



Sales Personnel Remuneration Policy

Fusion Markets International Ltd

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Definitions

“Company” means Fusion Markets International Ltd. **“FCPA 2022”** means the Financial Consumer Protection Act 2022 as amended from time to time. **“FSA”** means the Financial Services Authority in Seychelles. **“Fixed Remuneration”** means the remuneration, which is fixed and does not vary from month to month
it is received on a continuous basis at a specific stable frequency. (i.e. monthly)

“Remuneration” means all forms of payments or benefits provided directly or indirectly by the Company
to sale personnel.

“Sales Personnel” or “Sales Person” means any staff, management, agent or third-party service provider
of the company engaged in the process of selling the Company’s products and services to clients.
“Variable Remuneration” means the remuneration, which is paid in addition to the fixed remuneration,
and it is directly related to the performance of the sales person in question.

1. *About Fusion Markets International Ltd.*

Fusion Markets International Ltd. is a Company incorporated and registered under the laws of Seychelles with Company number 8429725-1. The Company is licensed and regulated as a securities dealer by the Financial Services Authority under license number SD096.

2. *Applicable Regulatory Framework and Purpose of this policy*

The formulation and adoption of this Policy is required under section 34(1) of the Financial Consumer Protection Act of 2022. The FCPA 2022 came into force with the aim of strengthening consumer protection and confidence when accessing financial services and products in Seychelles.

The policy's purpose is to establish a uniform approach with regards to sales personnel remuneration, while protecting the interests of financial consumers serviced by the Company.

The establishment of a uniform approach with regards to sales personnel remuneration policy is expected to increase transparency in the overall remuneration process, to motivate sales personnel and provide the incentives required for the achievement of the Company's objectives. Further to this, the Company's board of directors expects that the existence of this policy will increase productivity while developing healthy competition between sales personnel.

3. *Scope and Applicability of this Policy*

This Policy applies to those categories of employees whose day-to-day responsibilities are related to sales and can be considered as sales personnel.

This Policy is being reviewed at least annually by the Board of the Company, and if deemed necessary is being updated accordingly.

4. *Remuneration Principles*

4.1 *General*

The Company's Sales Personnel Remuneration Policy incorporates measures to avoid conflicts of interest, to promote code of conduct requirements, to promote investor protection, and to serve the interests of its clients. It is in line with the Company's business strategy, objectives, values, and long-term interests.

This Policy does not promote risk-taking that might go above the Company's risk appetite threshold and is consistent with strong and efficient risk management practices. The Company's sales personnel are informed up front about the standards that are used to calculate the amount and method of their remuneration.

The Company must implement sufficient controls to verify that the Policy is followed and that the desired results are achieved. Such controls must be put in place across all sales personnel and undergo regular evaluation. Assessing the caliber of the service offered to the client is one of these controls.

In order to avoid potential conduct of business and conflict of interest risks negatively affecting the interests of their clients and to make sure that the Company is managing any associated residual risk, the Company takes into account all relevant factors. Such factors include, but are not limited to, the role performed by the sales personnel, the type of products offered, and the methods of distribution.

4.2 Fixed Remuneration

Fixed remuneration should be regarded as the remuneration which is fixed and is paid at a specific stable frequency. (i.e monthly)

Fixed compensation is set at levels that represent the degree of education, experience, accountability, and responsibility required for a sales person to perform each position or role, and it varies for different sale positions levels depending on each position's actual functional needs.

The Policy also complies with accepted market norms followed by competitors and other market participants. The Company's policy is to offer an attractive fixed salary to its sales personnel in order to assure strong and consistent performance. The Board of Directors has authorized the Company's fixed compensation for all sales personnel. Along with the salary, benefits like medical, indemnity & insurance protection may be given to the company's sales personnel and are regarded as a part of the fixed compensation because they are not performance related.

4.3 Variable Remuneration

It should be clear that the Company does not guarantee sales personnel any variable remuneration. Variable Remuneration should be regarded as the remuneration which is paid in addition to the fixed remuneration, and it's directly related to the performance of the sales person in question.

The Board of the Company is dedicated to recognizing sales personnel individual contribution, through the payment of bonuses and/or commissions, as applicable. That being said, the variable remuneration shall also depend on the overall performance of the Company as a whole, and the portion of such remuneration shall not exceed the annual variable threshold of 60%.

Before the approval of any variable remuneration, the Board considers the current financial environment as well as Company specific factors such as the Company's strategic objectives, liquidity and operational (including capital) risks.

The Company shall not provide incentives to sales personnel that encourage unethical consumer treatment or over-indebtedness.

At all times, the Company sales personnel shall:

- Offer equitable consideration to consumer rights and interests.
- Be fully knowledgeable of the various risks that the Company or its products pose to the financial industry and customers.
- Avoid considering only the sales performance target achievement relevant to specific services or products.

