

STRONGER  
TOGETHER

3 CORPORATE  
GOVERNANCE

## Corporate Governance

The Corporate Governance Statement is based on articles 3:652 and 3:32 of the BCAC (Company and Associations Code in Belgium) and on the Corporate Governance Code 2020. It contains factual information on Ter Beke's Corporate Governance policy in 2021, including:

- a description of the most important characteristics of the internal control and risk management systems
- the required legal information
- the composition of the governing bodies
- the operation of the governing bodies
- their committees
- the remuneration report

The statement also contains a number of elements of non-financial information, as referred to in Article 3:6 BCAC.

For the 2021 financial year, we are still using the Belgian Corporate Governance Code 2020 as a reference. This code is publicly available at [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be).

Our Corporate Governance Charter is published on [www.terbeke.com](http://www.terbeke.com). In the charter, we clarify our position with regard to the provisions of the Corporate Governance Code 2020. And we describe other Corporate Governance practices which we apply in addition to the Corporate Governance Code 2020. Where necessary, the Corporate Governance Charter of the Group and the Articles of Association of Ter Beke NV were amended during 2020 in line with the Corporate Governance Code 2020 and the new Belgian Company and Associations Code.

We comply with the statutory provisions on Corporate Governance as set out in the Belgian Company and Associations Code of 2020 and the other specific legislation in this regard.

The Group follows the 10 principles of the Corporate Governance Code. The following recommendations of the Corporate Governance Code 2020 have not (yet) been implemented by the group in 2021:

- Recommendation 7.6: The Board of Directors has decided not to pay any share-related remuneration to its non-executive members for the time being and Recommendation 7.9: As there is no share-based compensation, no threshold was set for the holding of shares by the executive management.  
Ter Beke does not provide share based compensation. This is valid for both non-executive directors and executive management. In view of the limited nature of the remuneration, the Board of Directors does not consider it appropriate to incur the cost of setting up a share plan. If a plan were to be considered in the future, the Board of Directors will also consider a lock-up of the shares for a sufficiently long period.
- Recommendation 7.12: The claw-back of paid variable remuneration or the withholding of variable remuneration. Given the limited variable pay and its short-term nature - as well as the fact that the payment of variable remuneration only takes place after the audit of the financial figures and internal controls has been fully completed - the board of directors decided not to introduce a claw-back clause to date.

## Board of Directors



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**1. DIRK GOEMINNE (\*1955) – Fidigo NV**

Studied Applied Economics and Business Engineering at the University of Antwerp. He has held management positions in manufacturing and retail companies. Until 2007, served as Chairman of the Executive Board of the V&D Group and as member of the Board of Directors of Maxeda (Vendex/ KBB). Dirk Goeminne is Chairman of the Supervisory Board of Stern Groep NV, member of the Supervisory Board of Wielco BV and non-executive director of Van de Velde NV. He is also Chairman of the Board of Directors of Wereldhave Belgium NV and JBC NV. Dirk Goeminne was CEO of Ter Beke from 2013 to 2018. He was appointed Chairman on June 1<sup>st</sup> 2018. The mandate of Dirk Goeminne will end after the General Meeting of May 25th 2022.

**2. FRANK COOPMAN (\*1965) – Holbigenetics NV**

Graduated in veterinary sciences in 1990 and later gained qualifications in the veterinary inspection of animal-based foodstuffs and in molecular medical biotechnology. He obtained a PhD in veterinary sciences. He was an animal production and genetics lecturer for many years. He is co-founder of BCC bv, Biomics and Chemics Consultancy, where he is the director and responsible for the development of the biological-genetic section. The General Meeting of May 28<sup>th</sup>, 2020 appointed Frank Coopman as director for a period of four years, concluding at the time of the General Meeting of 2024.

**3. DOMINIQUE COOPMAN (\*1967)**

Studied Bioscience Engineering and Engineering Management. She also studied environmental remediation and has a Master's degree in food culture. She works in Italy as a freelance consultant. Dominique Coopman has been a director at Ter Beke since 2008. The General Meeting of May 31<sup>st</sup> 2018 reappointed Dominique Coopman as director for a period of four years, concluding at the time of the General Meeting of 2022. A new mandate will be proposed at the General Meeting of May 25th 2022. The appointment of Famcoo Invest NV permanently represented by Dominique Coopman will be proposed.

**4. EDDY VAN DER PLUYM (\*1957)**

Studied Economics, supplemented with an MBA at INSEAD. After a brief period at Deloitte Haskins & Sells, he joined the family business Pluma NV, which was incorporated within Ter Beke in 2006. The General Meeting of May 29<sup>th</sup>, 2019 appointed Eddy Van der Pluym as director, concluding at the time of the General Meeting of 2023.

**5. PIET SANDERS (\*1966), CEO – Leading for Growth BV**

Piet Sanders (\* 1966) holds a Masters Degree of Law (KU Leuven) and a Master Degree in Management (Vlekho), and has spent nearly all 30 years of his career in the food ingredient industry. From 1990 till 2002, he developed a career in sales inside Amylum / Tate & Lyle, being Global Sales Director Food during his last 3 years in this world leading starch, cereal derived sweetener & wheat proteins company. After two years as Chief Sales & Marketing Officer in a leading European aluminium fenestration systems company (Reynaers Aluminium), he returned to the food ingredients business in 2004, joining Puratos as Managing Director for Central & Eastern Europe. As of 2006 he became the Managing Director for Asia-Pacific & Eastern Europe, and joined in 2014 the Puratos Group Executive Committee as Managing Director for Northern & Eastern Europe, a region with 28 subsidiaries. In 2020, he took up the role of Global Sales & Channels Director for the group. On October 1st 2021, he joined Ter Beke as their new CEO. Piet lives in Bonheiden, Belgium, is married and has 23 year old twins.

**6. ANN VEREECKE (\*1963) – Ann Vereecke BV**

Is a Civil Engineer and Doctor in Management (Ghent University). She is professor of Operations and Supply Chain Management at Vlerick Business School and Ghent University. She was a board member and president of EurOMA (European Operations Management Association) and a Board Member of POMS (Production and Operations Management Society in the US). She is currently a Board Member of Picanol Group and North Sea Port. In 2014, she joined the Board of Directors at Ter Beke as an independent director. She is also a member of the Audit Committee and chairs the Remuneration and Nomination Committee. An extension of the mandate will be proposed at the General Meeting of May 25th 2022.

