three years of no increases to the executive remuneration package, and the increasingly international market in which they operate.

Accordingly, the employment agreement of Mr Zruia and the service contract fees Mr Even-Chen are proposed to increase and be set at USD 750,000 (plus VAT, as applicable) per annum, effective as of 1 January 2024.

- 2) The CEO's salary was set to be closer to that of Chief Executive Officers in international companies of a similar size and complexity and the remuneration proposals set out below take this into account.
- 3) The CFO's role and responsibilities at Plus500 have always been significantly more than those of a traditional CFO with his role more akin to a Deputy CEO, in particular given the responsibilities for leading and managing the Business Development activity for the Group. This includes leading the Group's expansion into new jurisdictions either through acquisitions or organic activities and having additional product offering, as was recently demonstrated by the acquisitions in Japan and US which enabled Plus500 to enter new geographies and the futures market in the US. For this reason, both the CEO and CFO have historically been paid the same incentive opportunities.
- 4) The CEO's and CFO's package on a total target basis is between the lower quartile and median for companies of a similar size listed on the LSE by market capitalisation.

### **Annual Bonus**

Each of David Zruia and Elad Even-Chen shall be entitled to an annual bonus for each FY during the Policy Period as determined by the Remuneration Committee, with an aggregate value of up to 250 per cent. of the employment/service contract fees USD 1,875,000 (plus VAT, as applicable). This is subject to performance measures and targets which include a balance of financial and non-financial measures aligned with the Company's key strategic priorities:

- stretching financial targets to deliver growth and expand the Group's business globally. Financial targets are approved by the Board through a rigorous process taking consideration of market conditions, competitor practices and forecasts;
- aligning with the interests of shareholders;
- creating and maintaining positive experience and outcomes for our customers;
- creating an inclusive and engaging culture that supports the Company's diversity and inclusion objectives to provide equality of opportunity for all who apply for and perform work for the Company;
- adhering to a robust risk management policy and risk appetite limits; and
- aligning with the long-term sustainable success of the Company and value creation for shareholders.

Additional information on these KPIs is provided as follows:

- (a) Financial KPIs: 60 per cent., divided as follows: (i) 40 per cent. (USD 750,000) payable subject to achievement of EPS targets set by the Remuneration Committee and calculated on a linear basis with 0% payment for threshold performance, and 50% of maximum payment for target performance and (ii) 20 per cent. (USD 375,000) payable subject to achievement of revenue



targets set by the Remuneration Committee and calculated on a linear basis with 0% payment for threshold performance and 50% of maximum payment for target performance (with targets and performance against them to be retrospectively disclosed within the annual audited accounts in the Remuneration Report). The Remuneration Committee adopted the thresholds measure for the Remuneration Policy period.

- (b) Non-Financial KPIs: 40 per cent. (USD 750,000) payable subject to achievement of nonfinancial KPIs: operational targets, as set by the Remuneration Committee according to best practices of fintech companies within the scale and size of the Company. The operational targets are based as one-third equally on Customers and Systems, Operations and Risk & Regulation and will be retrospectively disclosed within the annual audited accounts. Such targets may be related, inter alia, to system availability, customer satisfaction and operational extensions of the Company's technologies. The Remuneration Committee assess the performance of the Company and the individuals by reference to a scorecard, which include a combination of the strategic and operational measures, as set by the Remuneration committee.

The KPIs for the annual bonus remain commercially sensitive at this time and/or contain or are based upon data that is not otherwise included in the Company's market guidance (such as the Group's expected profitability), and therefore will be retrospectively disclosed within the annual audited accounts and Remuneration Report.

- 1) One-third of the actual entitlement to the 2024 annual bonus shall be paid in cash following the approval and release of the preliminary 2024 consolidated financial results.
- 2) Two-third of the actual entitlement to the 2024 annual bonus shall be paid by way of allotment of ordinary shares of the Company on 31 December 2024. The number of ordinary shares allotted shall be calculated based on the ordinary share price at the beginning of the bonus year (i.e., 1 January 2024), as adjusted for shareholder returns (with any amounts adjusted payable in shares). On the Vesting Date, an amount equal to the applicable tax liability for the allotted ordinary shares shall not be paid by way of allotment of ordinary shares and instead shall be paid in cash to fund the tax liability associated with the ordinary shares. The First third portion of the ordinary shares allotted on 31 December 2024 shall be subject to a lockup period of one year beginning on 31 December 2024, the Second third portion shall be subject to a lock-up period of two years beginning on 31 December 2024 and the Third portion shall be subject to a lock-up period of three years beginning on 31 December 2024.
- 3) The above will apply *mutatis mutandis* in respect of each year during the Policy Period.
- 4) The lock-up period of the allotted ordinary shares ceases to apply on a change of control.

