

corporate governance

Corporate Governance

The Corporate Governance Statement is based on articles 3:6§2 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 2022, 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 2022 financial year, we are still using the Belgian Corporate Governance Code 2020 as a reference. This code is publicly available at www.corporategovernancecommittee.be.

Our Corporate Governance Charter is published on www.whatscooking.group. 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 2022:

- 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



Paul VAN OYEN (*1961)

Paul Van Oyen holds a master's degree in geology/mineralogy and studied management at KU Leuven. After a few years of teaching and field work in Morocco, he became a researcher for European studies on strategic raw materials. Paul started his industrial career at what is now Steinzeug Keramo. He moved to Etex Group in 1990, where he held several staff and management positions over a period of 31 years. After

7 years as the CEO of Etex, Paul decided to become self-employed in order to share his experience. In 2022, he was appointed as a director and chairman of the board of Ter Beke NV for a period of four years. He is also a member of our Remuneration and Nomination Committee and, as from 2023, the chair of our Sustainability Committee.



Frank COOPMAN (*1965) Holbigenetics NV

Frank Coopman, who graduated in veterinary sciences in 1990, began his career inspecting animal-based foodstuffs and working in molecular medical biotechnology. He obtained a PhD in veterinary sciences and was an animal production and genetics lecturer for many years. Frank is the co-founder and director of BCC bv, Biomics and Chemics Consultancy,

where he further develops the biological-genetic section. In 2020, Frank was appointed as a director at Ter Beke NV for a period of four years. In 2023, he also became a member of our Remuneration and Nomination Committee.



Dominique COOPMAN (*1967) Famcoo Invest NV

Dominique Coopman studied bioscience engineering and engineering management, as well as environmental remediation. She also holds a master's degree in food culture. Dominique works in Italy as a freelance consultant, and has been a director at Ter Beke NV since 2008. Her latest reappointment, in 2022, extended her directorship with another four years. In addition,

Dominique became a member of the Sustainability Committee in 2023.



Eddy VAN DER PLUYM (*1957)

Eddy Van Der Pluym supplemented his economics studies with an MBA at INSEAD. After a brief stint at Deloitte Haskins & Sells, he joined the family business Pluma NV, which became a part of Ter Beke NV in 2006. In 2019, Eddy was appointed as a director for a four-year period, and the proposal is to re-appoint him for a period of four years in 2023. In 2023, he joined our Audit Committee.



Piet SANDERS (*1966), CEO Leading for Growth BV

Piet Sanders holds a master's degree in law and in management. He has spent nearly all 30 years of his career in the food ingredient industry. From 1999 to 2002, Piet was the Global Sales Director of Food at Amylum / Tate & Lyle, a world-leading producer of starch, cereal derived sweetener and wheat proteins. After two years as Chief Sales & Marketing Officer at Reynaers

Aluminium, he returned to the food ingredients business in 2004, when he joined Puratos as Managing Director for Central & Eastern Europe. In this international group offering innovative food ingredients and services for the bakery, patisserie and chocolate sectors, Piet held different positions such as Managing Director for Northern & Eastern Europe, and Global Sales & Channels Director. In 2021, he joined Ter Beke NV as our CEO. In 2022, Piet was appointed as a director for a period of four years. He joined our Sustainability Committee in 2023.



Ann VEREECKE (*1963) Ann Vereecke BV

Ann Vereecke is a civil engineer and doctor in management. She is a professor of operations and supply chain management at Vlerick Business School and Ghent University, and has been 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).

Currently, Ann is a member of the board of Picanol Group and North Sea Port. In 2014, she joined the Board of Directors at Ter Beke NV as an independent director. She chairs the Remuneration and Nomination Committee and became a member of the Sustainability Committee in 2023. At the General Meeting of May 2022 Ann was reappointed as an independent director for a period of four years. verlengd.