**7. DOMINIQUE EEMAN (\*1957) – Deemanco BV**

Obtained a degree in Applied Economics at the University of Antwerp, a Master's degree at Vlerick Business School and obtained the certificate Insead International Directors Programme. He is General Manager of the listed holding company, Solvac. He has extensive experience as a former CFO. He is an all-round financial and strategic expert, and is familiar with the values of a family business such as Ter Beke. His knowledge of the food sector is based on his experience as CFO at Vandemoortele and his position as a director at Leonidas. Furthermore, he is the chairman of Akkanto, member of the Board of Directors of Funds For Good and Sofindev IV, and member of the Supervisory Board of the bank Van de Put & Co. He has been an independent director of Ter Beke since 2017. He is Chairman of the Audit Committee and also a member of the Remuneration and Nomination Committee.

**8. KURT COFFYN (\*1968) – C:Solutio BV**

Has a degree in Industrial Engineering, specialising in automation & electronics. Kurt has 30 years' experience in Operations & Supply Chain, from working as a labour analyst on the shop floor at Vynckier (General Electric) Ghent, to European positions at Stanley Black & Decker, and as COO at various companies such as Ontex (personal hygiene), Provimi (a world leader in premix feed), Cargill (animal nutrition & starch production) and Unilabs Switzerland (Clinical laboratories). Since the end of 2019, he has been active as COO of Belgium-based Lineas, the largest private rail freight operator in Europe. He started as an independent director at Ter Beke in 2017, has held the mandate since 2020 as permanent representative of C:Solutio and is also a member of the Audit Committee and Remuneration and Nomination Committee.

**9. INGE PLOCHAET (\*1968) – Tower Consulting BV**

She holds a Master's degree in Industrial Sciences - Chemistry, studied Innovation Management at IMD and obtained an in-company MBA at Insead-Wharton. She started her career at Procter & Gamble as a packaging engineer. She then held various positions at AB-Inbev until 2015, from packaging and later innovation director Western Europe to sales director retail The Netherlands and Belgium, VP Commercial Western Europe and President of AB Inbev UK & Ireland. Today, she advises many companies on strategy, is Chairman of the Board of Konings NV, B-Steel BV and Van Genechten Packaging NV, and is director at Victor Buyck Steel Construction and Colmar NV. She started as an independent director of Ter Beke in 2020 and is also a member of the Audit Committee and the Remuneration and Nomination Committee. Mrs. Plochaet also holds a mandate at Sligro.

# Composition and functioning of the management bodies and committees

## BOARD OF DIRECTORS

### COMPOSITION

The table below shows the composition of the Board of Directors on 31 December 2021, with an overview of the meetings and attendances in 2021.

Name	Type*	End of mandate	Committees**	Meetings 2021 (x = present)								
				6/1	26/2	15/4	17/6	28/6	10/8	26/8	6/10	25/11
Dirk Goeminne (1)	NE	2022	AC/RNC	x	x	x	x	x	x	x	x	x
Dominique Coopman	NE	2022		x	x	x	x	x	x	x	x	x
Frank Coopman (5)	NE	2024		x	x	x	x	x	x	x	x	x
Eddy van der Pluym	NE	2023		x	x	x	x	x	x	x	x	x
Ann Vereecke (2)	I	2022	AC/RNC	x	x	x	x	x	x	x	x	x
Dominique Eeman(3)	I	2025	AC/RNC	x	x	x	x	x	x	x	x	x
Kurt Coffyn (6)	I	2024	AC/RNC	x	x	x	x	x	x			x
Inge Plochaet (7)	I	2024	AC/RNC	x	x	x	x	x	x	x	x	x
Francis Kint (4)	E	2021		x	x	x	x					
Piet Sanders (8)	E	2022									x	x

As permanent representative for:

(1) NV Fidigo, (2) BV Ann Vereecke, (3) BV Deemanco, (4) BV Argalix, till 30 June 2021, (5) NV Holbigenetics, (6) BV C:Solutio, (7) BV Tower Consulting, (8) BV Leading for Growth, as of 1 October 2021

•	**
E = Executive	AC = Audit Committee
NE = Non-executive	RNC = Remuneration and Nomination Committee
I = Independent	

As appropriate, we confirm that the Group complies with recommendation 5.5 of the Corporate Governance Code regarding the maximum number of mandates in listed companies for non-executive directors.

The internal regulations of the Board of Directors describe the detailed functioning of the Board. These regulations form an integral part of the Group's Corporate Governance Charter.

The Board approved the interim results, the annual results, the budget and the Group's strategy

### DIVERSITY

The composition of the Board of Directors takes into account the necessary complementarity with respect to competences, experience, know-how and diversity, including gender. See also Article 1.2 of the internal regulations (Appendix 1 of the Corporate Governance Charter).

The list of the members of the Board of Directors shows that these criteria have been satisfied for 2021.

### EVALUATION

The Chairman of the Board organise regularly a formal evaluation of the Board and its functioning, including the interaction with the executive management. The results of this evaluation is discussed by the Board and measures for improvement are prepared. During 2021, a formal evaluation started, using an external consultant. This evaluation will be completed in 2022.

### APPOINTMENTS/REAPPOINTMENTS IN 2022

The general meeting of May 25<sup>th</sup>, 2022 will be asked:

- ◆ to re-appoint Ann Vereecke bv, permanently represented by Ann Vereecke, as independent director for a period of four years, concluding at the time of the annual general meeting of 2026.
- ◆ to appoint Famcoo Invest NV, permanently represented by Dominique Coopman, as a director for a period of four years, concluding at the time of the annual general meeting of 2026.
- ◆ to appoint Leading For Growth BV, permanently represented by Piet Sanders, as a director for a period of four years, concluding at the time of the annual general meeting of 2026.
- ◆ to appoint a new independent director (proposal pending at the time of going to press) as a director for a period of four years, concluding at the time of the annual general meeting of 2026.

