

## **REMUNERATION POLICY AT EKOPAK NV (public limited company)**

### **1. Principles**

Ekopak NV is specialized in water recycling and revaluation, aimed at reducing the water consumption of our customers in a sustainable, reliable and cost-effective way. Sustainability, innovation and social commitment are key to this process. These are core values which Ekopak NV wants to prioritize in its relationship with customers, investors, employees and directors in order to ensure continuous growth. To achieve this objective we ensure that a climate of equality, inclusion, diversity and transparency is at the core of our organization.

Ekopak NV wants to see these values and principles reflected in its salary and remuneration policy and strives to achieve a market-based, transparent and fair remuneration, adapted to the company's needs and requirements, allowing the company to attract and retain qualified staff.

The remuneration principles are standardized as far as possible, now that everyone involved is expected to contribute to a common project. Nevertheless, the meritocratic principles will not be neglected and there will be room for differentiation based on individual experience and input. Only on this basis can we attract the most competent and qualified people who endorse these core values, and rely on their commitment to secure the set objectives in the short and long term.

This Remuneration Policy regulates the principles of remuneration of the members of the board of directors and of the management team.

### **2. Directors**

The board of directors of Ekopak NV is composed of executive and non-executive directors. Their remuneration is determined on the basis of the directors' responsibilities, their use of time and the standards that are common in similar businesses.

Non-executive directors are entitled to a fixed annual remuneration, irrespective of the number of meetings attended. This remuneration amounts to € 25,000.00 for the chairman of the board of directors and to € 15,000.00 for the other non-executive directors. It will be paid in equal instalments at the end of each trimester. The remuneration is paid on a pro rata temporis basis, depending on the start or end of the term of office.

The fixed remuneration is supposed to cover all costs made during the execution of the office.

Within the framework of the execution of their office, the directors do not receive share options or subscription rights nor any variable fee, in deviation from principle 7.6 of the Corporate Governance Code 2020, because the directors' supervisory tasks and objectivity might be affected by the granting of a performance-related remuneration.

The executive directors of the board are not entitled to any additional remuneration for their performances as members of the board, from the second quarter of 2022.

Ekopak NV has taken out a directors liability insurance for the members of the board of directors, the costs of which are borne by Ekopak.

The remuneration and appointment committee shall see to it that the remuneration of the directors is in line with market practice and that it is high enough to be effective and competitive and to guarantee that a sufficient number of qualified external directors can be attracted in the future. Both the committee's own experience and the expert support of external services can be used for that.

The directors are appointed by the general meeting for a maximum term of four years. Resigning directors are eligible for re-election. The directors' mandate can be revoked by the general meeting at any time, without compensation. Nevertheless, the general meeting is free to grant a term of notice or a termination payment in case of resignation.

### **3. Executive Management**

Members of the executive management (hereinafter called the "management team") may be entitled, among other things, to a fixed, a variable and a share-related remuneration as well as to other benefits.

#### **3.1 Fixed remuneration:**

The fixed remuneration is approved by the board of directors on proposal by the remuneration and appointment committee. The fixed remuneration of the members of the management team is approved by the board of directors and is determined on the basis of their individual responsibilities and seniority. This fixed remuneration is linked to the consumer price index as far as the self-employed members are concerned, and to the health index as far as the members bound by an employment agreement are concerned.

#### **3.2 Variable remuneration:**

The members of the management team are entitled to a variable remuneration in the short term.

For all members of the management team, this variable remuneration equals maximum 15% of the respective total annual salary of the member in question (the "basis for the bonus") and depends on whether the board's predetermined annual objective was achieved. The basis for the bonus is not indexed further but may evolve depending on whether the company's business plan is achieved.

The variable remuneration is granted in proportion to results achieved.

On a proposal by the remuneration and appointment committee, the board of directors shall verify at the beginning of the year following the reference year to what extent the objectives have been achieved, upon which this variable remuneration shall be paid.

The objectives shall contain both financial and non-financial achievement criteria (ESG), and both criteria shall be given equal weight in the evaluation process.