#### **Long Term Incentive Plan (LTIP)**

- 1) On the third anniversary of the LTIP award (or, if such date falls within a closed period, the first trading day thereafter that does not fall within a closed period) (the "Vesting Date"), and subject to Mr Zruia's or Even-Chen's, as applicable, continued engagement by the Company through the Vesting Date, the Company shall allot to each of Mr Zruia and Even-Chen, as applicable, ordinary shares with an aggregate value of up to 250 per cent. Of the employment/service contract fee – USD 1,875,000 (plus VAT, as applicable), subject to achieving the following KPIs:
  - (a) TSR KPI: 30 per cent. of the total award (USD 562,500) subject to achieving the three-year TSR target set by the Remuneration Committee and calculated on a linear basis.
    - i. 20 per cent. of the total award. 25 per cent. of this part of the award is payable upon achievement of median TSR for a bespoke group and 100 per cent. payable upon achievement of median TSR for a bespoke group plus 10 per cent per annum; and
    - ii. 10 per cent. of the total award. 25 per cent. of this part of the award is payable upon achievement of median TSR for the FTSE 250 and 100 per cent. payable upon achievement of upper quartile TSR for the FTSE 250.
  - (b) EPS KPI: 30 per cent. of the total award (USD 562,500) subject to achieving EPS targets set by the Remuneration Committee and calculated on a linear basis.
  - (c) Strategic and operational KPI: 40 per cent., divided as follows: (i) 20 per cent. (USD 375,000) subject to achieving strategic objectives, such as growth of the business through M&A, launch and development of new products, entry to new markets, receipt of new licenses, and expansion of the Company's business offering, HR objectives and (ii) 20 per cent. (USD 375,000) subject to achieving operational objectives, customer growth and people objectives, as set by the Remuneration Committee. The Remuneration Committee assess the performance of the

Company and the individuals by reference to a scorecard, which include a combination of the strategic and operational measures, as set by the Remuneration Committee.

- 2) The exact KPIs for the LTIP strategic and operational metrics remain commercially sensitive at this time and/or contain or are based upon data that is not otherwise included in the Company's market guidance (such as the Group's expected profitability), and therefore will be retrospectively disclosed within the annual audited accounts in the Remuneration Report with performance against them during the Policy Period. The TSR bespoke group companies are also considered to be commercially sensitive and will be retrospectively disclosed with performance against the targets in the annual audited accounts in the Remuneration Report with performance against them during the Policy Period.
- 3) The number of ordinary shares allotted on the Vesting Date shall be calculated based on the ordinary share price on 1 January during the Policy Period, as adjusted for shareholder returns (with any amounts adjusted payable in shares). On the Vesting Date, an amount equal to the applicable tax liability for the allotted ordinary shares shall not be paid by way of allotment of ordinary shares and instead shall be paid in cash to fund the tax liability associated with the ordinary shares.
- 4) 100% of the ordinary shares allotted on the Vesting Date shall be subject to a two-year lock-up beginning on the Vesting Date and ending on the fifth anniversary of the date of the Annual General Meeting (or, if such date falls within a closed period as defined in the UK Market Abuse Regulation, the first trading day thereafter that does not fall within a closed period).
- 5) Upon change of control, performance will be tested and awards will be pro-rated for service to the date of change of control with the Board having the discretion to reduce the pro-rating, including to zero.
- 6) The lock-up period of the allotted ordinary shares ceases to apply upon change of control.

#### **Clawback and Malus Provisions**

The Executives remuneration packages are subject to clawback and malus provisions authorizing the Remuneration Committee to reduce any payout due (including, for the avoidance of doubt, to nil) in the event (i) of discovery of a material misstatement in the audited consolidated accounts of the Company (which include the Company's subsidiaries) resulting in a restatement of such accounts; and/or (ii) it is determined that the assessment of the payout was based on error, or inaccurate or misleading information; and/or; (iii) action or conduct of a participant which, in the reasonable opinion of the Remuneration Committee, amounts to fraud or material dishonesty or leads to employment termination for serious misconduct; and/or (iv) the Company or a subsidiary of the Company suffers a material failure of risk management, provided that the participant's fraud or material dishonesty or gross negligence significantly contributed to such material failure of risk management. In any such event, the Remuneration Committee may also (i) require the participant to pay to the Company an amount equal to some or all of the payout; and/or (ii) reduce the amount of any future bonus payable to the participant; and/or (iii) reduce or cancel any awards under any other Company equity or cash incentive plan, that have not yet been satisfied.

