

CIRCULAR TO SHAREHOLDERS

This Circular to Shareholders ('Circular') is being issued by Loqus Holdings p.l.c., a public limited liability company bearing Maltese company registration number C27140 and having its registered office at SUB 008A, San Gwann Industrial Estate, San Gwann, SGN 3000, Malta (the 'Company'), pursuant to Chapter 6 of the Listing Rules of the Listing Authority. The Company's Annual General Meeting ('AGM') will be held at the Sir Agostino Portelli Hall, The Malta Chamber of Commerce, The Exchange Buildings, Republic Street, Valletta on the 28th January 2025 at 10.00 hours. This Circular is being sent to all shareholders entitled to participate in and vote at the forthcoming AGM so as to enable them to understand better the nature of the special business ordinary resolution that is to be considered at the AGM and to provide the necessary information about the resolutions to assist shareholders to make informed decision.

This Circular is important and requires the immediate attention of all shareholders who shall be required to participate in and vote at the AGM. Shareholders are advised that they should consider consulting an appropriate independent professional advisor should they be in doubt as to the import of this document and/or any action required of them. This Circular is to be considered as complementary to the Notice to Shareholders and should be read in conjunction with the same. Where any or all of the shares held by a recipient of this Circular have been sold or transferred, this Circular, the Notice to Shareholders and all other relevant documentation, or copies thereof, should be immediately passed on to the person through whom the sale or transfer was effected for onward transmission to the purchaser or transferee of the shares.

INTRODUCTION

As indicated in the Notice to Shareholders, apart from the three (3) ordinary resolutions concerning ordinary business to be considered at the forthcoming AGM, and a resolution requiring an advisory vote, the Company's shareholders are being requested to also consider, and if deemed fit, approve another resolution constituting special business. This resolution relates to the approval by the Company of a Remuneration Policy for Directors (which also includes the Chief Executive Officer ('CEO')). Further explanation is provided hereunder.

SPECIAL BUSINESS - ORDINARY RESOLUTION: REMUNERATION POLICY FOR DIRECTORS

The proposed resolution is as follows:

"that the remuneration policy recommended by the directors and set out in the document attached to this notice and explained in a shareholders' circular, be and is hereby approved."

In accordance with the provisions in Chapter 12 of the Capital Markets Rules transposing the relevant provisions of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (the 'Shareholder Rights Directive II'), the Company has in place a remuneration policy with respect to its Directors and the Chief Executive Officer ('CEO'), which policy contributes to the Company's business strategy and long-term interests, success and sustainability. The current remuneration policy was approved by the Shareholders at the AGM held on 14th January 2021.

This requirement seeks to grant shareholders the opportunity to express their views on the remuneration policy given the fundamental role of Directors and Chief Executive Officer in companies, thereby further increasing corporate transparency and accountability.

The Company is required to submit the remuneration policy (hereinafter the 'Remuneration Policy for Directors'), to the shareholders at an AGM at least every four years.

Shareholders have the right to vote on the approval of this Remuneration Policy for Directors, which vote shall be binding. Should the policy be approved, the effective date shall be deemed to be the date of approval by the AGM, following which, any remuneration shall be paid only in accordance with the approved policy. Should approval be forthcoming, this proposed policy would remain in force for the next four years. The document will be reviewed regularly and will remain effective for a period of four years, unless in the case of material changes it is brought earlier before the General Meeting for shareholder approval.

The Remuneration Policy for Directors is being attached to this Circular as Appendix 1.

LIST OF INCUMBENT DIRECTORS

The Directors of the Company as at the date of this Circular to Shareholders are the following:

Walter Bonnici, Joseph Fenech Conti, Anthony Demajo, Lawrence Zammit, Joseph Roland Scerri, Joannie Grima, Reuben Attard and Ian Fenech Conti.