Dominique EEMAN (*1957) Deemanco BV

Dominique Eeman obtained a degree in applied economics, a master's degree at Vlerick Business School, and the INSEAD International Directors Programme certificate. He has extensive experience as a CFO, being an all-round financial and strategic expert with extensive knowledge of the food sector thanks to his positions as the CFO at Vandemoortele

and as a director at Leonidas. Until 2021, Dominique was the general manager of the listed holding company Solvac. Today, he is the chairman of Akkanto, a member of the Board of Directors of NMP-Funds For Good and Sofindey IV, and a member of the Supervisory Board of Van de Put & Co. Dominique has been an independent director of Ter Beke NV since 2017, his current mandate extending until 2025. He is also chairman of our Audit Committee.



Kurt COFFYN (*1968) C:Solutio BV

Kurt Coffyn has a degree in industrial engineering, specialising in automation and electronics. He has 30 years of experience in operations and supply chain, from working as a labour analyst at Vynckier (General Electric) to taking up the role of COO at various companies such as Ontex, Provimi, Cargill and Unilabs Switzerland. Since 2019, Kurt has been the COO of Belgium-based

Lineas, the largest private rail freight operator in Europe. In 2020 he became a permanent representative of C:Solutio, his current mandate extending until 2024. Kurt has been an independent director at Ter Beke NV since 2017. He is also a member of our Audit Committee.



Inge PLOCHAET (*1968) Tower Consulting BV

Inge Plochaet holds a master's degree in industrial sciences/chemistry. She studied innovation management at IMD and obtained an in-company MBA at INSEAD & Wharton. Inge has 26 years of operational experience, starting her career at Procter & Gamble as a packaging engineer. She held various positions at AB-Inbev until 2015, from Innovation Director

Western Europe to President of AB Inbev UK & Ireland. Today, she advises companies on strategy and operational excellence, next to being chairman of the Board of B-Steel BV and VBSC NV, and a director at Groven+ NV, CSM NV, Colmar NV, Sligro Food Group NV and the Faber group NV. Inge has held a four-year mandate as an independent director of Ter Beke NV since 2020, and became a member of the Sustainability committee in 2023.

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 2022, with an overview of the meetings and attendances in 2022.

Name	Type*	End of mandate	Committees**	Meetings 2022 (x = present)						
				9/2	24/2	21/4	25/5	16/6	25/8	24/11
Dirk Goeminne (1)	NE	2022	AC/RNC	X	X	X				
Dominique Coopman (8)	NE	2026		X	X	X	X	X	X	X
Frank Coopman (4)	NE	2024		X	X	X	X	X	X	X
Eddy Van Der Pluym	NE	2023		X	X	X	X	X	X	X
Paul Van Oyen (9)	I	2026	AC/RNC				X	X	X	X
Ann Vereecke (2)	I	2026	AC/RNC	X	X	X	X	X	X	X
Dominique Eeman (3)	I	2025	AC/RNC	X	X	X	X	X	X	
Kurt Coffyn (5)	I	2024	AC/RNC	X	X	X	X	X	X	X
Inge Plochaet (6)	E	2024	AC/RNC	X	X	X	X	X	X	X
Piet Sanders (7)	E	2026		X	X	X	X	X	X	X

As permanent representative for:
(1) NV Fidigo, till 25 June 2022, (2) BV Ann Vereecke, (3) BV Deemanco, (4) NV Holbigenetics, (5) BV C:Solutio, (6) BV Tower Consulting, (7) BV Leading for Growth, (8) NV Famcoo Invest, as of 25 May 2022 (previously in own name), (9) as of 25 May 2022

*

E = Executive
NE = Non-executive
I = Independent

**

AC = Audit Committee
RNC = Remuneration and
Nomination Committee

To the extent necessary, we confirm that the Group complies with provision 5.5 of the Corporate Governance Code. This sets the maximum number of mandates in listed companies for non-executive directors.

The internal regulations of the board of directors describe the detailed operation of that board. These rules are an integral part of the Group's Corporate Governance Charter.

The board decides among other things on the half-yearly and annual results, the budget and the group's strategy.