#### **Other Matters**

- 1) Given the importance of EPS as a measure of business profitability, the metric is included in both the annual bonus and LTIP measuring performance over both the short and long term. The Remuneration Committee is comfortable that the same performance is not being measured and rewarded twice, because EPS is being measured over both the short and long term. The Remuneration Committee will keep this matter under review as it considers the operation of policy in subsequent years.
- 2) In the event of termination of the employment or service contracts due to death or disability (as defined in the employment/service contracts) of an Executive Director, the payment and vesting dates and the lock-up periods of any outstanding awards held by such Executive Director (or, as applicable, his estate) at such time shall be fully accelerated, in accordance with the terms of the Executive Directors' employment agreement or service contracts.
- 3) The consulting services of Elad Even-Chen are provided to the Company through Elad Even-Chen Consulting Services Ltd. ("Even-Chen"), pursuant to the service contract entered into by the parties. Elad Even-Chen Consulting Services Ltd. is also entitled to participate in a bonus, LTIP schemes and other contractual related expenses on terms decided by the Remuneration Committee for specific projects provided by the consultant.

- 4) The Company and the Executive Director may decide to terminate the employment or services relationship, with advance notice of 12 months, during which period all employment and service contract terms continue to apply, including the vesting of any outstanding awards where the vesting date occurs during the notice period (regardless of whether the Company elects to shorten such notice period by payment in lieu of notice in lump sum), unless the Executive Director is terminated for cause, in accordance with the terms of the Executive Directors' service contracts.
- 5) The Remuneration Committee and the Board believe that it is in the best interest of the Company to allocate a significant portion of the annual remuneration of the Executive Directors as annual and long-term variable compensation.
- 6) Shareholders are being asked to approve the proposed remuneration terms for Mr Zruia and Even-Chen as detailed in Resolutions 20 and 21. The proposed remuneration terms of the two Executive Directors are identical.
- 7) During the remuneration policy years FY 2024 to FY 2026, all amounts will be subject to inflation adjustments to take place on an annual basis.
- 8) Inflationary Rate – represents the accumulative inflation rate in Israel for the years FY 2021, FY 2022 and FY 2023.
- 9) The USD amounts would be translated to NIS with the exchange rate of 3.7.
- 10) All amounts within the AGM Notice are presented in USD.
- 11) The total expected dilution as a result of all equity grants under the long term incentive program of the Company during FY 2024 - FY 2026 to all of the executives in the Company (including the Executive and Non-Executive Directors) is expected to be lower than 1%. This represents a materially lower quantum than the average level of dilution from long term incentive programs in peer companies in the Israeli tech industry who compete with the Company over talent.

**Resolution 22.** For UK incorporated companies, there are requirements in relation to the content and approval of the directors' remuneration report. As an Israeli incorporated company, Plus500 is not subject to these requirements but the Board considers that shareholders would expect the Company to voluntarily mirror the requirements of UK legislation applicable to a premium listed main market company so far as is practicable. The Board is happy to do so as the Directors consider that the requirements facilitate good corporate governance and therefore the 2022 Directors' Remuneration Report will be put to an advisory shareholder vote by ordinary resolution. Whilst this does not impact the legal approval of remuneration in Israel, the outcome of the vote will be taken under advisement by the Board.

#### Notes:

1. Holders of depositary interests in respect of ordinary shares ("DI holder") may only appoint Link Market Services Trustees Limited (the "Depository") as their proxy.
2. If you do not have a Form of Proxy or Form of Direction and believe that you should have one, or if you require additional forms, please contact Link Group Limited at +44 (0) 371 664 0391. All forms must be signed and should be returned together in the same envelope. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Telephone hours are between 9.00 a.m. – 5.30 p.m. (UK time), Monday to Friday excluding public holidays in England and Wales.
3. To be valid, any Form of Proxy or other instrument appointing a proxy and any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must be received by post or (during normal business hours only) by hand at (i) Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL or (ii) Plus500, Investor Relations, Matam, Building 25, Haifa 3190500, Israel (or by email to [ir@plus500.com](mailto:ir@plus500.com)), by no later than 10:00 a.m. (UK time) on 27 April 2023.
4. In the case of DI holders, a Form of Direction must be completed in order to instruct the Depository whose registered office is at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL to vote on the holder's behalf at the meeting. To be effective, a completed and signed Form of Direction must be deposited at Link Group Limited no later than 10:00 a.m. (UK time) on 26 April 2023.
5. The return of a completed Form of Proxy, Form of Direction, or other such instrument or any CREST Proxy Instruction (as described in paragraph 12 below) will not prevent a shareholder or DI holder from attending, asking questions or voting at the Annual General Meeting.