DECLARATION BY DIRECTORS

Walter Bonnici, Joseph Fenech Conti, Anthony Demajo, Lawrence Zammit, Joseph Roland Scerri, Joannie Grima, Reuben Attard and Ian Fenech Conti being Directors of the Company, accept responsibility for the information contained in this Circular. To the best knowledge and belief of the Directors, all reasonable care has been taken to ensure that such is the case and that the information contained in this Circular is in accordance with the facts and does not omit anything which is likely to affect the import of such information.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or certified copies thereof, will be available for inspection at the Company's registered office at SUB 008A, San Gwann Industrial Estate, San Gwann, SGN 3000, Malta, for at least fourteen (14) days from the date of publication of this Circular:

- (a) The Company's current Memorandum and Articles of Association; and
- (b) The Company's last Annual Financial Report for the year ended 30 June 2024; and
- (c) The Company's last Half-Yearly Financial Report for the period ended 31st December 2023.

DIRECTORS' RECOMMENDATION

To the best of their knowledge and belief and to the extent of the circumstances and facts known to them, the Directors express the view that the above proposed resolution is in the best interest of the Company and of its shareholders. Therefore, the Board recommends that the shareholders vote in favour of the resolution at the forthcoming AGM.

Approved and issued by Loqus Holdings plc, SUB 008A, San Gwann Industrial Estate, San Gwann, SGN 3000, Malta.

30th December 2024

Appendix 1- Remuneration Policy

1. INTRODUCTION

- 1.1 Following the transposition of the EU Shareholder Rights Directive II¹ into the Listing Rules in July 2019, which, among other objectives, seeks to enhance shareholder engagement and encourage listed entities to adopt a long-term and sustainable view in the conduct of their affairs, the Company is setting out below its remuneration policy (the “Remuneration Policy”) in confirming with the principles of the relevant Listing Rules.

2. SCOPE

- 2.1. This policy determines the basis for remuneration of all members of the board of directors, and the Chief Executive Officer (“CEO”) of the Company. For the purposes of the Remuneration Policy, the term “Director” means any member of the Board of Directors including both Executive Directors and Non-Executive Directors, and the term “Executives” means, Directors of the board who are also executives of the Company.
- 2.2. The Remuneration Policy of the Company is intended to provide an over-arching framework that establishes the principles and parameters to be applied in determining the remuneration to be paid to the Directors and Executives.
- 2.3. The Remuneration Policy is also intended to demonstrate how the remuneration that may be paid to Directors and Executives contributes to the development and attainment of the Company’s corporate strategy and its long-term interests and sustainability.

3. REMUNERATION PRINCIPLES

- 3.1. The Company’s remuneration principles which provide the basis for the remuneration policy of Executive Directors and Executives, are as follows:
- a. to provide a strong alignment between the achievement of strategic objectives and the delivery of value to shareholders;
 - b. to deliver annual rewards if and when determined that they are justified; and
 - c. to offer competitive and fair rates of pay and benefits to attract and retain individuals which are best suited for the role.
- 3.2. The Company’s remuneration principles which provide the basis for the remuneration policy of Directors, are as follows:
- a. to set a remuneration by reference to the time Directors are expected to dedicate, annually, to the affairs of Loqus Group and to the responsibilities pertinent to their role;

¹ (EU) Directive 2017/828 of the European Parliament and of the Council of 17 May 2017, amending Directive 2007/36/EC, as regards the encouragement of long-term shareholder engagement.

- b. to offer a remuneration package which is commensurate to the professional status and experience of the individuals concerned and with market conditions; is designed to attain transparency on the time input that the Directors are expected to dedicate annually to the Loqus Group; which adequately reflects the legal responsibilities incumbent on the post of director of a publicly listed company, and creates a basis upon which to determine future revisions should directors be required to dedicate more time to the Group's affairs.

4. REMUNERATION – GENERAL

- 4.1 The maximum aggregate yearly emoluments of all Directors are determined by the Company in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments is proposed, shall contain a reference to such fact. The Board of Directors shall not be obliged to seek approval of the maximum aggregate yearly emoluments of all Directors save where this is added as an item on the agenda of the Company's annual general meeting upon the request of shareholders holding the necessary authority or upon the initiative of the Board itself, or where it is proposed to increase the maximum aggregate yearly emoluments of all Directors beyond the maximum amount last approved by the Company in the general meeting.
- 4.2 This Remuneration Policy is intended to determine, inter alia, the principles upon which those aggregate emoluments are distributed amongst the Directors, whether in full or in part but in any case not in excess of the maximum referred to in section 4.1 above.
- 4.3 The Board of Directors considers that, in view of the management and operational set-up of Loqus Group, a combination of fixed form of remuneration and discretionary annual bonus constitute a suitable basis of remuneration for the Executives, whereas a fixed form of remuneration is best suited to the Non-Executive Directors.