4.4 Other relevant factors

The dominant aim of the Company's Board is to ensure that the total remuneration remains at all times within competitive levels, rewarding sales personnel for their performance while remaining aligned with the Company's strategic objectives.

An important factor when determining sales personnel remuneration is the attainment of balance between the variable and fixed components of a sales person total remuneration. In other words, the two components should be appropriately balanced in a way that the fixed remuneration represents at all times a high proportion of the total remuneration.

The following factors are also being considered when determining the remuneration of a Sales Person:

- The overall financial soundness of the Company
- The current status of the financial environment in which the Company operates.
- The personal development of each particular sales person and his/her adherence with the Company's internal policies.
- The professional conduct of each particular sales person with clients. (i.e. fair treatment, client satisfaction)

4.5 Avoiding Conflicts of Interest in remuneration practices

The Company must ensure that its remuneration system includes measures to avoid conflicts of interests and to ensure compliance with the applicable regulatory framework in order to ensure that clients' interests are not impaired by the remuneration policy and practices of the Company. This policy has been designed in such a way so as not to create incentives that may lead persons to favor their own interests, or the Company's interests, to the potential unethical treatment or over-indebtedness of clients. Examples of bad remuneration practices that seem to create conflicts of interest and are not in line with the conduct of business rules are available at **Appendix 1**.

4.6 Appraisal Procedures

For the promotion of healthy competition between sales personnel, the Company implements a standardized performance appraisal procedure.

The performance appraisal is based on annual performance. In the case of sales personnel employed for more than a year, the Company follows a multiyear approach for the purpose of a long-term assessment which considers the Company's overall business cycle. Specifically, the appraisal procedures take into account the following factors:

1. A review of the sales person performance against his/her personal objectives for the year in question. The personal objectives of sales personnel are set within July of each year, and in case of newly hired sales person during their first employment week.
2. A review of the sales person performance against his/her department and/or team objectives, including the Company's strategic objectives. Each department and the Company as a whole set their objectives within July of each year.
3. Any formal or informal feedback/evaluation offered by the supervisor/manager of the sales person during the year, including any ad hoc feedback provided during the year.

4.7 Review and Monitoring

The Board of Directors are required to review and monitor how the Company's organizational arrangements and internal controls enable it to supervise on an ongoing basis the activities of other parties performing services on behalf of the Company, to ensure that such activities are performed in compliance with the Company's legal obligations. In particular, as part of the remuneration payouts review, the Board of Directors shall ensure that the agreements and procedures in place between the Company, its employees and other service providers, include key performance indicators agreed and regular reporting to the Company about their activities.

The Company must ensure that the Board adopts and periodically reviews the general principles of the remuneration policy and is responsible to overseeing its implementation. Also, it must ensure that the review of the remuneration policy is made at least annually.

5 Record Keeping Procedures

The relevant department of the Company maintains records of information concerning the remuneration of sales personnel. All records are stored on the Company's cloud and are only accessible by the authorized employees of the Company.

All records are kept for a minimum period of 7 years, unless deemed necessary to be kept for an additional period of time. The minimum period of retention remains subject to the Authority's applicable regulations issued from time to time.

Examples of Records kept by the Company are:

1. Any documents concerning the appraisal of sales personnel.
2. Any document concerning the sales personnel annual objectives.
3. Any document evidencing the actual performance of sales personnel.

Appendix 1- Examples of potential bad remuneration practices

- (a) The variable component of the total remuneration is based only on volumes sold, and increases the relevant person's focus on short-term gains rather than the client's best interest.
- (b) Senior management has set various strategic goals for the Company to be reached in a certain year. All goals seem to focus solely on financial or commercial aspects without taking into consideration the potential detriment to the Company's clients.
- (c) A call center responsible for providing marketing activities on behalf of the Company, which is remunerated by the Company based only on trading volumes of the Company. In this case, the branches employees may be incentivized to act in a manner that is not necessarily in the best interests of retail clients, for example by pursuing more aggressive marketing strategies.
- (d) The service provider's employees responsible for the on-boarding activity, including the gathering and provision of information relevant for the assessment of appropriateness is remunerated based only on the volumes of new clients' on-boarded either variable or fixed. In this case, the branches employees may be incentivized to act in a manner that is not in the best interests of clients in order to maximize the numbers of new client accounts.
- (e) Inappropriate requirements that affect whether incentives are paid: remuneration policies and practices which include, a requirement to achieve a quota of minimum sales levels across a range of products in order to earn any bonus at all is likely to be incompatible with the duty to act in the best interests of the client.
- (f) Remuneration based on retention of clients e.g. based on a predefined percentage of cancellation of withdrawal requests that an employee manages to achieve.
- (g) Remuneration as a percentage of the net revenue accruing to the Company in respect to clients' transactions (closed P&L of clients).