Diversity

In the composition of the Board of Directors, we take into account the necessary complementarity of skills, experience, knowledge and diversity (including gender). See also Article 1.2 of the Internal Regulations (Annex 1 to the Corporate Governance Charter). The overview of the members of the Board of Directors shows that we will meet this as of December 31, 2022.

Evaluation

The chairman of the board regularly organizes a formal evaluation of the board and its operation, including its interaction with executive management. The results of this evaluation are discussed in the council and improvement actions are prepared. A formal evaluation was completed (with the help of a consultant) in 2022.

Appointments/Reappointments in 2022

The May 25, 2023 general meeting will be asked to:

- Reappoint Eddy Van der Pluym as a director for a period of 4 years ending at the general meeting of 2027.
- Appoint Johan Pauwels, (if applicable as permanent representative of his management company) with address at Legevoorde 8, 9950 Lievegem, as a director for a period of 4 years ending at the general meeting of 2027.

Committees within the board of directors

The board of directors had two active committees in 2022: the audit committee and the remuneration and nomination committee. The committees are composed in accordance with legislation and the requirements of the Corporate Governance Code. The committees work within a mandate from the board of directors. A description of that mandate can be found in the detailed terms of reference appended to the Corporate Governance Charter.

Audit committee

The table below shows the composition of the audit committee on Dec. 31, 2022, with a summary of meetings and attendance in 2022.

Name	Meetings 2022 (x = present)				
	21/2	21/4	25/5	25/8	24/11
NV Fidigo (Dirk Goeminne)	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	X	X
BV Tower Consulting (Inge Plochaet)	X	X	X	X	X
Paul Van Oyen **			X	X	X

* Chair
** Chair ad interim on 24/11/2022

All members of the committee are non-executive directors and have in-depth knowledge of financial management. The majority of committee members are independent. The committee has the necessary collective expertise on the company's activities. The committee met regularly in the presence of the auditor and always in the presence of the internal auditor. The audit committee advised the board of directors on, among other things:

- the annual results 2021
- the half-year results 2022
- internal control
- the risk management of the group
- the independence and remuneration of the statutory auditor and companies associated with the statutory auditorde jaarresultaten 2021

The audit committee monitors the internal audit function it has established. It regularly reviews its own regulations and operation.

Remuneration and nomination committee

The table below shows the composition of the Remuneration and Nomination Committee on December 31, 2022, with a summary of meetings and attendance in 2022.

Name	Meetings 2022 (x = present)						
	24/1	4/2	15/2	24/2	22/3	21/4	21/11
BV Ann Vereecke (Ann Vereecke)*	X	X	X	X	X	X	X
BV Deemanco (Dominique Eeman)	X	X		X		X	
BV C:Solutio (Kurt Coffyn)	X		X	X	X	X	X
NV Fidigo (Dirk Goeminne)	X	X	X	X		X	
BV Tower Consulting (Inge Plochaet)	X		X	X	X	X	X
Paul Van Oyen							X

* Chair

All members are non-executive directors and have in-depth knowledge of human resources management. The majority of the committee members are independent. The remuneration and nomination committee advises the board of directors on, among other things:

- the remuneration of the executives and the CEO
- the remuneration of the directors and the chairman
- the general remuneration policy for the directors and executive management
- the principles of the variable compensation system
- the appointment and reappointment of directors
- the composition of committees within the board of directors
- the members and the chairman of the executive committee
- the managing director

The committee prepares the remuneration report, submits it to the board of directors and explains it at the general meeting. The committee regularly evaluates its own regulations and operation.

Secretary

An ad hoc secretary was appointed for each meeting through the end of March 2022. From April 2022 our General Secretary - General Counsel & Corporate Affairs Director, Ms. Ann De Jaeger will also be the Secretary of the Board of Directors.

Executive committee

Following the introduction of the Companies and Associations Code, Ter Beke opted for a one tier governance model in 2020, with a board of directors, a managing director for day-to-day management and an executive committee.