## COMMITTEES WITHIN THE BOARD OF DIRECTORS

In 2021, the Board of Directors had two active committees: the Audit Committee and the Remuneration and Nomination Committee. The committees are composed in accordance with legislation and the provisions of the Corporate Governance Code. These committees work under a mandate issued by the Board of Directors. A description of that mandate can be found in the detailed regulations annexed to the Corporate Governance Charter.

### AUDIT COMMITTEE

The table below shows the composition of the Audit Committee as on 31 December 2021, with an overview of the meetings and attendances in 2021.

Name	Meetings 2021 (x = present)			
	20/2	15/4	24/8	25/11
NV Fidigo (Dirk Goeminne)	x	x	x	x
BV Deemanco (Dominique Eeman)*	x	x	x	x
BV Ann Vereecke (Ann Vereecke)	x	x	x	x
BV C:Solutio (Kurt Coffyn)	x	x		x
BV Tower Consulting (Inge Plochaet)	x	x	x	x

\* Chair

All members of the committee are non-executive directors and have a thorough knowledge of financial management. The majority of members on the committee are independent. The committee has the necessary collective expertise regarding the company's activities. Meetings of the committee were regularly attended by the Statutory Auditor and on every occasion by the Internal Auditor.

The Audit Committee advised the Board of Directors regarding the following:

- ◆ Annual results 2020
- ◆ Interim results 2021
- ◆ Internal audit
- ◆ Group risk management
- ◆ Independence and remuneration of the Statutory Auditor and the companies affiliated with the Statutory Auditor

The Audit Committee monitors the internal audit function set up by it and regularly evaluates its own regulations and functioning.

**REMUNERATION AND NOMINATION COMMITTEE**

The table below shows the composition of the Remuneration and Nomination Committee on 31 December 2021, with an overview of the meetings and attendances in 2021.

Name	Meetings 2021 (x = present)						
	22/2	15/4	27/4	26/5	26/8	27/10	25/11
Ann Vereecke BV (Ann Vereecke)*	x	x	x	x	x	x	x
Deemanco BV (Dominique Eeman)	x	x	x	x	x	x	x
C:Solutio BV (Kurt Coffyn)	x	x	x	x	x	x	x
Fidigo NV (Dirk Goeminne)	x	x	x	x	x	x	x
Tower Consulting BV (Inge Plochaet)	x	x	x	x	x	x	x

\* Chair

All members are non-executive directors and have a thorough grounding in human resources management. The majority of members on the committee are independent. The Remuneration and Nomination Committee advises the Board of Directors with regard to:

- ◆ Remuneration of the directors and the CEO
- ◆ Remuneration of the Chairman and the directors
- ◆ General remuneration policy for the directors and executive management
- ◆ Principles of the variable remuneration system Appointment and reappointment of directors
- ◆ Composition of the committees within the Board of Directors
- ◆ Members and Chairman of the Executive Committee
- ◆ Managing Director

The committee draws up the remuneration report, submits it to the Board of Directors and clarifies the results at the General Meeting of Shareholders. The committee regularly assesses its own regulations and functioning.

**SECRETARY**

Dirk De Backer was secretary to the Board of Directors and to the committees set up within the Board of Directors until July 31, 2021. Afterwards, each meeting appointed an ad hoc secretary. The Group meanwhile recruited a new Secretary General.

**Executive committee and day-to-day management**

As a result of the introduction of the Belgian Companies and Association Code, Ter Beke opted in 2020 for a one-tier governance model, with a board of directors, a managing director for the daily management and an executive committee.

**COMPOSITION OF EXECUTIVE COMMITTEE**

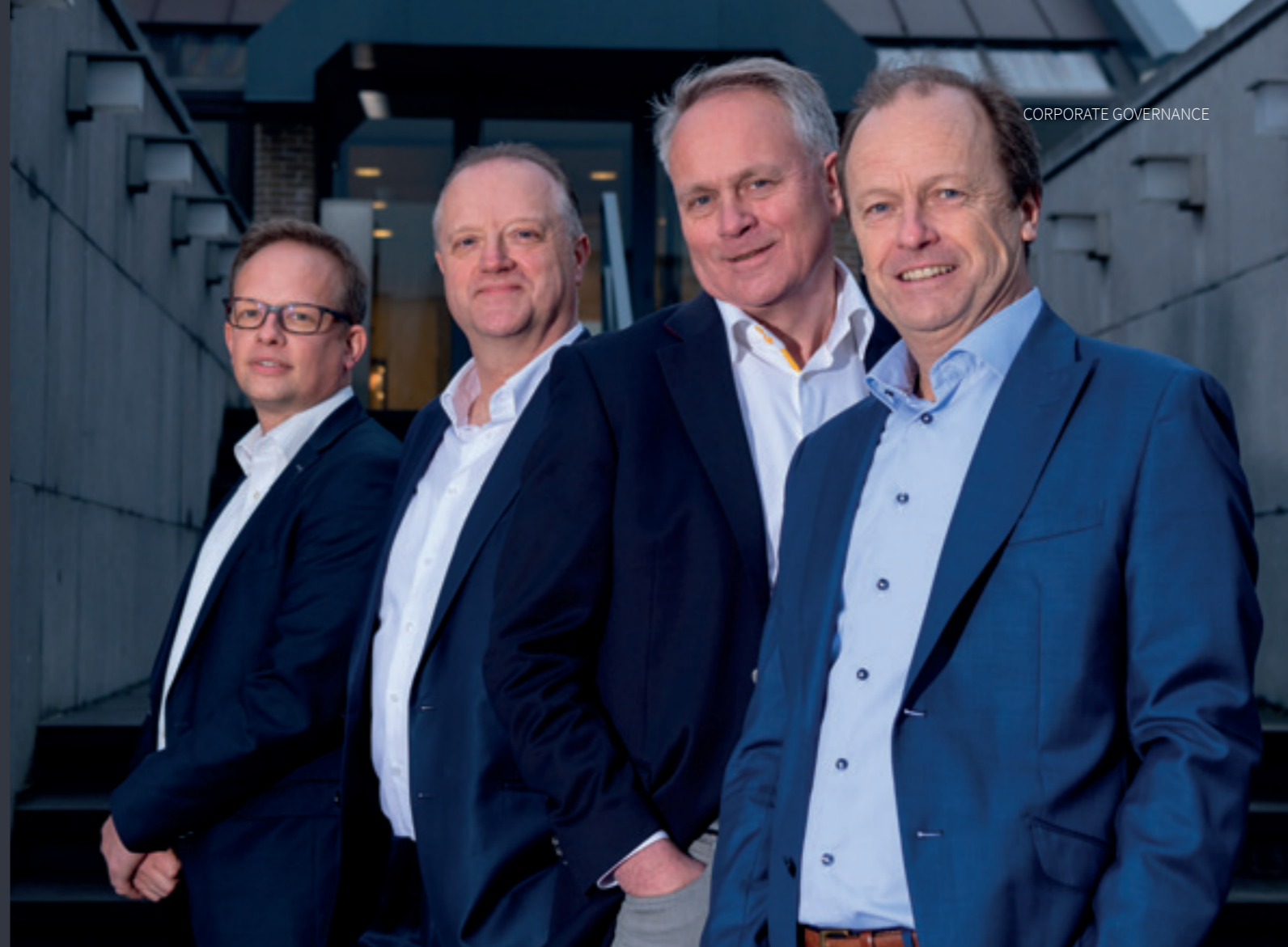
- Argalix BV, permanently represented by Francis Kint, Group CEO / Chairman of the executive committee / Managing Director until June 30th 2021 and afterwards Leading For Growth BV, permanently represented by Piet Sanders, Group CEO and Chairman of the executive committee / Managing Director from October 2021.
- Sagau Consulting BV, permanently represented by Christophe Bolsius, CEO of the ready meals division.
- Eric Kamp, COO and Managing Director of the Processed Meats Netherlands business.
- BV Esroh, represented by Yves Regniers, Group CFO.