### 3.3 Share-related remuneration:

Share options (in the form of subscription rights or options to existing shares) may also be granted to the members of the management team after approval by the board of directors, where appropriate in accordance with the Act of 26 March 1999 concerning the 1998 Belgian employment action plan and containing a number of provisions, which makes it possible to support a long-term vision, to secure their loyalty and to encourage value creation during the waiting period in which share options cannot be exercised.

The number of share options to be granted depends on Ekopak's predetermined turnover targets to be met and on the achievement of the sustainability objectives as determined in consultation with our sustainability partner Encon BV (private limited company). The number of share options increases as the objectives to be achieved are exceeded. When the objective is not fully achieved, the number of share options offered is nil.

In the event that the share options offered are accepted, the member of the management team is given the possibility to acquire the shares of Ekopak NV at a specific price after expiry of a waiting period.

Future share options, if any, shall substantially have the same date of issue and conditions of exercise as the subscription rights issued on 17 December 2021:

- The share options shall be considered as definitively acquired ("vested") in cumulative brackets over a period of three years from the starting date (which will be determined for every beneficiary separately): i.e. a first bracket to the amount of one third is definitively acquired on the first anniversary following the starting date, and the next one-third bracket is definitively acquired on every following anniversary. Share options can be exercised only by the holder in question of those share options, provided that they were definitively acquired from the beginning of the fourth calendar year following the year in which the company issued the share options to the holders thereof. From that moment, the share options can be exercised during the first fifteen days of each quarter. Irrespective of whether they were definitively acquired or not, the share options may or must be exercised in a number of specific cases of accelerated definitive acquisition, as indicated in the conditions of issue and exercise.
- The conditions of issue and exercise shall contain the usual "good leaver/bad leaver" provisions in case of termination of the professional relationship between the beneficiary and the company. Furthermore, the conditions of issue and exercise shall determine that all share options (definitively acquired or not) will become exercisable during a particular exercise period organized by the board of directors in case of certain liquidity events. Such liquidity events comprise (i) the dissolution and liquidation of the company, (ii) a transfer of all or substantially all assets or shares of the company; (iii) a merger, division or any other

restructuring of the company, the consequence being that shareholders who held the majority of the voting rights in the company prior to the merger, division or restructuring will no longer hold this majority of voting rights in the surviving entity following the merger, division or restructuring; (iv) the launch of a public takeover bid of the shares; and (v) any other operation having essentially the same economic effect as laid down by the board of directors. Share options that are not exercised during such a particular exercise period become automatically void and of no value, subject to any decision to the contrary by the board of directors.

### 3.4 One-time bonuses

In exceptional or specific circumstances and on proposal of the remuneration and appointment committee, the board of directors may award one-time bonuses to the members of the management team for special achievements.

### 3.5 Group insurance

The members of the management team that are bound by an employment agreement with Ekopak NV are entitled to participation in the group insurance taken out by Ekopak NV with cover in the event of death, retirement and disability. This group insurance is of the 'fixed contribution' type, whereby the annually paid amount before taxes is calculated on the basis of the fixed remuneration increased by the amount of the bonus.

### 3.6 Other benefits:

Furthermore, the members of the management team that are bound by an employment agreement with Ekopak NV are entitled to the following additional benefits:

- company car;
- hospitalisation insurance;
- smartphone;
- PC;
- representation allowance;
- meal vouchers.

## **4. Explanation of the way in which the salary and working conditions of Ekopak's employees were taken into account when establishing the remuneration policy.**

When establishing the remuneration policy, Ekopak NV made sure to carefully respect the relationship between the remuneration of the members of the board of directors and the members of the management team, on the one hand, and the salary and working conditions of the other employees of Ekopak NV, on the other hand, and to ensure that the required talents can be attracted and retained, taking into account the market conditions inherent to the position and the sector.