Executive committee composition in 2022:

Leading For Growth BV,
permanently represented by Piet Sanders, group Chief Executive Officer and Chairman of the Executive Committee / Managing Director.

Sagau Consulting BV,
permanently represented by Christophe Bolsius,
SBU Director Ready Meals

Eric Kamp, group Chief Operating Officer

Esroh BV,
permanently represented by Yves Regniers, group Chief Financial Officer

Leading Edge HR BV,
permanently represented by Else Verstraete, group Chief People Officer (from May 2022)

Creating digital value SRL,
permanently represented by Peter Bal, group Chief Information Officer (from November 2022)

Broersbank Advies & Management BV,
permanently represented by Brecht Vanlerberghe, group Chief Research & Development Officer (from December 2022)

From April 2022, as General Secretary - General Counsel & Corporate Affairs Director, Ms. **Ann De Jaeger** is also the secretary of the executive committee.

Operation

The executive committee met twice a month in 2022 and whenever necessary for operational reasons. The executive committee is responsible for management reporting to the board of directors. The detailed operation of the executive committee is described in the executive committee’s internal regulations. These are an integral part of the group’s Corporate Governance Charter.

Evaluation

The board evaluates once a year the performance of the CEO (without the CEO) and once a year the other members of the executive committee (together with the CEO). The board does so at the suggestion of the remuneration and nomination committee. This evaluation also took place in 2022. The board uses both quantitative and qualitative parameters for this purpose. There is no direct link between this evaluation and the annual variable remuneration.



Piet SANDERS (*1966) – Leading for Growth BV
CEO What’s Cooking Group / Managing Director of the Board of Directors

Piet Sanders holds a master’s degree in law and in management. He has spent nearly all 30 years of his career in the food ingredient industry. From 1999 to 2002, Piet was the Global Sales Director of Food at Amylum / Tate & Lyle, a world-leading producer of starch, cereal derived sweetener and wheat proteins. After two years as Chief Sales & Marketing Officer at Reynaers Aluminium, he returned to the food ingredients business in 2004, when he joined Puratos as Managing Director for Central & Eastern Europe. In this international group offering innovative food ingredients and services for the bakery, patisserie and chocolate sectors, Piet held different positions such as Managing Director for Northern & Eastern Europe, and Global Sales & Channels Director. In 2021, he joined Ter Beke NV as our CEO. In 2022, Piet was appointed as a director for a period of four years. He joined our Sustainability Committee in 2023.

Yves REGNIERS (*1978) – ESROH BV
CFO What’s Cooking Group

Yves Regniers studied law at Ghent University and obtained an international executive MBA at Warwick Business School. After a stint in financial auditing at PwC, he worked for thirteen years at what is now WestRock, holding various financial positions both in Belgium and abroad. In the beginning of 2017, he came on board at Ter Beke NV. Yves has been a member of the Executive Committee since January 2019, and was appointed Group CFO in March 2020.

Eric KAMP (*1963)
COO What’s Cooking Group

Eric Kamp studied public administration at the University of Twente. He built an international career working for Mars, United Biscuits and Provimi, among other leading companies, and has lived and worked in Germany, Hungary and South Africa. Before joining What’s Cooking?, Eric was the Operations and Supply Chain Director of the Aquafeed division at Cargill. He has been group COO since 2020 and a member of the Executive Committee. Until the until of end 2022, Eric was Managing Director Processed Meats.

Christophe BOLSIOUS (*1969) – Sagau Consulting BV
SBU Director Ready Meals What’s Cooking Group

Christophe Bolsius obtained a degree in applied economics and specialised in international business at the University of Antwerp. He has spent his entire career in the food industry, working in various sales and marketing positions in Belgium and abroad for organisations such as Dr. Oetker, Sara Lee Deli and Campina, and holding management positions at FrieslandCampina and Douwe Egberts. Christophe joined our commercial management team in December 2014. From November 2015, he has been leading the Ready Meals business as Group SBU Director Ready Meals. Christophe is also a member of the Executive Committee.

