

# Remuneration policy

## INTRODUCTION

Deceuninck NV (the "Company") has developed a remuneration policy (the "Remuneration Policy") which describes the remuneration philosophy and the accompanying policy that apply to the remuneration of the members of the Board of Directors and of the Executive Management of the Deceuninck Group (the "Group").<sup>1</sup>

The Group's general remuneration policy aims to attract, retain and motivate competent and professional profiles. The Group rewards based on its contribution to its long-term goals, sustainability and respect for the Group's values.

The Remuneration Policy is supervised by the Remuneration and Nomination Committee, whose duties and responsibilities are described in the Corporate Governance Charter adopted by the Board of Directors on December 17, 2020. The Remuneration Policy describes how the Company has its policy and practice with regard to remuneration developed considering strategy, relevant market practices and in accordance with corporate governance requirements.

The Remuneration Policy was approved by the shareholders on April 23, 2024. An amended Remuneration Policy will be presented to the General Meeting of Shareholders on April 22, 2025. The proposed changes are the changes to the short-term variable remuneration targets of Executive Management members and the introduction of long-term variable remuneration.

## DEVIATING FROM THE REMUNERATION POLICY

The Board of Directors is allowed to deviate from the Remuneration policy under the conditions of article 7:89/1, §5 of the BCA and the following terms and conditions:

- Fixed remuneration of the members of the Board of Directors: can be raised provided the raise is reasonable;
- Variable remuneration of Executive Management members: KPI's and targets can be changed due to exceptional circumstances only;
- The deviation is temporary, i.e. until the next General Meeting, to whom the deviations will be submitted for approval. In case the General Meeting does not approve the deviations, the previously approved Remuneration Policy shall apply again.

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<sup>1</sup> In accordance with article 7:89/1 of the Belgian Code on Companies and Associations ("BCCA") and the new Corporate Governance Code 2020 ("Code 2020")

## REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS

### PRINCIPLES

The members of the Board of Directors are appointed by the General Meeting of Shareholders. They are at all times subject to possible dismissal by the General Meeting. The remuneration of the directors is determined by the General Meeting on the proposal of the Board of Directors and according to the recommendation of the Remuneration and Nomination Committee.

Each member of the Remuneration and Nomination Committee and of the Board of Directors acts independently and always places the interests of Deceuninck Group above his / her personal interests. If a conflict of interest is recognized in the determination of the remuneration policy, the guidelines for conflicts of interest as set out in the Corporate Governance Charter are followed.

In line with the overall remuneration strategy of the Company, the Remuneration and Nomination Committee regularly establishes a benchmark for the remuneration of Non-Executive Directors with comparable Belgian listed companies. This is done in order to ensure that the remuneration is still appropriate, and in conformity with market practices, considering the size of the Company, its financial situation, its position within the Belgian economic environment, and the responsibilities that the directors bear.

### REMUNERATION

Annually, Non-Executive Directors receive a fixed amount as remuneration for the execution of their mandate and a fixed amount for each Board meeting attended, limited to a maximum amount. The amount of remuneration is different for the Chairman, the Vice-Chair(wo)man and the other Non-Executive Directors. If the Non-Executive Directors are also members of a Committee, their remuneration will be increased by a fixed amount per meeting of the relevant Committee.

Fixed remuneration (in €)	Min/year	Max/year
Chairman	40,000	80,000
Vice-chair(wo)man	30,000	60,000
Director	20,000	40,000

Attendance fee (in €)	Chairman	Member
Board of Directors	3,000	1,500
Audit Committee	2,000	1,000
Remuneration and Nomination Committee	1,000	1,000

In addition to the aforementioned fixed amount, the Non-Executive Directors will receive a one-off amount of EUR 5,000 with the obligation to purchase shares of the Company. The Director must hold the shares received in this context for the duration of the mandate and for at least one year after leaving the Board of Directors.

Performance-related remuneration such as bonuses and benefits in kind are excluded.

If directors are charged with special tasks and projects, they can receive an appropriate remuneration for it.

No compensation is provided for Non-Executive Directors upon termination of the mandate. The Group does not provide personal loans, guarantees and the like to members of the Board of Directors. Executive Directors do not receive any remuneration for their membership of the Board of Directors.