Just like the remuneration of the members of the management team, the salary of the employees consists of a fixed and a variable part supplemented, where appropriate, with fringe benefits such as a group insurance and smartphone. The actual amounts vary depending on the position and social status, although the variable part of the remuneration awarded to members of the management team

is larger. In both cases, this variable part is linked to objectives to be achieved collectively. Currently, no share options are awarded to employees of Ekopak NV, with the exception of the members of the management team.

## **5. Special contractual terms**

### **5.1 Duration of the contracts**

The *Chief Executive Officer* (“CEO”) and *Chief Financial Officer* (“CFO”) perform their duties as members of the management team on a self-employed basis through a service provision agreement. The agreements with the CEO and CFO are concluded for an indefinite period of time.

The other members of the management team are employed on the basis of an employment contract for an indefinite period of time.

### **5.2 Severance payment and terms**

Both the company and the CEO or the CFO respectively can terminate their service provision agreement at any time. In the event of termination by the CEO or the CFO, a 3-month notice period to be completed will have to be observed. In the event of termination by Ekopak, a notice period of 6 months will have to be observed, of which maximum 3 months must be completed.

As for the severance payment and terms of the other members of the management team, Belgian labour law shall apply.

### **5.3 Claw back provisions**

The contract with the CFO or the CEO respectively contains a claw back provision which gives Ekopak NV the right to withhold or claim back the payment of the variable remuneration in case of fraud or serious misconduct by the CFO or the CEO.

## **6. Decision-making**

The general meeting determines the remuneration of the non-executive directors on proposal by the board of directors. The board of directors approves this proposal on proposal of the remuneration and appointment committee. The general meeting is solely authorized to determine the remuneration of the directors. This exclusive authorization guarantees that there are no conflicts of interest in this respect.

The remuneration of the members of the management team is determined by the board of directors, based on the proposals by the remuneration and appointment committee. The executive directors do not take part in the deliberations and the vote within the board of directors on their own remuneration. Neither does the CEO participate in the discussions within the remuneration and

appointment committee relating to his/her own remuneration. Reference is also made to the regulation of conflicts of interest in article 7:96 of the Companies Code.

The remuneration and appointment committee compares the remuneration of the directors and the members of the management team to that of similar businesses to make sure that this remuneration is competitive. The necessary modifications are proposed, where appropriate.

This remuneration policy was set up in accordance with the provisions of article 7:89/1 of the Belgian Code of Companies and Associations (“CCA”) and the Belgian Corporate Governance Code 2020 (“2020 Code”). It was approved by the board of directors on 21 March 2022 based on a motivated recommendation from the remuneration and appointment committee of 21 March 2022, with a view to its approval by the general meeting of shareholders of 10 May 2022.

Subject to approval by the general meeting of 10 May 2022, this remuneration policy shall apply within Ekopak NV as of 1 January 2022.

This remuneration policy can be modified at any time by the board of directors following a recommendation from the remuneration and appointment committee and subject to approval by the general meeting.

The company shall always pay the members of the board of directors and of the management team in accordance with the (approved) remuneration policy. If the general meeting fails to approve the remuneration policy, then the company shall continue to pay the members of the board of directors and of the management team in line with its existing practice, and the board of directors shall subsequently submit a reviewed policy for approval at the next general meeting.

After any modification and at least every four years, this remuneration policy shall be submitted for approval to the general meeting of shareholders of Ekopak NV. The remuneration policy is made available on the website of Ekopak NV. If the business should perform well above expectations within this 4-year period, then the remuneration committee can take the initiative to review the remuneration policy.

## **7. Procedure for a temporary deviation from the remuneration policy**

In exceptional circumstances as referred to in article 7:89/1, §5 of the Code of Companies and Associations, the board of directors is free to temporarily deviate from this remuneration policy provided that the deviation is justified by exceptional circumstances in which such a deviation is necessary to serve Ekopak’s long-term interests and sustainability as a whole or to ensure its viability, and provided that this deviation is approved by the board of directors following a motivated recommendation from the remuneration and appointment committee. Such deviations may relate to all elements of the remuneration policy.