

PAXOS SECURITIES SETTLEMENT COMPANY, LLC
COMPENSATION COMMITTEE CHARTER

I. Mission

The Compensation Committee (“Committee”) is a standing committee of the Board of Directors (“Board”) of Paxos Securities Settlement Company, LLC (“Company”). The purpose of the Committee is to provide advice and recommendations to the Board, and to assist the Board in oversight, related to issues of salary, benefits, incentive compensation, equity and succession programs (collectively, “Compensation Policies”) for the Company’s executive management and employees. The Committee will also ensure that Compensation Policies are aligned with the Company’s strategic goals and objectives, allowing for continued improvement of business performance. The Committee further advises on the extent to which Compensation Policies are periodically reviewed and revised so as to be in alignment with industry and regulatory best practices.

II. Membership

- A. Composition. The Committee will be composed solely of directors of the Board, not fewer than three (3) in number including the chair of the Committee (“Chair”). Committee members will be appointed as provided in the Bylaws. The Committee will consist of at least one (1) Participant Director (on and after the date that Participant Directors commence Board service as prescribed in the Bylaws), Public Director and Member Director as those terms are defined in the Bylaws. This ensures that at least one (1) of each type of director will participate in the duties and responsibilities of the Committee. A majority of the Committee members will be Independent Directors as that term is defined in the Bylaws. Committee members will be independent of management. The Committee will include members with experience in matters relating to compensation structure, total rewards, talent acquisition and development, performance management, succession planning and diversity. In the event of a vacancy on the Committee, the Committee will continue to undertake its responsibilities, so long as the remaining Committee members are capable of satisfying the quorum requirement.

The Company’s Governance, Nominating and Policy Committee (“Governance Committee”) will assess the qualifications of the Committee members and nominees, and will recommend to the Board membership for the Committee based on such assessment. The Board, based on the recommendation of the Governance Committee, will appoint the members of the Committee and will designate a Chair. Membership on

the Committee will be reviewed each year by the Governance Committee and approved by the Board, and the Board may replace or remove members of the Committee at any time in the Board's sole discretion, subject to the membership requirements set forth herein.

- B. Committee Chair. The Chair will be a Public Director selected by the Board, upon nomination by the Governance Committee, and will serve at the pleasure of, the Board. In the absence of the Chair at any meeting of the Committee, those members of the Committee present will designate a Committee member to serve as the acting Chair ("Acting Chair").

III. Organization

- A. Meetings. The Committee will meet at least three (3) times per year, in person or telephonically, as determined by the Committee in conjunction with regular meetings of the Board and at such other times as determined by the Committee or the Chair. Members of the Committee may participate in meetings by means of a conference telephone call or other means of communication that allows all participants in the meeting to hear each other. The Chair, or the Chair's designee, will preside at all meetings of the Committee and will set the agenda. The Chair may ask members of management or other guests to attend meetings and provide pertinent information.

The Committee may call executive sessions from which officers or employees may be excluded. Individual Committee members also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that member has an actual or potential conflict of interest. The Chair or Acting Chair, as applicable, will serve as chair of the executive session.

The Committee will meet at least once each calendar year with certain members of the Board, the Company's Chief Executive Officer ("CEO"), and any other officers the Committee deems appropriate, to discuss and review the performance and compensation awards of Officers (as defined below).

- B. Minutes and Reports. The Committee will maintain minutes of each meeting. The minutes for each Committee meeting will be circulated in draft form to all Committee members to ensure an accurate final record, will be approved at a subsequent meeting of the Committee, and will be distributed periodically to the full Board.

The Committee will report periodically to the Board, generally at the next regularly

scheduled Board meeting following a Committee meeting, on any actions taken and significant matters reviewed by the Committee.

- C. Quorum. A majority of the Committee members will constitute a quorum for the transaction of business.

IV. Authority

The Committee will have the authority to retain advisers when it deems appropriate, including approval of fees and terms of retention, without the prior permission of management, and will be provided the necessary resources for such purposes.

