

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) and will be submitted for approval to the General Meeting of May 25th 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 27th, 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
Total mandates				291,000.00

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 30th, 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 1st, 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 31st 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 1st, 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.