## REMUNERATION POLICY FOR MEMBERS OF EXECUTIVE MANAGEMENT

### PRINCIPLES

The remuneration of the members of the Executive Management, including the CEO, is determined by the Board of Directors based on the recommendations of the Remuneration and Nomination Committee. The size of the remuneration is determined in proportion to the individual roles and responsibilities and is also linked to the achievement of long-term and sustainability objectives and is a recognition of the results after they have been achieved. The amount of the total remuneration is evaluated annually by the Remuneration and Nomination Committee, that makes a proposal to the Board of Directors of the total remuneration based on the strategic positioning of each of the functions versus the benchmark in the market, and of the expected market trends. A thorough benchmark is conducted on a biannual basis with comparable international companies of similar size and structure. In addition, a benchmark is also performed as part of the annual salary review of the employees. The contribution made by the members of the Executive Management to the development of the Group's activities and results is an important part of the remuneration policy.

The total amount of the remuneration of the members of the Executive Management consists of the following elements: the fixed remuneration, the short-term variable remuneration and the long-term variable remuneration.

### FIXED REMUNERATION

The fixed remuneration of Executive Management is determined according to their individual responsibilities and skills. It is awarded independently of any result.

Part of this fixed remuneration may be used for pension accrual and insurance, at the discretion of the member of the Executive Management, such as:

- the payment of a life endowment in favour of the insured person on the date of his retirement;
- the payment of a death benefit in case of death of the member prior to retirement, for the benefit of its beneficiaries (plus an additional benefit in case of accidental death);
- the payment of a disability annuity in case of accident or sickness (other than occupational), and;
- the exemption from insurance premiums in case of illness or accident.
- health insurance.

### SHORT-TERM VARIABLE REMUNERATION

In order to align the interests of the Company and its shareholders with the interests of its management members, part of the remuneration package is linked to Company performance with objectives related to the annual business plan (the "STI Plan").

- The company's performance for the CEO, the other members of the Executive Team Group and the members of the Executive Team Extended is based on the REBITDA, Free Cash Flow and Debt of the past financial year. These criteria are evaluated annually by the Board of Directors on the proposal of the Remuneration and Nomination Committee and adjusted if necessary.
- For the members of the Executive Team Regions, the performance of the company is based on the REBITDA Group, REBITDA of their region, the Free Cash Flow of the past financial year at the level of the Group and at the level of their region and the Debt of their region. These criteria are evaluated annually by the Board of Directors on a proposal from the Remuneration and Nomination Committee and adjusted if necessary.

Besides those financial criteria, part of the remuneration package is linked to non-financial criteria: the contribution to greater sustainability and living the Group's core values Trust, Top Performance and Empowerment. If the way in which the financial results were achieved is not in line with the Group's core values, the Remuneration and Nomination Committee reserves the right to decide not to pay variable remuneration.

For 2025, the evaluation criteria are as follows:

CEO and the other members of the Executive Team Group and Executive Team Extended:

- REBITDA Group (20%),
- REBITDA Region (average payout Europe/Turkey/North America) (20%),
- Free Cash Flow Group (20%),
- Free Cash Flow Region (average payout Europe/Turkey/North America) (20%) and
- Non-financial and team goals (20%).

Members of the Executive Team Regions:

- REBITDA Group (20%)
- REBITDA Region (20%),
- Free Cash Flow Group (20%)
- Free Cash Flow Region (20%)
- Non-financial and team objectives (20%).

In principle, the short-term variable remuneration amounts to 40% of the annual fixed remuneration for the members of the Executive Team Group (excl. CEO and CFO) and the members of the Executive Team Regions, 45% for the CFO and 75% of the annual fixed remuneration for the CEO. Bonus payouts can start from 1% and can go up to 200% when the targets are exceeded:

Performance	< 75%	<b>75%</b>	85%	<b>100%</b>	130%	<b>150%</b>
Payout***	0%	<b>1%</b>	40%	<b>100%</b>	160%	<b>200%</b>

The basis for the variable remuneration is the remuneration earned during the financial year. Payment is made in April of the following year.

