



Remuneration report

In terms of Rule 8A.4 of the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Listing Rules of the Listing Authority (the “Code”), the company is to include a remuneration statement in its annual report which shall include details of the remuneration policy of the company in respect of the financial packages of members of the Board of Directors and the Chief Executive Officer of the company. During the year under review Bettina Azzopardi acted as Chief Executive Officer pursuant to a management support services agreement entered into between the company and Embassy Limited (C20568), whereby the Main Street Complex and operations relating thereto are managed by Embassy Limited. Accordingly, the remuneration policy of the company is limited to the remuneration that may be paid to members of its Board of Directors.

The company’s remuneration of its Directors is based on the remuneration policy adopted and approved by the shareholders of the company at the last annual general meeting held on 29 July 2020 (the “Remuneration Policy”), which remuneration policy was unanimously approved by the shareholders present (in person or by proxy) and voting at the said general meeting. The Remuneration Policy of the company is available for inspection on the company’s website on <https://mainstreetcomplex.com/investor-relations/>.

Remuneration payable to Directors

Fixed remuneration

The remuneration payable to Directors of the company shall consist of fixed remuneration only and shall not include any variable remuneration component based on performance indicators, share-based remuneration, or other pension benefits, deferred consideration or other non-cash benefits.

In addition to fixed remuneration in respect of their position as members of the Board of Directors of the company, individual Directors who are also appointed to chair, or to sit as members of, one or more committees or sub-committees of the company may be entitled to receive additional compensation to occupy such role. To date, no decision to grant such additional compensation has been taken.

In determining the fixed remuneration component payable to Directors, a number of key factors are taken into consideration, including: the level of skills, competencies, expertise and experience required of, and enjoyed by, such individuals; the duties and responsibilities attaching to their position and multiplicity of roles or involvements within the company; and remuneration practices adopted by local companies operating in the same industry sector of like standing, repute, size and complexity, among other factors.

Director service contracts

Each Director is party to a director service contract with the company, which contracts sets out the respective role, responsibilities, duties and applicable remuneration of each Director, as well as the applicable term for which the Directors shall be engaged, which term shall be in accordance with the provisions of the Articles of Association of the company regulating the appointment, resignation and removal of directors of the company.

The Remuneration Policy of the company does not allow the granting to Directors of any entitlement to termination payments or other payments linked to early termination of director service contracts.

Remuneration report - continued

In terms of Listing Rule 12.26K, the company is also required to draw up an annual remuneration report (the "Remuneration Report"), which report is to:

- i. provide an overview of the remuneration, including benefits in whatever form, awarded or due to members of the Board of Directors and the CEO (where appointed) during the financial year under review; and
- ii. explain whether any deviations from the Remuneration Policy of the company arose.

In this respect, the company is hereby producing its first Remuneration Report following the approval and entry into effectiveness, on 29 July 2020, of the Remuneration Policy described in the preceding sections.

Remuneration paid to Directors in 2020

The remuneration which the individual Directors were entitled to receive during the year under review was as follows:

Name	Position	Remuneration Paid
Joseph A. Gasan	Executive Director and Chairman	€8,000
Mario Camilleri	Executive Director	€8,000
Etienne Borg Cardona	Independent Non-Executive Director	€8,000
Christopher Mifsud	Independent Non-Executive Director	€8,000
Isabella Vella	Independent Non-Executive Director	€8,000

However, in consequence of the onset of the COVID-19 pandemic and its impact on the operations and financial position of the company, the Directors each waived 25% of their remuneration for the financial year under review, such that the remuneration which the individual Directors actually received in respect of the financial year under review was as follows:

Name	Position	Remuneration Paid
Joseph A. Gasan	Executive Director and Chairman	€6,000
Mario Camilleri	Executive Director	€6,000
Etienne Borg Cardona	Independent Non-Executive Director	€6,000
Christopher Mifsud	Independent Non-Executive Director	€6,000
Isabella Vella	Independent Non-Executive Director	€6,000

The remuneration paid to Mr Joseph A. Gasan covers both his role as director and chairman of company. The remuneration paid to the independent non-executive Directors covers both their role as directors of the company and their role as members and/or chairpersons of sub-committees of the Board of Directors of the company.

The aggregate emoluments which may be paid to Directors in any one financial year, and any increases thereto, shall be as determined by the company in general meeting in accordance with Article 20.1 of the Articles of Association of the company. The aggregate remuneration that may be paid to the Directors of the company was last set at €40,000 and has not been the subject of any increase since the admission to listing of the company's shares on the Official List of the Malta Stock Exchange.

The aggregate emoluments of the Directors in respect of their role as directors of the company and, where applicable, as members of sub-committees of the Board of Directors of the company, amounted to €30,000.

In view of the management structure of the Group, and the fact that the sole asset of the company is the Main Street Complex, the performance of which is dependent on concession income, the Board considers a fixed remuneration to Directors as an appropriate and suitable remuneration package for the Board members in the performance of their duties. Furthermore, the Board of Directors is satisfied that the fixed remuneration for the year under review, had it been accepted in full by the members of the Board, would have been in line with the core principles of the Remuneration Policy applicable during the year under review, including giving due regard to market conditions and remuneration rates offered by comparable organisations for comparable roles.

Remuneration report - continued

Furthermore, such remuneration was consistent with the practice adopted in respect of the determination of the remuneration payable to the members of the Board of Directors in the preceding financial periods.

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 any member of the Board of Directors. The Remuneration Policy is also intended to contribute to the development and attainment of the company's corporate strategy and its long-term success, development and sustainability.

Decision-making with respect to the Remuneration Policy

The Board of Directors is responsible for determining the Remuneration Policy of the company and, acting in its function as the Remuneration Committee, is also responsible for overseeing and monitoring the implementation and ongoing review thereof. The Remuneration Policy is to be reviewed by the Board of Directors regularly, and any material amendments thereto shall be submitted to a vote by the annual general meeting of the company before adoption, and in any case at least every four (4) years.

In evaluating whether it is necessary or beneficial to supplement or otherwise alter the Remuneration Policy of the company, the Board of Directors shall have regard to, inter alia, best industry and market practice on remuneration, the remuneration policies adopted by companies operating in the same industry sectors, as well as legal and, or statutory rules, recommendations or guidelines on remuneration, including but not limited to the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Listing Rules of the Listing Authority.

Whilst members of the Board of Directors may be present while his/her remuneration as a Director or sub-committee member is being discussed at a meeting of the Board of Directors, no Director may be present while his/her remuneration as aforesaid is being voted upon.

The contents of the Remuneration Report have been reviewed by the external auditor of the company for the purpose of verifying that the information required in terms of Chapter 12 of the Listing Rules (including Appendix 12.1) has been included.



Joseph A. Gasan
Chairman