

## **REMUNERATION POLICY**

The aim of the Remuneration Policy for the Board of Management is to ensure that the Company is able to attract, motivate and retain qualified and experienced members to the Management Board.

The underlying principle of the Remuneration Policy is that the total remuneration of the Board of Management should be in line with labour market conditions of companies which engage in comparable activities and/or are similar in terms of size and /or complexity.

The Remuneration & Nomination Committee consisting of Non-Executive members of the Management Board may consult professional independent remuneration advisors, if necessary, who use statistical models to tabulate the remuneration data of peer group companies.

The policy for remuneration relates to:

- Non-Executive Members of the Management Board
- Executive Members of the Management Board

### **The Non-Executive Members of the Management Board:**

The Remuneration Policy for Non-Executive Members is based on peer market groups similar to that used for the Executive Management Board. Consistent with the Dutch Corporate Governance Code, the remuneration of the Non-Executive Member of the Board is not dependent on the Company's results. Consequently, neither stock options nor performance bonuses are to be granted to the Non-Executive Members of the Board as part of their remuneration as a board member. However, if the Non-Executive member provides other services to the Company, he/she can be remunerated with stock options and / or any consultancy fee structure Regulations are in place governing the holding of and transactions in securities by members of the Non-Executive Management Board other than securities issued by the Company. Remuneration plus any other fees for being part of Audit and Governance, Remuneration and Nomination, and Strategy committees shall be fixed for Non-Executive Board members. All out of pocket expenses incurred by Non-Executive Members shall be reimbursed by the Company.

### **The Executive Members of the Management Board:**

The remuneration of the Executive Members of the Management Board shall comprise the following structure:

- Base salary
- Bonus and incentives
- Other benefits

## **Base Salary**

Base salaries must be in line with the median market level for the Company's labour market of peer groups in the country where the Executive Member of the Board is based.

## **Bonus and Incentives**

Variable remuneration is based on performance criteria aimed at value creation in the short and long terms. The short-term incentive is based on the following performance criteria:

- on the Company's earnings before interest, tax, depreciation of assets, write-downs on loans, and amortisation of goodwill (EBITDA)
- on the discretionary judgment of, and the proposals to the members of the Non-Executive Board by the Remuneration & Nomination Committee related to certain 'milestones,' and applying a reasonableness test
- if the predetermined targets for each financial year are met, the Executive Members of the Board of Management will receive a bonus of 50% of base salary. If outstanding performance is achieved, a bonus of up to 90% of base salary may be granted. If performance is below a given threshold provided by the Non-Executive Board, no bonus will be paid

Envipco regards this combination of performance criteria as a good indicator of the Company's short-term operational performance. Financial statements and financial reports can be used to determine whether the predetermined performance targets have been met. The specific details of the targets are not disclosed because they qualify as competition-sensitive and hence commercially confidential information. On the advice of its Remuneration & Nomination Committee, the Non-Executive Management Board reviews the short-term incentive targets annually to ensure that they are challenging, realistic and consistent with Envipco's strategy.

## **Other Benefits**

The members of the Executive Management Board shall also be entitled to fixed allowances as well as other customary fringe benefits, consistent to the labour market conditions in the home country the executive is based.

## **Loans**

No loans, guarantees or the like are provided to or for members of the Board of Management except with the approval of the Non-Executive Management Board.

## **Employment Contract/Severance Agreement**

Each Executive Member of the Management Board shall be offered a 3-year term of employment, agreed on terms and conditions consistent with the above policies. A maximum severance pay of one year's base salary shall be payable, unless the Non-Executive Management Board agrees otherwise given specific circumstances, to retain strong talent to carry out the performance targets of the Company.