**FUNCTIONING**

In 2021, the Executive Committee held meetings twice a month and whenever there were operational reasons to convene. The Executive Committee is responsible for management reporting to the Board of Directors. The detailed functioning of the Executive Committee is described in the Committee's internal regulations. These regulations form an integral part of the Group's Corporate Governance Charter.

**EVALUATION**

The board of directors once a year evaluates the functioning of the CEO (without the CEO present) and once a year the other members of the executive committee (with the CEO present). The board performs this review upon recommendation of the remuneration and nomination committee. This evaluation also took place in 2021. The board uses quantitative and qualitative parameters for its analysis. There is no direct link between the evaluation and the annual variable remuneration awarded.

**PIET SANDERS (\*1966) – Leading for Growth BV  
Group CEO / Managing Director of NV Ter Beke**

Piet Sanders (\* 1966) holds a Masters Degree of Law (KU Leuven) and a Master Degree in Management (Vlekhoo), and has spent nearly all 30 years of his career in the food ingredient industry. From 1990 till 2002, he developed a career in sales inside Amylum / Tate & Lyle, being Global Sales Director Food during his last 3 years in this world leading starch, cereal derived sweetener & wheat proteins company. After two years as Chief Sales & Marketing Officer in a leading European aluminium fenestration systems company (Reynaers Aluminium), he returned to the food ingredients business in 2004, joining Puratos as Managing Director for Central & Eastern Europe. As of 2006 he became the Managing Director for Asia-Pacific & Eastern Europe, and joined in 2014 the Puratos Group Executive Committee as Managing Director for Northern & Eastern Europe, a region with 28 subsidiaries. In 2020, he took up the role of Global Sales & Channels Director for the group. On October 1st 2021, he joined Ter Beke as their new CEO. Piet lives in Bonheiden, Belgium, is married and has 23 year old twins.

**YVES REGNIERS (\*1978) – ESROH BV  
Group CFO**

Studied Law (Ghent University), then obtained an International Executive MBA at Warwick Business School (UK). Started his career at PwC in financial audit. He then worked for 13 years at Multi Packaging Solutions (currently: Westrock) in various financial positions at home and abroad. Since the beginning of 2017 he has been active at Ter Beke, since January 2019 he is a member of the Executive Committee and since March 2020 he is CFO of the Group.

**ERIC KAMP (\*1963)****Group COO / Managing Director Processed Meats The Netherlands**

Studied Public Administration at the University of Twente in Enschede. He built an international career at Mars, United Biscuits, Provimi and Cargill and has lived and worked in Germany, Hungary and South Africa. Before Ter Beke, Eric was the Operations and Supply Chain Director at the Aquafeed division of Cargill. Eric takes up the position of COO and MD Processed Meats The Netherlands since May 1st 2020 and is part of the Executive Committee.

**CHRISTOPHE BOLSIOUS (\*1969) – Sagau Consulting BV  
CEO Ready Meals**

Graduated with a Licentiate degree in Applied Economics and a specialisation in International Business from the University of Antwerp. He has spent his entire career in the food industry. At the start of his career, he worked in various sales and marketing positions in Belgium and abroad, e.g. at Dr Oetker, Sara Lee Meat Products and Campina. In 2009, he held successive management positions at Friesland Campina and Douwe Egberts. Christophe Bolsius has been an active member of the Executive Committees of various sector associations: VLAM (Flanders' Agricultural Marketing Board), BABM (Belgillux Association of Branded products Manufacturers), BMA, coffee roasters' association. He joined the commercial management team of Ter Beke in December 2014 and from November 2015 onwards, assumed the position of Commercial Director Ready Meals. At the beginning of December 2017, he became CEO for the Ready Meals Division of the Ter Beke Group.

In May 2022, a 'Chief People Officer' will join the Group.

# Conflicts of interest

## BOARD OF DIRECTORS

No conflicts of interest (within the meaning of the Belgian Companies and Association Code) were reported to the Board of Directors in 2020. There were no other reports of transactions with associated parties as referred to in Appendix 2 of the Group's Corporate Governance Charter.

## EXECUTIVE COMMITTEE

No conflicts of interest occurred within the Executive Committee in 2020. Neither were there any reports of transactions with associated parties within the meaning of Appendix 2 of the Group's Corporate Governance Charter.

# External control

The General Meeting of Shareholders of May 27<sup>th</sup> 2021 appointed KPMG Bedrijfsrevisoren, represented by Filip De Bock, as Statutory Auditor of NV Ter Beke. The appointment was for a term of three years and we regularly consulted with the Statutory Auditor. He was invited to attend the Audit Committee meeting for the half-yearly and annual reporting. The Statutory Auditor was also invited to attend the meeting to discuss the internal audit plan and the internal controls.