Else VERSTRAETE (*1967) – Leading Edge HR BV
CPO What’s Cooking Group

Else Verstraete holds a master’s degree in political and social sciences from the University of Antwerp. She gained extensive experience in HR leadership roles at Imtech Marine (Radio Holland) in Rotterdam and Aleris in Duffel. Else worked at 3M for more than six years, as HR Director for the Benelux and HR Director EMEA for several business units. She became our Chief People Officer in May 2022 and is a member of the Executive Committee of What’s Cooking Group.

Brecht VANLERBERGHE (*1973) – Broersbank Advies & Management BV
Chief R&D Officer What’s Cooking Group

Brecht Vanlerberghe obtained a master’s degree in applied bio-engineering and in industrial management from Ghent University. He was responsible for research, development and innovation at several international agri-food companies such as AVEVE, Campina, Friesland-Campina, and Tereos Syral. After working for seven years as Chief R&D Officer at Bio Base Europe Pilot Plant, Brecht became a Business Development & Relation Manager at the Sustainable Chemistry unit of VITO. He has been Group CRDO at Ter Beke NV since December 2022, and is also a member of the Executive Committee.

Peter BAL (*1964) – Creating Digital Value BV
CIO What’s Cooking Group

Peter Bal’s master’s degree in industrial engineering was followed by a postgraduate in Business Administration. He also obtained a Digital Transformation Certificate from the Massachusetts Institute of Technology. Peter acquired extensive experience in global, publicly listed companies such as Nokia, Proximus and Swift. He spent fifteen years at what is now ZF, where he started out as Chief Information Officer and Vice President Process Optimisation. Next, he took up the role of Managing Director for Transics, a digital services provider in a new business unit he founded within ZF. Peter started as Group Chief Information Officer for Ter Beke NV in November 2022 and is a member of the Executive Committee.

Ann DE JAEGER (*1971) (verbonden met het executief comité)
General Counsel & Corporate Affairs Director / General Secretary
What’s Cooking Group

Ann De Jaeger obtained a master’s degree in commercial & corporate law at Ghent University as well as a master’s degree in business law at University of Antwerp. She also became a Certified Board Director. Ann started out as a lawyer in a business law firm and built her career as General Counsel and Head of Corporate Affairs in leading international B2B and FMCG food companies such as Tate & Lyle, Tereos Syral, Alpro and Danone. She has been our General Counsel & Corporate Affairs Director since April 2022. In her role, she is attached to the Executive Committee and General Secretary of the Board of Directors.

Conflicts of interest

Board of Directors

In 2022, the board of directors received no notification of a conflict of interest within the meaning of the Companies and Associations Code. No other reports of related party transactions were received, as described in Annex 2 to the Group’s Corporate Governance Charter.

Executive Committee

No conflicts of interest presented themselves in the executive committee in 2022. There were also no related party transactions reported within the meaning of Appendix 2 of the group’s Corporate Governance Charter.

External control

The general meeting of May 27th 2021 appointed KPMG Bedrijfsrevisoren, represented by Filip De Bock, as statutory auditor of NV Ter Beke. The appointment was for three years. We consulted regularly with the auditor. For the semi-annual and annual reporting we invited him to the meeting of the audit committee. The statutory auditor is also invited to discuss the internal audit plan and internal controls. The statutory auditor does not maintain any relationships with Ter Beke that could

influence his judgment. Moreover, he confirmed his independence from the group. In 2022 we paid EUR 283 thousand for audit services to KPMG Bedrijfsrevisoren and to the persons with whom KPMG Bedrijfsrevisoren is associated (2021: EUR 318 thousand). Non-audit services for 10 thousand EUR were provided in 2022 (2021: 5 thousand EUR). The companies with which the auditor has a partnership did not invoice additional fees to the group in 2021 and 2022.

Ter Beke Dealing Code for transactions in securities

Ter Beke’s Dealing Code defines the rules for transactions in Ter Beke securities (annex 3 of the group’s Corporate Governance Charter).