There is no spread over time of the variable remuneration. The extraordinary General Meeting of December 16, 2011 decided that the Company is not bound by the restrictions regarding the spread over time of the variable remuneration of the directors, the CEO and the other members of the Executive Management.<sup>2</sup>

<sup>2</sup> On the basis of the rules of Article 520ter, 2° paragraph of the former Companies Code.

## LONG-TERM VARIABLE REMUNERATION

The Group's Long Term Incentive Plan ("LTI Plan") is intended to reward and motivate the members of the Executive Team Group, the Executive Team Regions, the Executive Team Extended as well as certain employees who play a key role in the company's long-term strategy. This plan embodies the principles of profit sharing and performance-based pay, with the aim of creating a sustainable future for the Group, and will run over three years in each case.

Participation in the LTI Plan is either role-dependent or selection-based (e.g. in the context of exceptional projects or a special contribution to long-term value creation) and requires the approval of the Executive Team Group in all cases. Participation in the LTI Plan will be confirmed in writing.

The financial reward under the LTI Plan is a variable reward that supplements the annual salary.

For the period 2025-2027, evaluation criteria are as follows:

- o Revenue growth (20%),
- o REBITDA growth (40%),
- o Free Cash Flow Group conversion (40%)

Payment is made in April following the year in which the plan expires (three years), in the local currency. The payment is discretionary and requires approval from the Board of Directors on the proposal of the Remuneration and Nomination Committee for the members of the Executive Management, and approval from the Executive Team Group for the other participants. Participation in a particular LTI Plan does not guarantee automatic participation in a subsequent LTI Plan.

The terms and conditions of the LTI Plan may be amended in exceptional cases. Amendments and/or terminations are approved by the Board of Directors, on the proposal of the Remuneration and Nomination Committee.

## PERFORMANCE SHARES

The members of the Executive Team Group and the Executive Team Regions were granted Performance Share Rights in 2022 that can be converted into "matching" or Performance Shares of Deceuninck NV at the vesting date (i.e. the 3rd calendar year following the year of the grant):

- To be eligible for the Plan, the members of the Executive Team Group and the Executive Team Regions had to invest in shares of the Company (the Investment Shares).
- The number of Performance Share Rights granted equal the number of Investment Shares based on an investment between a minimum amount of 50,000 EUR or 20,746 shares and a maximum amount of 500,000 EUR or 207,469 Investment Shares. The number of Performance Share Rights are calculated on the number of the Investment Shares held by the Beneficiary on 31st December 2022.
- The realization of the Performance Condition determines the number(s) of the Performance Shares the Performance Share Rights will entitle to.

For the avoidance of doubt:

- i. the share price at the start of the Performance Period (Reference Share Price) will be determined as the average share price between 15th July 2022 and 15th August 2022 (or start of the Performance Period) which is 2.41 EUR; and
  - ii. the Vesting Share Price at the end of the Performance Period will be calculated as follows:
    - a. average share price between 15th July 2025 and 15th August 2025 following vesting date PLUS
    - b. dividend per share distributed by Deceuninck during the Performance Period.
- The Beneficiaries may receive a number of Performance Shares upon realisation of the Performance Condition, which shall be calculated as follows:

Performance Condition	Number of Performance Shares one Performance Share Right entitles to
If at the vesting date in 2025 the Vesting Share Price has increased compared to the Reference Share Price (2.41 €):	
with $\geq$ 150%	3 Shares
with $\geq$ 100%	2 Shares
with $\geq$ 50%	1 Share
with $<$ 50%	0 Shares

## RIGHT OF RECOVERY

The Board of Directors is entitled to introduce recovery clauses in the agreements between the Company and the members of the Executive Management. Notwithstanding the foregoing, the provisions of the agreements between the Company and the CEO and the other members of Executive Management do not currently provide for recovery clauses. Such clauses can, however, be included in annually agreed individual bonus sheets.

## SEVERANCE PAYMENTS

For the CEO and the other members of the Executive Team Group and the Executive Team Regions, a severance payment of no more than 12 months' basic compensation was agreed in the management agreements.