The Statutory Auditor does not maintain any relationships with Ter Beke that could influence its judgement. In 2021, we paid 318 thousand EUR for audit services to KPMG Bedrijfsrevisoren and to the persons with whom KPMG Bedrijfsrevisoren is associated. Non-audit services of 5 thousand EUR were provided in 2021. The companies with which the auditor has a partnership did not invoice additional fees to the group.

# Ter Beke Dealing Code for transactions in securities

The Ter Beke Dealing Code regulates transactions in Ter Beke securities (Appendix 3 of the Group's Corporate Governance Charter).

- ◆ The Dealing Code states that price-sensitive information must be communicated immediately.
- ◆ Directors, Executive Committee members and insiders are required to inform the Compliance Officer of all share transactions. On receipt of a negative recommendation, the party concerned must cancel the transaction or inform the Board of Directors.
- ◆ The Dealing Code contains guidelines to preserve the confidential nature of privileged information. For example, the Dealing Code provides for blocked

- periods. Directors and other persons relevant to Ter Beke may not perform any transactions in Ter Beke securities during these blocked periods.
- ◆ New members of the Board of Directors, the Executive Committee and other persons who have regular access to privileged information are always informed by us regarding the Dealing Code.
- ◆ The company also maintains a list of the persons who have regular access to privileged information.

# Remuneration report

## PROCEDURE APPLIED IN 2021 FOR DEVELOPING THE REMUNERATION POLICY AND DETERMINING THE REMUNERATION AND APPLICABLE REMUNERATION POLICY

### REMUNERATION PROCEDURE

The remuneration policy for the members of the Board of Directors, CEO and members of the Executive Committee is prepared by the Remuneration and Nomination Committee and approved by the Board of Directors.

The remuneration policy is made available separately on the Group's website ([www.terbeke.com](http://www.terbeke.com)) and will be submitted for approval to the General Meeting of May 25<sup>th</sup> 2022.

The remuneration policy for the members of the Board of Directors, CEO and the members of the Executive Committee is an integral part of the Corporate Governance Charter and is incorporated as an appendix to the Remuneration and Nomination Committee's internal regulations. The Remuneration and Nomination Committee monitors the implementation of this policy and advises the Board of Directors in this matter.

The remuneration level for the members of the Board of Directors for the financial year 2021 was approved by the General Meeting of Shareholders on May 27<sup>th</sup>, 2021.

The remuneration level of the CEO and members of the Executive Committee for the financial year 2021 was confirmed by the Board of Directors based on the advice of the Remuneration and Nomination Committee

### REMUNERATION

In 2021, the members of the Board of Directors and the Committees are entitled to an annual fixed remuneration (in EUR):

Chairman of the Board of Directors	75,000
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-related or share based remuneration, nor to any other remuneration for the performance of their mandate as director, except for the fixed remuneration.

The remuneration of the CEO and the members of the executive management who provide their services through a management company, is made up of a fixed remuneration and an annual variable remuneration. The remuneration of the members of the Group's executive management consists of: a fixed remuneration, an annual variable remuneration, a company car, fuel card and other remuneration components, such as pensions and insurance, all of

this in line with company guidelines for employees. The CEO and members of the executive management receive an annual variable remuneration, that is granted depending on the achievement of annually set targets related to the financial year for which the variable remuneration is payable.

The targets are based on objective parameters. They are closely linked to the Group's results and the role played by the CEO and the members of the executive management in achieving these results. The main parameters used for this are volume, EAT and ROCE.

The specific parameters to be applied in any given year and the specific targets to be achieved, with a view to implementing the Group's long-term strategy, are assessed annually by the Remuneration and Nomination Committee and presented to the Board of Directors for approval. For 2021 it concerned only the aforementioned parameters.

The variable allowance is always one quarter or less of the total annual remuneration, except for the CEO, for whom a minimum agreement was valid in 2021. In addition to the variable remuneration, the Board of Directors may grant the CEO and/or (some of) the members of the executive management an (additional) bonus for specific performance or merit. This is done on the proposal of the remuneration and nomination committee. The condition is that the total budget for the variable remuneration for the CEO and the members of the executive management is not exceeded. For 2021 an additional bonus was granted in the context of additional work carried out by the CFO - related to the intended acquisition of Imperial-Stegeman.

If a variable remuneration was granted based on information that subsequently transpires to be incorrect, the company will rely on facilities provided under common law. There are no specific agreements or systems entitling the company to reclaim the variable remuneration paid.

Under normal circumstances, the Group's remuneration policy for members of the Board and Executive Management will not be subject to any significant changes in the coming years, with the exception, if applicable, the introduction of an LTI (Long Term Incentive) for the members of the Executive Committee and possible additional compensation in the context of additional work linked to the planned acquisition of Imperial-Stegeman. The latter will, in any event, be conditional on achievement of financial metrics.

Long-term incentives (LTI) were established for the former CEO of the Group and for the CEO of the Ready Meals Division in 2018. In this context an amount was paid to the CEO Ready Meals. For the CEO of the group - given his departure, the pro rata allocated amount of the LTI was included in the severance payment.

### REMUNERATION AND OTHER ALLOWANCES FOR NON-EXECUTIVE DIRECTORS AND EXECUTIVE MANAGERS IN THEIR ROLE AS A MEMBER OF THE BOARD OF DIRECTORS (IN EUR)

The remuneration of the members of the Board of Directors (executive, non-executive and independent directors, see overview below) for their mandate as director in 2021 can be summarised as follows:

	Mandate of director	Mandate Remuneration and Nomination Committee	Mandate Audit Committee	Total
Fidigo NV (Dirk Goeminne)	75,000.00	5,000.00	6,000.00	86,000.00
Argalix BV (Francis Kint)	10,000.00			10,000.00
Leading for Growth BV (Piet Sanders)	5,000.00			5,000.00
Tower Consulting BV (Inge Plochaet)	20,000.00	5,000.00	6,000.00	31,000.00
Holbigenetics NV (Frank Coopman)	20,000.00			20,000.00
Dominique Coopman	20,000.00			20,000.00
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
<b>Total mandates</b>				<b>291,000.00</b>

In addition to the aforementioned remuneration, NV Fidigo invoiced an amount of EUR 164 thousand for the provision of services which exceeded the mandate of the Chairman of the Board of Directors.