5. FIXED REMUNERATION

Fixed remuneration component

- 5.1 The remuneration payable to Directors and Executives shall consist in part, or entirely in the case of the Non-Executive Directors, of a fixed remuneration. The remuneration of Directors and Executives does not include any right to purchase shares in the Company by virtue of share options, or any other deferred compensation or pension benefits or benefits payable upon termination of the Directors' or Executives' employment and other payments linked to early termination.
- 5.2 In addition to their fixed remuneration, Directors who are also appointed to chair, or to sit as members of, one or more of the committees of the Company, or who are asked to serve as directors and, or chair of the board of subsidiaries of the Company, may be entitled to receive additional compensation, as shall be determined by the Board of Directors from time to time, provided that such additional remuneration shall form part of the aggregate emoluments of Directors as approved by the general meeting of the Company. The basis upon which such additional remuneration is paid shall take into account the skills, competencies, and technical knowledge that members of such committees require and the respective functions, duties and responsibilities attaching to membership of such committees.

- 5.3 By way of non-cash remuneration, CEO is permitted the use of a Company vehicle. No other non-cash remuneration is payable to the CEO, or to the Non-Executive Directors.
- 5.4 In determining the fixed remuneration component payable to Directors and Executives, for their role as board members, the following key factors, among others, are taken into consideration:
- I. the minimum amount of working hours that individuals are expected to dedicate to their functions, duties and responsibilities, including express expectations that such individuals are expected to be fully dedicated to their position and to duly discharge their functions and responsibilities outside normal working hours, including, where applicable, weekends and public holidays;
 - II. the level of competencies, knowledge, skills, abilities, experience and expertise enjoyed by such individuals;
 - III. the level of responsibility attached to their position and the multiplicity of roles or involvements in the Company and other companies forming part of the Group, including involvements in any standing or ad-hoc sub-committees of the Company;
 - IV. any restrictions on secondary employment and involvements in other business activities or other activities, which restrictions are intended to ensure that such individuals are able to devote the required time, attention and dedication towards their position, and to maximise the contribution of such individuals towards to the growth and development of the Company and other companies forming part of the Group;
 - V. the longevity of the individual's position with the Company, and the individual's contribution to the growth and success of the Company and other companies forming part of the Group and, or the individual's role in the successful promotion of the Company's reputation, or that of other companies forming part of the Group, and, or financial performance and position of the Company and other companies forming part of the Group; and
 - VI. remuneration practices, company employment conditions and remuneration rates adopted by companies operating in the same industry sectors, and of like standing, reputation, size and complexity.
- 5.5 The remuneration of the CEO and Directors is reviewed annually by the Company's Remuneration Committee (the "Committee"), to ensure that the said remuneration remains commensurate with the performance of the individuals concerned and in line with the market.

6. VARIABLE REMUNERATION

- 6.1 The remuneration payable to the Executive Directors may, in addition to the fixed remuneration component specified in section 5 above, consist in part of a variable remuneration component, in the form of a discretionary variable annual bonus based on performance. Annual bonuses payable to the CEO is subject to review and approval by the Committee. The variable remuneration to the Executive Directors is determined and approved by the CEO.

In making a determination on the amount of bonus payable, if any, the following factors would be taken into consideration:

- a. the performance of the Company in the financial year;
 - b. the performance and contribution of the individual in the financial year;
 - c. the level of responsibility attached to the individual's position; and
 - d. the considerations set out in section 5.4 above.
- 6.2 There are no deferral periods or the possibility of the Company reclaiming variable remuneration.
- 6.3 The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings in connection with the business of the Company.
- 6.4 The Company is party to written engagement contracts with its Directors and Executives, which contracts clearly set out the respective role, responsibilities, duties and applicable remuneration of such Director / Executive. The term of office of Directors is regulated by the Articles of Association of the Company.
- 6.5 The policy of the Company is not to grant Directors any entitlement to termination payments and other payments linked to early termination.