- The Dealing Code states that price-sensitive information must be communicated immediately.
 - Directors, executives and insiders must submit stock transactions to the compliance officer. If the advice is negative, the person must cancel the transaction or submit it to the board of directors.
 - The Dealing Code contains guidelines to preserve the confidentiality of privileged information. For example, the Dealing Code provides for
- blackout periods. Directors and other relevant persons of Ter Beke are not allowed to conduct transactions in Ter Beke securities then.

 - New board members, the executive committee and other persons who regularly have access to privileged information are always informed about the Dealing Code.
 - The company also keeps a list of the persons who have access to privileged information

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.

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 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.

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.

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.

Key features of internal control and risk management systems

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.

We attach great importance to high-performance internal control and risk management. We integrate these into our structure and operations as much as possible. To this end, we have implemented numerous internal controls according to the integrated COSO II or Enterprise Risk Management Framework®. The most important elements are summarized here.

On the proposal of the executive committee, the board of directors annually determines or confirms our mission, values and strategy, and thus the group’s risk profile. We actively and repeatedly promote our values to all our employees. We do this at least at every semi-annual information meeting. Integrity is the most important value in risk management. We communicate to all our employees at the same time the outlines of the strategy and objectives for the Group and the segments / SBUs (Strategic Business Units Ready Meals and Savoury).

We describe the governance structure of our Group in detail in our Articles of Association, our Corporate Governance Charter and in the Corporate Governance Statement. This structure defines the distinct roles and responsibilities of each of our governing bodies. These are the board of directors, the audit committee, the remuneration and nomination committee, the executive committee and the managing director/CEO. The duties and responsibilities of these bodies are in line with the legal provisions and the provisions of the Corporate Governance Code 2020. We drew up coherent regulations for each of them. We evaluate them regularly. If necessary, we adapt it. In this way, powers and responsibilities are always clearly defined and verifiable.

We organize (and monitor) our human resources through a job classification system in which all group employees are classified. Detailed job descriptions have been drawn up for each position. These describe not only the study and skill requirements, but also the tasks, responsibilities and reporting lines. We adapt these job descriptions as the content of certain positions changes due to internal or external circumstances.

We ensure that we can evaluate all of our non-production employees annually through an elaborated evaluation tool. In this regard, we attach particular importance to values-compliant behavior. We also try to set concrete objectives together for our production employees and organize feedback interviews. We also measure our employees’ commitment at regular intervals at all sites in order to respond even better to the needs of our people.

We have established clear policies for training and compensating our employees. We rigorously apply the legal provisions on conflicts of interest (see above). We introduced regulations for transactions with related parties that do not constitute a legal conflict of interest (Annex 2 to the Corporate Governance Charter). The internal auditor periodically conducts risk audits and audits of internal controls in all Group departments. The audit committee receives a report on these. Based on the findings of the internal auditor, and in consultation with the audit committee, we adjust the internal control environment.

The audit committee devotes two meetings a year to evaluating the risks we face (see above). Internal controls and risk management are also discussed. The discussion is based on a formal and detailed risk assessment prepared by executive management. This reflects how we deal with identified risks. The audit committee reports on its work at the next board meeting.

We have a dealing code to prevent market abuse (Annex 3 to the Corporate Governance Charter). We have also appointed a compliance officer. He oversees proper compliance with the rules on market abuse (see above). We take out adequate insurance contracts for our main risks.

We apply a hedging policy to manage foreign exchange risks.

In describing the main risks, we mention a number of other risk management practices. These include our sustainability risks in terms of both impact materiality (our impact on the environment) and financial materiality (the impact of the changing environment on our business). See also the chapter ‘non-financial information’ for more information on this.

For the process of financial reporting, we have set up the following control and risk management systems:

The internal regulations of the board of directors, audit committee and executive committee clearly describe who is responsible for what in preparing and approving our group’s financial statements.

The finance department reports monthly the financial results of the group and divisions to the executive committee. The committee discusses these results and makes them available to the members of the board of directors.

