

Remuneration report

Procedure used in 2022 to develop remuneration policy and determine remuneration and applied remuneration policy.

Remuneration procedure

The Remuneration and Nomination Committee prepared the remuneration policy. It did so for the members of the board of directors, the CEO and the members of the executive committee. The board of directors approved the remuneration policy. The remuneration policy is made available separately on the group's website (www.terbeke.com) and will be submitted for approval at the General Meeting on May 25th, 2023.

The remuneration policy for the members of the Board of Directors, the CEO and the members of the Executive Committee is further an integral part of the Corporate Governance Charter. It was appended to the terms of reference of the remuneration and nomination committee. The remuneration and nomination committee monitors the application of the policy and advises the board of directors in this regard.

The general meeting of May 25th, 2022 approved the remuneration level for members of the board of directors in fiscal year 2022.

On the advice of the remuneration and nomination committee, the board of directors confirmed the remuneration level for the CEO and executive committee members in fiscal year 2022.

Remuneration

Board and committee members were entitled to the following annual fixed fees (in EUR) in 2022:

		Pro rata 2022
Former Chairman of the Board of Directors (01.01.2022 - 25.05.2022)	75,000	31,250
Chairman of the Board of Directors (25.05.2022 - 31.12.2022)	100,000	58,333
Member of the Board of Directors	20,000	
Chairman of the Audit Committee	10,000	
Member of the Audit Committee	6,000	
Chairman of the Remuneration and Nomination Committee	7,000	
Member of the Remuneration and Nomination Committee	5,000	

Directors are not entitled to any variable, performance-based or share-based compensation, or to any other compensation, other than fixed compensation, for exercising their directorship.

The remuneration of the CEO and members of the executive management who provide their services through a management company consists of a base remuneration and an annual variable remuneration

as well as a Long Term Incentive (LTI - see below for details). The remuneration of the members of the executive management who are salaried employees of the group consists of: a basic remuneration, an annual variable remuneration, a Long Term Incentive (LTI), a company car, a fuel card and other remuneration components such as pensions and insurance, according to the applicable guidelines for employees of the company.

The CEO and members of executive management receive annual variable compensation. Such compensation depends on the achievement of annually set targets for the fiscal year to which the variable compensation applies.

Objectives are based on objective parameters. They are closely linked to the group's results, and to the role played by the CEO and members of executive management in achieving them. The main parameters for 2022 are (U)-EBITDA, EAT and ROCE. Annually, the Remuneration and Nomination Committee evaluates which parameters apply in a given year and what the targets are for that year, with a view to implementing the group's long-term strategy. This is submitted to the board of directors for approval. The achievement of individual objectives determines 25% of the variable compensation for members of executive management in 2022.

Variable compensation always amounts to less than one-fourth of annual remuneration.

If the CEO or management members do not achieve the minimum target to be achieved in a given year, they will forfeit their right to the variable compensation associated with that target for that year. However, if they exceed the target to be achieved, they can receive up to 150% of the variable compensation linked to it.

In addition to variable remuneration, the board of directors may grant the CEO and/or (some of) the members of the executive management a (supplementary) bonus for specific performance or merit. This is done on the proposal of the remuneration and nomination committee. The condition is that this does not exceed the total budget for the variable remuneration for the CEO and the members of executive management. No additional amounts were granted for 2022. The amounts granted in connection with the potential acquisition of Imperial-Stegeman and the associated financial realization targets after integration were extended through 2023.

If variable compensation is granted on the basis of data that is subsequently found to be incorrect, the company will invoke the possibilities under common law. There are no specific agreements or systems that entitle the company to reclaim the variable compensation paid.

During fiscal year 2022, the group proceeded to introduce an LTI (Long Term Incentive) plan for executive committee members. The LTI aims at value creation in the (medium-)long term - with clear focus on making the company stronger for the future and implementing the strategic plan.

Corporate governance

The LTI is assigned according to financial objectives (growth in equity value) (approx. 80%) and individual ESG objectives (approx. 20%) over a reference period of at least three years each.

If less than the minimum target to be achieved is achieved in a given year, then the right to the variable remuneration linked to that target for that year lapses. On the other hand, if the target to be achieved is exceeded, a maximum of up to 150% of the associated variable compensation may be awarded.

The Board of Directors decides annually, after proposal by the CEO and the Remuneration and Nomination Committee, who is eligible to participate in an LTI plan.

The potential LTI at 100% payout (at target) is an amount of between 15% and 25% of the total base remuneration, depending on the position and the ranking of the position relative to the relevant benchmark. This share is contractually determined individually and aims at a market-based LTI.

If an LTI fee is awarded based on data that is subsequently found to be inaccurate, the company will invoke the remedies under common law. There are no specific agreements or systems that give the company the right to reclaim the LTI variable fee.

For 2023 - barring changing circumstances - the group plans no major changes to the remuneration policy.