### REMUNERATION OF THE CEO AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT (IN EUR)

The individual remuneration of the former Managing Director/Chairman of the Executive Committee until June 30<sup>th</sup>, 2021 (Argalix BV, represented by Francis Kint), the individual remuneration of the new Managing Director/Chairman of the Executive Committee (Leading For Growth BV, represented by Piet Sanders as of October 1<sup>st</sup>, 2021) and the combined gross remuneration of the other members of the Executive Committee and the executive directors: Esroh BV, represented by Yves Regniers, Sagau Consulting BV, represented by Christophe Bolsius, Eric Kamp and also Dirk De Backer (until July 31<sup>st</sup> 2021) are shown in the table below.

	Former CEO***	New CEO***	Other members of the executive management
Base pay	255,942	125,000	1,154,856
Variable pay (cash - on a yearly basis)	194,999	129,000	302,791
Pensions*	NA**	NA**	19,099
Other insurance (hospitalisation insurance)	NA**	NA**	1,491
Other benefits (company car)	NA**	NA**	27,828
Long Term Incentive provision 2021	-293,000 (Reversal)	0	40,303
Termination / Severance Pay	775,764	NA**	NA**

\* 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

Neither the members of the Board of Directors nor the members of the Executive Committee hold any share options, warrants or any other rights to acquire shares.

No shares, share options or any other rights to acquire Ter Beke shares were granted by the company in 2021 to any of the members of Board of Directors or the members of the Executive Committee.

For the time being, the Board of Directors has decided not to pay any share-based remuneration to its non-executive members, as recommended by the Corporate Governance Code 2020. Given the limited nature of the remuneration, the Board of Directors does not consider it appropriate to incur the cost of setting up a share plan. If a plan were to be considered in the future, the Board of Directors will also consider a lock-up of the shares for a sufficiently long period.

## HISTORICAL INFORMATION AND RATIO

The remuneration of the members of the Board of Directors and the CEO and the key performance indicators developed as follows during the period 2017-2021:

	2017	2018	2019	2020	2021
Chairman of the Board of Directors	€ 67,000	€ 75,000	€ 75,000	€ 75,000	€ 75,000
Member of the Board of Directors	€ 18,000	€ 20,000	€ 20,000	€ 20,000	€ 20,000
Chairman of the Audit Committee	€ 9,000	€ 10,000	€ 10,000	€ 10,000	€ 10,000
Member of the Audit Committee	€ 5,000	€ 6,000	€ 6,000	€ 6,000	€ 6,000
Chairman of the Remuneration and Nomination Committee	€ 6,000	€ 7,000	€ 7,000	€ 7,000	€ 7,000
Member of the Remuneration and Nomination Committee	€ 4,000	€ 5,000	€ 5,000	€ 5,000	€ 5,000
CEO - fixed remuneration - excl. board mandate remuneration	€ 482,000	€ 482,000	€ 484,725	466,194	€500,000*
Sales (in million EUR)	497.4	680.5	728.1	717.4	696.9
EBITDA (in million EUR)	38.4	44	37.2	37.1	45.9
Result after taxes (in million EUR)	17.1	7.2	4.4	-2.5	7.3

\*For 2021 it concerns the remuneration of the new CEO. As of October 1<sup>st</sup>, 2021, 3/12 of this amount was invoiced pro rata by Leading For Growth BV.

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

	2017	2018	2019	2020	2021
Average gross salary for a full time equivalent in the group	100	101.05	104.12	106.66	110.45

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.

# Key features of the internal control and risk management systems

We attach great importance to high-performance internal control and risk management and we try to integrate them into our structure and business operations to the maximum possible extent. For this purpose, we have implemented numerous internal controls according to the integrated COSO II or Enterprise Risk Management Framework\*. The key elements are summarised here.

Each year, based on the proposal put forward by the Executive Committee, the Board of Directors determines or confirms the Group's mission, values and strategy, as well as the risk profile of the Group. We actively and repeatedly promote our values among all our employees during information meetings organised every six months. Integrity is the most important value in the context of risk management. At the same time, we communicate to all our employees the key aspects of the strategy and objectives for the Group and the divisions.

The governance structure of our Group, described in detail in our Articles of Association, Corporate Governance Charter and in this Corporate Governance Statement, clearly defines the various duties and responsibilities of each of our management bodies, and more specifically those of the Board of Directors, the Audit Committee, the Remuneration and Nomination Committee, the Executive Committee and the Managing Director/CEO. These duties and responsibilities are in line with the statutory provisions and the provisions of the Corporate Governance Code 2020. Coherent regulations have been drawn up for each of the aforementioned bodies which are regularly evaluated, and if necessary, amended so that powers and responsibilities are clearly defined and can be monitored at all times.

We organise (and monitor) our human resources via a job classification system, in which all Group employees are graded. Detailed job descriptions have been drawn up for each position. These job descriptions define both the educational and competency requirements for the job as well as the duties, responsibilities and reporting lines for the position. These job descriptions are adapted as the scope of certain jobs changes due to internal or external circumstances.

Each year, we appraise the performance of all our non-production employees using a detailed appraisal tool. We attach extra importance to employee behaviour that is in line with our company values.

We have also defined clear policy lines with regard to the training and remuneration of our employees.

We rigorously apply the statutory provisions related to conflicts of interest (see above) and we have implemented regulations for transactions with associated parties that do not constitute a legal conflict of interest (see Appendix 2 to the Corporate Governance Charter).

The internal auditor periodically conducts risk audits and audits of the internal controls in all Group departments and reports on these to the Audit Committee. Based on the findings of the internal auditor, and in consultation with the Audit Committee, adjustments are implemented in the internal control system.

The Audit Committee devotes two meetings per year to the evaluation of the risks that we are exposed to (see above). Internal controls and risk management are also discussed at these meetings. This is based on a formal and detailed risk assessment procedure developed by the executive management, which includes reporting on how the identified risks are dealt with. The Audit Committee reports on its activities at the subsequent meeting of the Board of Directors.