Quarterly, the executive committee reports the results of the group and divisions to the board of directors. The executive committee first explains the first-half and annual results to the audit committee, which discusses them with the internal and external auditor. Then these results go to the board of directors for approval. They are published in the form required by law. We publish internally and externally a schedule of our periodic reporting obligations to the financial market.

Quarterly, the executive committee also reports the results around the ESG initiatives (Environment, Social, Governance) to the board of directors (and the sustainability committee from 2023 onwards). In order to ensure the auditability of the sustainability information in the future, a software package was purchased that allows both KPIs (Key Performance Indicators) to be consulted per site and per period, as well as a good follow-up of the objectives and the inclusion of the audit information, in order to have a complete and traceable system for the entire company, both internally and externally.

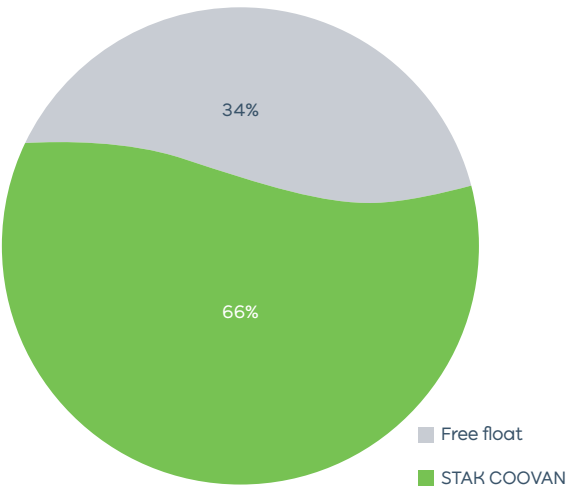
We introduce clear timetables for financial and non-financial reporting at all levels in the company. This enables us to meet all legal obligations in a timely and correct manner. We have a clear policy for securing and providing access to financial data. There is also a high-performance system for backup and preservation of this data.

The finance department uses a comprehensive manual. This describes applicable accounting principles and procedures. The riskiest internal controls from the COSO II framework for financial matters apply. These

controls and systems must help ensure that the published financial results give a true and fair view of the group’s financial position.

Other Legal Information

Shareholding structure as of december 31 2022



Based on the most recent information obtained by the entity

Transparency

We received no transparency statements in 2022.

Notifications pursuant article 34 of the Royal decree of november 14, 2007

There are no security holders with special control rights. The voting rights of the group’s own shares are suspended following the applicable legal provisions. The extraordinary general meeting may amend the company’s bylaws. This requires a majority of three-fourths of the votes present. Those present must represent at least half of the share capital, as provided by the Companies and Associations Code. A change in the

company’s purpose requires a majority of four-fifths of the votes present. On December 31, 2022, Ter Beke NV did not hold any of its own shares (nor did it on December 31, 2021).

The procedure for the appointment/reappointment of directors (see reappointments above) is described in Article 4 of the regulations of the remuneration and appointment committee (annex to the group’s Corporate Governance Charter).

The extraordinary general meeting of shareholders of May 27, 2021 authorized the board of directors of Ter Beke NV to increase the company’s share capital within the authorized capital. This must be done under the conditions of the Companies and Associations Code. This authorization is valid for a period of three years.

The extraordinary general meeting of shareholders of May 27, 2021 authorized the board of directors, in accordance with the Companies and Associations Code, to purchase shares of the company for the account of the company. Such a purchase of shares is authorized only to prevent an imminent serious detriment to the company. This authorization is valid for three years.

We received a transparency declaration from STAK COOVAN in 2017 regarding their participation in the share capital of Ter Beke NV. We included this declaration in the company’s website. We disclosed the content according to the applicable rules. See also above. To the best of the group’s knowledge, there are no other significant elements that could have an effect in the event of a public takeover offer, nor any legal or statutory restrictions on the transfer of shares.

Main business risks

Ter Beke takes precautions in its internal operations to limit any risks. As a food producer, however, we are also dependent on risks that lie outside our control. Nevertheless, there too we act proactively to minimize any 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 2022 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 2022 in particular?

