Dear shareholders,

Re: Shareholders' vote on the company's remuneration policy

With the start of the AGM season, several investors have contacted the company with queries on the outcome of the vote on the remuneration policy at the 2022 AGM.

The Board of Directors hereby provides the consolidated answers to those queries for the information of all shareholders.

Just as a reminder, following the implementation of the Shareholders Rights Directive II, the company submitted its remuneration policy to the approval of the shareholders for the first time at the 2021 AGM.

Following the leadership change in July 2021, the Board of Directors decided to implement a new organizational design, underpinned by a new variable remuneration mechanism, putting more emphasis on the financial performance of the business units (BU) and company for qualifying employees in the BU and support functions respectively. Moreover, in response to growing ESG considerations, the Board of Directors has also incorporated sustainability KPI's into the variable remuneration mechanism.

Given these material changes to the variable remuneration principles, the Board of Directors has re-submitted the revised remuneration policy to the shareholders vote at the 2022 AGM.

The remuneration policies of 2021 and 2022 were approved with a majority of 66% and 56% respectively. In contrast, the 2021 and 2022 remuneration reports were approved with a majority of 90% and 84,7% respectively.

From discussions with different investors raising questions on the relatively low approval rate of the 2022 remuneration policy, it has become clear that shareholders' concerns are primarily centered around three separate remuneration facets.

1. *Lack of a clearly disclosed cap on the grant of stock options*

   The remuneration policy does not contain a cap on the stock option grant. However, prior to granting stock options, the Board of Directors requests each year the shareholders' approval of the absolute amount of stock options that can be granted under the company's stock option plans. Further, under Belgian tax law, beneficiaries are taxed upfront upon acceptance of stock options, regardless of the effective vesting or exercise thereof. This upfront taxation mitigates the risk of a disproportionally high award of stock options. Finally, the Board of Directors reminds that, while the award of stock options to the two CEO's in 2022 may have seemed high, these stock options have been granted for a period of 3 years. No further stock options are granted in this 3 years period.

2. *Lack of clearly disclosed performance metrics*

   The performance metrics for the variable remuneration are not laid out in the remuneration policy, which is intended to cover a 4-year period. Since the company's strategy and business targets can meanwhile change, the Board of Directors wants to retain the ability to finetune the variable remuneration scheme to support this change without the need to first obtain

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shareholders' approval. However, the remuneration report, which the shareholders must approve yearly, now discloses the key metrics used, their relative weight and the achievement rate at company level. For competitive reasons, the Board of Directors company does not want to disclose the targets beforehand, or afterwards disclose the targets per business unit.

3. *Derogation clause*

   In response to comments received from shareholders, the Board of Directors had taken the opportunity of the 2022 remuneration policy update to limit possible derogations therefrom. Nonetheless, some investors still consider the derogation possibility too discretionary. While derogations may be necessary in exceptional circumstances (e.g. attracting difficult to find high profiles, strategic acquisitions), the Board of Directors welcomes the suggestions received from investors, and will review how the derogation possibility can be further contained in the next update of the remuneration policy.

Finally, in anticipation of the 2023 AGM, the Board of Directors takes the opportunity to clarify the main drivers for the increase in the proposed maximum budget for the directors' remuneration.

First, an additional director is being proposed to the shareholders leading to an increase in the remuneration for the non-executive members of the board. Second, with respect to the executive directors, the proposed increase in the maximum budget is related to the cost-of-living adjustment, the alignment of the CEO's bonus scheme with the one applicable to the other executive managers (a 150% cap in case of considerable key metrics overachievement), and the remuneration of Mr. Charles Beauduin. With respect to the latter, the Board of Directors reminds that, following the leadership changes in 2021, upon Mr. C. Beauduin's request, his remuneration package has been limited while the company was undergoing a restructuring. Meanwhile, the company's financial performance is improving, and is on a path towards pre-covid levels. Moreover, Mr. C. Beauduin dedicates considerably more time to the execution of his responsibilities than originally anticipated. Consequently, the Board of Directors deems it appropriate to adjust Mr. C. Beauduin's remuneration accordingly.

The Board of Directors remains available for discussions with shareholders to better understand their concerns and ensure that the company's governance practices remain aligned with the latest developments, taking into account its country of incorporation, size, profile, and regional activity scope.

Meanwhile, we remain,

Frank Donck	An Steegen
Chairman	co-CEO

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