We follow a Dealing Code to prevent market abuse (see Appendix 3 to the Corporate Governance Charter) and we have appointed a compliance officer to ensure correct compliance with the rules on market abuse (see above). We have taken out appropriate insurance contracts to protect us against the most serious risks.

We have a hedging policy in place to manage exchange rate risks.

A number of other risk management practices that we apply have been mentioned in the description of the main risks to which we are exposed.

The following control and risk management systems have been established with specific regard to the financial reporting process:

The internal regulations of the Board of Directors, Audit Committee and the Executive Committee clearly describe the responsibilities in the context of preparing and approving The Group's financial statements.

The financial results of the Group and the divisions are reported by the finance department on a monthly basis to the Executive Committee. The committee discusses these results and makes them available to the members of the Board of Directors.

The Executive Committee reports on the results of the Group and the divisions to the Board of Directors on a quarterly basis. The Executive Committee reports the results of the first six months and the annual results to the Audit Committee, which then discusses them with the internal and external auditor. These results are subsequently presented to the Board of Directors for approval and published in the legally prescribed format. We publish a schedule both internally and externally, which provides an overview of our periodic reporting with respect to the financial market.

We have introduced clear schedules for financial reporting at all levels of the company, so that we can meet all the statutory requirements in a correct and timely manner.

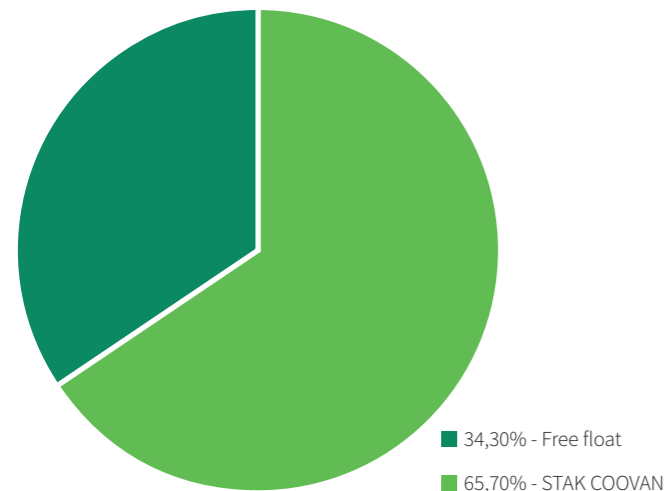
We also have a clear policy regarding the protection of and access to financial data, as well as a proper system for the backup and storage this data.

The finance department has a detailed manual describing the relevant accounting principles and procedures.

We have implemented the internal controls subject to the greatest risk from the COSO II framework regarding financial matters. These controls and systems are designed to help guarantee that the published financial results give a true and fair picture of the Group's financial position.

## Other statutory information

### SHAREHOLDING STRUCTURE AS PER 31 DECEMBER 2021



### TRANSPARENCY

In 2021, we did not receive any transparency declarations

### NOTIFICATIONS PURSUANT TO ARTICLE 34 OF THE 14 NOVEMBER 2007 ROYAL DECREE

There are no persons holding securities with special control rights.

The voting rights of the Group's own shares are suspended in accordance with the prevailing statutory provisions.

The Extraordinary General Meeting of Shareholders are authorised to modify the company's Articles of Association. This requires a three-fourths majority of the votes present. Those present must represent at least half of the share capital, as provided for in the Companies and Associations Code. The objective of the company may be altered with a majority of four-fifths

of the votes present. On December 31<sup>st</sup>, 2021 Ter Beke NV did not hold any treasury shares (neither did Ter Beke NV hold any treasury shares on December 31<sup>st</sup> 2020).

The procedure for the appointment/reappointment of directors (see forementioned reappointments) is described in Article 4 of the regulations of the Remuneration and Nomination Committee (appendix to the group's Corporate Governance Charter).

The Extraordinary General Meeting of Shareholders held on May 27<sup>th</sup>, 2021 authorised the Board of Directors of Ter Beke NV to increase the share capital of the company within the limits of the authorised capital. This must be done in accordance with the conditions stated in the Belgian Company and Association Code. This authorisation is valid for a period of three years.

The Extraordinary General Meeting of Shareholders held on May 27<sup>th</sup>, 2021 also authorised the Board of Directors to acquire, in accordance with Belgian Company and Association Code, shares of the company on behalf of the company. Such acquisition of shares is only permitted as a necessary means to avert an imminent and serious threat to the company. This authorisation is valid for three years.

In 2017 we received a STAK Coovan transparency declaration over the shareholding in the Ter Beke NV capital. This declaration was included in the company website and the contents published in accordance with the applicable regulations and is shown above.

To the best of the Group's knowledge there are no other elements to be mentioned that may have an effect in the event of a public takeover bid, nor any legal or statutory limitations concerning the transfer of shares.

### KEY BUSINESS RISKS

In its internal operations, Ter Beke takes many precautions to reduce possible risks. As a food manufacturer, we are also subject to risks that lie beyond our control. Yet we act proactively to minimise any possible impact.

### MAIN RISKS TO OUR OPERATING ACTIVITIES

### WHAT CAN HAPPEN IF WE DON'T MAKE THE RIGHT DECISIONS?

### HOW DO WE LIMIT THE RISKS IN GENERAL AND IN 2021 IN PARTICULAR?

#### OPERATIONAL RISKS

##### Food safety and product liability

Every day, thousands of people eat our processed meats and ready meals. These products must be fresh and safe. The end consumer is also entitled to clear information about the composition of the product and its nutritional value.

The safety and the confidence of consumers are vitally important to us. Anything that can damage this confidence - either concerning our own products or the sector - will have a negative impact on our sales, our prospects and our reputation.

We have constant high demands for product safety and quality. All our raw materials are traceable. Our packaging clearly states product composition and nutritional values per 100 grammes and per serving. We go further than the statutory requirements with regards to the safety of our packaging. We have insurance to cover our product liability.

##### Competitive environment

The processed meats market is extremely mature and is dominated by the private labels of large discount and retail customers. The ready meals market is growing, but here competition is very fierce.

The competition enables customers to increase pressure on our margins. This may have an impact on our profits.