6. If your shares are held with a nominee (as a Depository Interest holder) and you wish to attend the AGM in person, you will need to contact your nominee immediately via [nominee.enquiries@linkgroup.co.uk](mailto:nominee.enquiries@linkgroup.co.uk). Your nominee will need to have completed a letter of representation and presented this to Link Group, our registrar, no later than 26 April 2023.
7. Pursuant to the Companies Law, to be entitled to attend and to vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of the Company at close of business on 28 March 2023. Changes to the Company's register after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
8. The quorum for the Annual General Meeting shall be two or more shareholders present either in person, or by proxy and holding shares conferring in the aggregate 25 per cent of the voting power of the Company. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the same day in the next week, at the same time, or to such day and at such time as the Chair may determine. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. If a quorum as referred to in above is not present at the second meeting within half an hour from the time appointed for the adjourned meeting, the quorum shall be reduced to one or more shareholders present in person or by proxy holding shares conferring any voting power of the Company.
9. Any shareholder attending the Annual General Meeting is entitled pursuant to the Companies Law to ask any question before (by emailing [ir@plus500.com](mailto:ir@plus500.com)), or during the meeting, relating to the business being dealt with at the meeting. The Company will answer any such questions unless (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on a website in the form of any answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. As at 21 March 2023 (being the last practicable date prior to any publication of this Notice), the Company's issued share capital consisted of 114,888,377 ordinary shares carrying one vote each (including 23,157,325 ordinary shares held by the Company in treasury which do not carry any voting rights). The total voting rights in the Company as at 21 March 2023 were, therefore, 91,731,052.
11. The Board recommends that shareholders vote in favour of all items in the Notice.
12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
13. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent ID (RA10) by 10.00 a.m. (UK time) on 26 April 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
14. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider), to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

15. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
16. The proposals set out in each of Resolutions 9 through 11 require the affirmative vote of the holders of 75 per cent. of the voting power represented and voting on the relevant Resolution in person or by proxy or by a written Form of Proxy or Form of Direction.
17. Copies of the service contracts of the Executive Directors and the letters of appointment (and other related documents) of the Non-Executive Directors, which are available for inspection during normal business hours at the registered office of the Company and at the offices of Bryan Cave Leighton Paisner LLP, Governor's House, 5 Laurence Pountney Hill, London EC4R 0BR, on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the AGM for at least 15 minutes prior to and during the AGM.
18. Under the Companies Law, the approval of each proposed Resolution requires the affirmative vote of the holders of a majority of the voting power represented and voting on the Resolution in person or by proxy or by a written Form of Proxy or Form of Direction, provided that, with respect to Resolutions 19 and 20, (i) such majority includes at least a majority of the shares voted at the Meeting by holders who are not Controlling Shareholders (as defined below) and do not have a Personal Interest (as defined below) in the approval of the Resolution (except for a Personal Interest that does not result from such holder's relations with the Controlling Shareholder), disregarding abstentions; or (ii) the total number of shares voted against the approval of the Resolution by holders referred to in sub-section (i) does not exceed two percent (2%) of the total voting rights in the Company.

For this purpose, you are asked to indicate in the Form of Proxy or Form of Direction whether you are a controlling shareholder or have a personal interest in Resolutions 19 and 20. Failure to advise or indicate as described above will require the Company to assume that such holder has a Personal Interest in the approval of the relevant Resolution. The Company may not assume that a holder who signs and returns a Form of Proxy or Form of Direction without a specific indication as to the lack of Personal Interest of such holder, has no Personal Interest with respect to the relevant Resolution.

Pursuant to the Companies Law, "Personal Interest" means a shareholder's personal interest in an act or a transaction of a company, including the personal interest of his or her spouse, brother or sister, parent, grandparent, descendant, such persons spouse's descendant, brother, sister or parent, or the spouse of any of the above ("Relative") or of an entity in which such shareholder or his or her Relative (i) holds five percent (5%) or more of an entity's issued share capital or voting rights; (ii) has the right to appoint a director to an entity's board of directors or the chief executive officer thereof; or (iii) is a member of an entity's board of directors or serves as the chief executive officer thereof. Personal Interest excludes a personal interest arising solely from holding a company's shares and includes a Personal Interest of any person voting pursuant to a proxy provided to him or her by another person with respect to the proposal, even if the person providing the proxy does not have a Personal Interest. The vote of a person who is voting by a proxy provided to him or her on behalf of another who has a Personal Interest will also be seen as a vote of a person with a Personal Interest, whether the discretion to vote is in the hands of the voter or not.

"Controlling Shareholder" means, for purposes of Resolution 19 and 20, any shareholder who has the ability to direct the Company's activity, including any shareholder holding 50% or more of the "means of control" of the Company. "Means of control" is defined under Israeli law as any one of the following: (i) the right to vote at a general meeting of the Company, or (ii) the right to appoint directors of the Company or its chief executive officer.