Director remuneration and other remuneration of non-executive directors and executive directors and executive managers in their capacity as members of the board of directors (in EUR)

We summarize the remuneration of board members (executive, non-executive and independent directors - overview see below) for their directorships in 2022 as follows:

	Mandate of director	Mandate Remuneration and Nomination Committee	Mandate Audit Committee	Total
Fidigo NV (Dirk Goeminne)	31.250,00	2.083,33	2.500,00	35.822,33
Argalix BV (Francis Kint)	58.333,33	2.916,67	3.500,00	64.750,00
Leading for Growth BV (Piet Sanders)	20.000,00			20.000,00
Tower Consulting BV (Inge Plochaet)	20.000,00	5.000,00	6.000,00	31.000,00
NV Holbigenetics (Frank Coopman)	20.000,00			20.000,00
Dominique Coopman	8.333,33			8.333,33
NV Famcoo Invest (Dominique Coopman)	11.666,67			11.666,67
Eddy van der Pluym	20.000,00			20.000,00
Ann Vereecke BV	20.000,00	7.000,00	6.000,00	33.000,00
Deemanco BV (Dominique Eeman)	20.000,00	5.000,00	10.000,00	35.000,00
C:Solutio BV (Kurt Coffyn)	20.000,00	5.000,00	6.000,00	31.000,00
Total mandates				310.583,33

In addition to the above remuneration, NV Fidigo also invoiced an amount of EUR 68 thousand for the provision of services exceeding the mandate of Chairman of the Board of Directors in the first half of the year.

Remuneration of the ceo and other members of the executive management (in EUR)

The individual remuneration of the managing director/chairman of the executive committee CEO (Leading For Growth BV, permanently represented by Piet Sanders) and the combined gross remuneration of the other members of the executive committee and the executive directors: Esroh BV (permanently represented by Yves Regniers), Sagau Consulting BV (permanently represented by Christophe Bolsius), Eric Kamp, Leading Edge HR BV (permanently represented by Else Verstraete - as of May 2022), Creating Digital Value SRL (permanently represented by Peter Bal - as of November 2022), Broersbank Advies & Management BV (permanently represented by Brecht Vanlerberghe - as of December 2022), are included in the table below.

	New CEO***	Other members of the executive management
Base pay	529,692	1,280,645
Variable pay (cash - on a yearly basis)	50,000	187,206
Pensions*	NA**	20,012
Other insurance (hospitalisation insurance, medical insurance etc.)	NA**	10,686
Other benefits (company car)	NA**	15,828
Long Term Incentive provision 2021	66,666	108,001

* The pension scheme relates to fixed contribution contracts

** NA = Not Applicable

*** Mandate of director of Ter Beke NV excluded

All amounts are in line with the remuneration policy, which contributes to the long-term performance of the group.

Share-based remuneration

The members of the board of directors and executive committee do not have stock options, subscription rights or any other rights to acquire shares.

The company did not grant any shares, share options or any other rights to acquire Ter Beke shares in 2022. Not to the members of the group's board of directors and not to the members of the executive committee.

The board of directors has decided for the time being not to pay any share-related remuneration to its non-executive members, as recommended by the Corporate Governance Code 2020.

Given the limited nature of compensation, the Board of Directors does not consider it appropriate to incur the cost of establishing a share plan. Should a plan be considered in the future, the Board of Directors will also consider a lock-up of shares for a sufficiently long period of time.

Historical information and ratio

Board and CEO compensation and key performance indicators evolved as follows during the period 2018-2022:

	2018	2019	2020	2021	2022
Former Chairman of the Board of Directors	€ 75,000	€ 75,000	€ 75,000	€ 75,000	€ 31,250
Chairman of the Board of Directors					€ 58,333
Member of the Board of Directors	€ 20,000	€ 20,000	€ 20,000	€ 20,000	€ 20,000
Chairman of the Audit Committee	€ 10,000	€ 10,000	€ 10,000	€ 10,000	€ 10,000
Member of the Audit Committee	€ 6,000	€ 6,000	€ 6,000	€ 6,000	€ 6,000
Chairman of the Remuneration and Nomination Committee	€ 7,000	€ 7,000	€ 7,000	€ 7,000	€ 7,000
Member of the Remuneration and Nomination Committee	€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 5,000
CEO - fixed remuneration - excl, board mandate remuneration	€ 482,000	€ 484,725	€ 466,194	€ 500,000*	€ 529,692
Sales (in million EUR)	680.5	728.1	717.4	696.9	781.4
EBITDA (in million EUR)	44	37.2	37.1	45.9	35.9
Result after taxes (in million EUR)	7.2	4.4	-2.5	7.3	4.5

The evolution of the average remuneration of employees in the group can be presented as follows:

	2018	2019	2020	2021	2022
Average gross salary for a full time equivalent in the group	100%	103.04%	105.56%	109.30%	111.19%

The ratio between the fixed remuneration of the CEO (excluding his remuneration as a member of the Board of Directors) and the lowest gross remuneration of an employee of the Group in Belgium is 18 for the month of December 2021.

Contractual provisions related to recruitment and severance payments

No appointment arrangements were agreed upon with either the members of the Executive Committee or the executive directors that would entitle them to a severance payment of more than 12 months' remuneration or that would otherwise be in conflict with the statutory provisions, of the Corporate Governance Code 2020 or common market practices.

The remuneration paid to Argalix BV upon departure was equivalent to the remuneration for 6 months supplemented by the pro rata variable remuneration and a settlement for the Long Term Incentive. The contractual notice periods for Sagau Consulting BV (Christophe Bolsius), Esroh BV (Yves Regniers) and Leading For Growth BV (Piet Sanders) is always 12 months, while the notice period for Eric Kamp will, in principle, be calculated in accordance with the statutory provisions applicable to his employment contract.