Marktrisico's

Price fluctuations for raw materials and packaging

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.

Price increases for raw materials and packaging can have a negative influence on the margins.

We enter into long-term contracts whenever possible. We work with volume arrangements on an annual basis.

Relationships with suppliers

For specific raw materials we are obliged to work with a limited number of suppliers.

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.

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.

Relationships with customers

We market our products via a network of discount and retail customers throughout Europe. The number of large customer groups is limited.

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.

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.

Customer and consumer behaviour

Our sales are related to the eating habits and trends of the ultimate consumers, just as their spending habits.

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.

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.

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 2022 in particular?

Risks related to climate change & broader ESG risks

Climate Change

Climate changes such as prolonged periods of drought, abundant rainfall and other changes in climatic conditions may cause supply problems for certain of the essential ingredients for our dishes and preparations. These may affect both the availability and price of these ingredients and raw materials.

Price increases and availability issues may have a short-term negative impact on the supply and/or price of our products.

We try to engage in risk - diversification by sourcing our ingredients from various regions. This reduces the impact of regional climatic changes or natural disasters such as persistent drought or abundant rainfall that can impact the harvest of tomatoes, wheat and other vegetables.

Availability of (renewable) energy

As a result of the transition to renewable and more sustainable energy sources, experts say power shortages and gas shortages may occur in the future. Our companies depend on electricity and gas in the production of our products.

Price increases and availability issues could negatively impact the supply and/or price of our products. The availability of energy is also essential for cooling our facilities and for cooling products further down the chain.

We already invested in the past in solar panels, heat recovery systems and other energy-reducing techniques to reduce our dependence on energy. We are also renewing our refrigerators, investing in insulation of our buildings and the like. However, for the time being, we remain dependent on third-party supplies. The group always considers alternative (but less sustainable) sources of power & steam when shortages threaten. However, this is an ad hoc decision and not a structural backup.

Availability of water & other natural resources

The group uses water and other natural resources in the preparation of its products and also in cleaning the lines after production. Availability of ground water & tap water in sufficient quantities and of sufficiently high quality is essential for us as a food company.

Price increases and availability issues may have a short-term negative impact on the supply and/or price of our products.

We do a monitoring of our water supply and try to maintain a small buffer on the site to cover short-term shortages. We also try to maximize water reuse and will increase our commitment to this in the future. For sites that use ground-water, we also provide a backup with tap water where possible.

* in addition to the risks already included in the other sections of this report as indicated in the non-financial information & also the other risks already listed in the tables under this corporate governance section

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 2022 in particular?

Financial risks (see also explanatory note 26 in the annual accounts)

Credit risks

We have receivables outstanding from our clients and retail customers.

Receivables not collected on time have a negative impact on the cash flow.

We monitor customers and outstanding receivables in order to limit these potential risks. Most receivables relate to large European customers which limits the risk.

Exchange rate risks

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.

Fluctuations in exchange rates can cause fluctuations in the value of financial instruments.

We adhere to a consistent hedging policy. We do not use financial instruments for trading and we do not speculate.

Interest risk

The forms of financing with variable interest rates mainly arise from Ter Beke's Revolving Credit Facility Agreement.

The fair value or future cash flows of a financial instrument will fluctuate as a result of changes in the market interest rates.

We adhere to a consistent hedging policy. We do not use financial instruments for trading and we do not speculate.

Liquidity and cash flow risks

As with any business, Ter Beke monitors liquidities and cash flow.

A shortage of cash and cash equivalents could put pressure on the relationships with certain parties.

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.

Legal risks (see also explanatory note 28 in the annual accounts)

Changes to legislation

Now and then the government changes and tightens legislation on the production and sale of foods.

Not meeting these conditions can expose us to the risk of fines or sanctions.

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.

Legal disputes

Occasionally we are involved in legal proceedings or disputes with customers, suppliers, consumers or the government.

Such litigation could have a negative impact on our financial situation.

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.