We distinguish ourselves from our competitors in terms of concepts and products. We work continuously on improving efficiency and cost control.

##### Technological developments

Product and production technologies evolve rapidly.

Not being abreast with the latest production technologies can have a negative impact on efficiency and cost control. Competitors may have access to alternative product technology that at some point may win over consumers.

Each year we invest considerable sums in tangible non-current assets to maintain and improve our level of technology. We maintain good contact with our suppliers so that we are always well informed of the most recent developments. We sound out consumer preferences. We work together with research institutes such as Flanders' FOOD.

##### Electronics and information systems

For efficient business operations we are becoming increasingly dependent on information systems and integrated control systems which are managed by a complex set of software applications.

If these systems do not work well, or if they were to become unavailable, this would have a negative impact on the production volume and on our reputation.

All systems are maintained appropriately. All systems are upgraded when necessary. Regular back-ups are made of all information. A new ERP system has been implemented to structure and simplify our business processes.

##### War for talent

An organisation is only as strong as its employees. The knowledge and expertise is to be found in a group of employees who contribute to building the company and its brands.

If too many good employees are lured away by the competition and there is too little influx of young people, we run the risk that we will be unable to achieve our growth scenario.

In 2015, we established a Young Potential programme: newly graduated young people receive an attractive training programme. They experience four different positions within the company during two years.



MAIN RISKS TO OUR OPERATING ACTIVITIES	WHAT CAN HAPPEN IF WE DON'T MAKE THE RIGHT DECISIONS?	HOW DO WE LIMIT THE RISKS IN GENERAL AND IN 2021 IN PARTICULAR?
<b>MARKET RISKS</b>		
<p><b>Price fluctuations for raw materials and packaging</b></p> <p>We work with natural raw materials. We must therefore take into account possible fluctuations in the quality and the price of our raw materials and packaging materials.</p>	<p>Price increases for raw materials and packaging can have a negative influence on the margins.</p>	<p>We enter into long-term contracts whenever possible. We work with volume arrangements on an annual basis.</p>
<p><b>Relationships with suppliers</b></p> <p>For specific raw materials we are obliged to work with a limited number of suppliers.</p>	<p>If one or more of these suppliers cannot fulfil its contractual commitments and we are unable to secure alternative supplies in time, this could have a negative impact on our business operations.</p>	<p>We enter into long-term contracts whenever possible. We work with volume arrangements on an annual basis. We offer our suppliers fair payment for their added value. We work with preferential suppliers for sustainability.</p>
<p><b>Relationships with customers</b></p> <p>We market our products via a network of discount and retail customers throughout Europe. The number of large customer groups is limited.</p>	<p>The number of larger retail customers is small. If one of them terminates a contract, this may have a significant negative impact on our turnover and profit.</p>	<p>We diversify turnover in different products and contracts with other lead times; both with respect to our own brands as well as private labels of customers and in different countries.</p>
<p><b>Customer and consumer behaviour</b></p> <p>Our sales are related to the eating habits and trends of the ultimate consumers, just as their spending habits.</p>	<p>If consumers no longer selected our products or their eating habits were to change, this would have a significant impact on our business activities. General economic conditions such as cyclical fluctuations, unemployment and interest rates can also affect the consumer spending patterns.</p>	<p>In 2015, we conducted a major market research survey on trends in dietary habits in various markets. We surveyed the satisfaction of our consumers to anticipate and minimise this risk. We ensure that our prices are in line with those of the market.</p>

MAIN RISKS TO OUR OPERATING ACTIVITIES	WHAT CAN HAPPEN IF WE DON'T MAKE THE RIGHT DECISIONS?	HOW DO WE LIMIT THE RISKS IN GENERAL AND IN 2021 IN PARTICULAR?
<b>FINANCIAL RISKS (SEE ALSO EXPLANATORY NOTE 26 IN THE ANNUAL ACCOUNTS)</b>		
<p><b>Credit risks</b></p> <p>We have receivables outstanding from our clients and retail customers.</p>	<p>Receivables not collected on time have a negative impact on the cash flow.</p>	<p>We monitor customers and outstanding receivables in order to limit these potential risks. Most receivables relate to large European customers which limits the risk.</p>
<p><b>Exchange rate risks</b></p> <p>As Ter Beke operates in an international environment, we are exposed to an exchange rate risk on the sales, purchases and interest-bearing loans expressed in a currency other than the company's local currency.</p>	<p>Fluctuations in exchange rates can cause fluctuations in the value of financial instruments.</p>	<p>We adhere to a consistent hedging policy. We do not use financial instruments for trading and we do not speculate.</p>
<p><b>Interest risk</b></p> <p>The forms of financing with variable interest rates mainly arise from Ter Beke's Revolving Credit Facility Agreement.</p>	<p>The fair value or future cash flows of a financial instrument will fluctuate as a result of changes in the market interest rates.</p>	<p>We adhere to a consistent hedging policy. We do not use financial instruments for trading and we do not speculate.</p>
<p><b>Liquidity and cash flow risks</b></p> <p>As with any business, Ter Beke monitors liquidities and cash flow.</p>	<p>A shortage of cash and cash equivalents could put pressure on the relationships with certain parties.</p>	<p>We have a significant net cash flow with respect to the net financial debt position. We have centralised our treasury policy and we hedge against interest rate risks.</p>
<b>LEGAL RISKS (SEE ALSO EXPLANATORY NOTE 28 IN THE ANNUAL ACCOUNTS)</b>		
<p><b>Changes to legislation</b></p> <p>Now and then the government changes and tightens legislation on the production and sale of foods.</p>	<p>Not meeting these conditions can expose us to the risk of fines or sanctions.</p>	<p>We invest significant amounts annually to satisfy new legislation, likewise relating to sustainability and the environment. Each year we organise training programmes to keep our employees up-to-date on new legislation and its impact.</p>
<p><b>Legal disputes</b></p> <p>Occasionally we are involved in legal proceedings or disputes with customers, suppliers, consumers or the government.</p>	<p>Such litigation could have a negative impact on our financial situation.</p>	<p>We anticipate the potential impact of these disputes in our accounts as soon as a risk is judged as realistic under the applicable accounting rules.</p>