Except as inconsistent with the objectivity and purposes of the Committee, the Committee may solicit input, including through meeting attendance, from any members of the Board, management or employees of the Company and may request that any officer or other employee of the Company, including the Company's senior compensation or human resources executives, the Company's outside counsel or any other person, meet with any members of, or advisers to, the Committee. The Committee will have full access to all books, records, facilities and personnel of the Company, as it deems necessary or appropriate to carry out the responsibilities described herein.

V. Duties and Responsibilities

The following responsibilities are set forth to guide the Committee in fulfilling its purpose to assist the Board in overseeing the Company's Compensation Policies; the Committee may undertake other and different activities as appropriate for that purpose, or as may be delegated to it by the Board.

- A. Periodically review and approve a statement of the Company's compensation philosophy, principles and practices.
- B. Review and approve the goals, objectives and related performance metrics of the Company relevant to the compensation of the CEO and any other executive officers of the Company (collectively, the "Officers"), evaluate the Officers in light of those goals, objectives and performance metrics, and review and approve the salary, short-term and long-term compensation for the Officers based on this evaluation. In approving the long-term incentive awards for the Officers, the Committee will consider, among other factors, the Company's performance, the awards given to the Officers in past years, the award practices of the relevant peer group of competitive financial institutions and the Committee's assessment of the current and expected contribution of the Officers to the Company's success.

- C. Periodically evaluate the performance of key executives, review the emergency and long-term succession plans for key executives including the CEO, make recommendations to the Board regarding potential successors for key executives, and review programs designed to facilitate diversity among key executives and other Officers.
- D. Review any annual award totals under any incentive plan and the terms and conditions for each type of award.
- E. Evaluate the post-service (including severance) arrangements and benefits of the CEO and any other Officers and their reasonableness in light of practices at comparable companies and any benefits received by the Company in connection with such arrangements.
- F. Review and recommend employee equity-based plans, as deemed necessary, to the full Board.
- G. Provide oversight for the overall incentive compensation pool for the Company.
- H. Review the Company's compensation practices and the relationship among risk management and compensation in light of the Company's objectives, including its safety and soundness and the avoidance of practices that would encourage excessive risk.
- I. Review and approve changes in any of the Company's qualified benefit plans that result in a material change in costs or the benefit levels provided.
- J. Assure that the Company's goals and objectives are aligned with the interests of the Company's stakeholders, who for this purpose are the owners of the Company and the participants who pay fees to the Company.
- K. For administrative purposes and to ensure market and internal alignment, review compensation for the Company's Independent Auditor and Chief Compliance Officer ("CCO") that is reviewed and approved by the Audit Committee.
- L. For administrative purposes and to ensure market and internal alignment, review compensation for the Company's Chief Risk Officer ("CRO") that is reviewed and approved by the Risk Committee.
- M. Review and assess, in consultation with the Compliance and Risk Management

Committee (“Risk Committee”) chair, whether the Compensation Policies:

- (i) promote appropriate risk identification and management approaches;
- (ii) discourage Officers from taking unnecessary or excessive risks;
- (iii) include a regular assessment of key performance indicators to measure and compensate Officers; and
- (iv) maintain a high level of responsiveness to concerns and recommendations raised by Officers.

N. Obtain input from the CRO, Independent Auditor and CCO regarding executives’ performance in relation to risk management/behaviors and consider such input when determining incentive compensation.

O. Assure that no member of the Committee will act to fix his or her own compensation except for uniform compensation to Board members for their services as Board members and assure that no employees are compensated for their services as Board members.

P. Review proposed material changes to management benefits.

Q. Ensure that critical matters and material systemic risk concerns are escalated to the full Board.

R. In consultation with the Risk Committee and Audit Committee chairs, seek to assure that the Compensation Policies meet evolving standards on compensation practices.

S. Review annually any critical metrics established for the Committee and recommend any changes.

T. Undertake an annual self-assessment of the Committee’s performance and provide results of such assessment to the Governance Committee for review.

VI. Charter Review

The Committee will review, at least annually, this Charter and recommend any proposed changes to the Board for approval.