All Divisions | All Departments

POLICY

Remuneration Policy

Purpose

This policy provides an overview of the remuneration of executive personnel of DGB Group N.V. ("**the Company**"), proposed at the Annual General Meeting in 2023 (the "**Remuneration Policy**"). This Remuneration Policy forms part of the Company's foundation of good corporate governance.

The primary purpose of this Remuneration Policy, is to detail the compensation approach adopted by the Company for its C-suite executives within the Company ("**Executive Board**"). These individuals form the apex of the Company's leadership and are responsible for making key decisions that influence the entire Company. Their responsibilities extend across the breadth of the Company, involving significant decision-making that shapes the direction and overall performance of the Company. This Remuneration Policy ensures that the remuneration of these key individuals is structured in a manner that is competitive, fair, and performance-oriented, thus promoting the long-term success and sustainability of the Company.

By outlining the remuneration structures, this Remuneration Policy provides transparency to all stakeholders and aligns the compensation of the Executive Board with the Company's strategic objectives. Furthermore, it aims to attract, retain, and motivate highly skilled executives essential for the Company's effective management and future growth. It helps ensure that executive remuneration is tied to Company performance, thereby aligning the interests of the executives with those of the shareholders and the wider Company goals.

Table of contents

Purpose 1
Table of contents 2
Remuneration as a strategic instrument 2
Remuneration principles 3
Reference Group and Market Placement 4
Table 1. Reference group composition 5
Direct Total Compensation 5
Base Salary 5
Variable Compensation 6
Table 2. Direct total compensation overview Executive board 6
Table 3. Direct total compensation overview Non-executive board 7
Short-Term Incentive (STI) 7
Long-Term Incentive (LTI) 7
Holding Period 8
Share Ownership Guidelines 8
Other Remuneration 8
Decision-Making Process 8
Temporary Deviation 9

Remuneration as a strategic instrument

Our Remuneration Policy serves as a strategic tool that propels the long-term interests, strategy, and sustainability of our Company within a rapidly evolving business landscape. It seeks to meet the expectations of all stakeholders while maintaining a balanced risk profile. As we strive to pioneer technology, exceed customer expectations, and ensure stakeholder satisfaction, these motivations are ingrained in the essence, mission, and values of the Company and its associated entities, forming the backbone of theRemuneration Policy.

The Nomination & Remuneration Committee (the "**Committee**") guarantees alignment between this policy, its execution, and the Company's objectives. This alignment is directly achieved by setting performance benchmarks and targets connected to our short-term and long-term aspirations for variable compensation. Indirectly, our Remuneration Policy aims to empower the Company to recruit, inspire, and retain competent industry professionals for our Executive Board. This facilitates defining and accomplishing our strategic goals, mirrored by the competitive remuneration structure and levels we offer within the relevant labour market.

The Remuneration Policy is also cognizant of societal trends and perceptions. It acknowledges both internal and external factors as well as our business requirements and long-term strategy. The Remuneration Policy is crafted to promote actions tocreate long-term value, aligning with the Company's enduring interests and sustainability, and upholding the utmost standards of good corporate governance. The Remuneration Policy focuses on rewarding exemplary accomplishments using a mix of financial and non-financial performance indicators and an appropriate balance between base salary and variable compensation.

Market leadership, creating value for our customers, and fostering employee engagement are the primary drivers of sustainable returns for our shareholders.

Remuneration principles

The Company's remuneration philosophy for all its employees rests on the belief that we strive to be competitive in relevant labour markets, offering fair pay while maintaining internal consistency, reflecting the variance in individual responsibilities based on size and complexity. This principle is similarly employed by the Committee for the Executive Board. They consider the remuneration and employment conditions of Company employees when designing the Remuneration Policy.

The degree of stakeholder support, including societal backing for the Remuneration Policy, is of utmost importance to us. This support is factored into creating various elements within the Remuneration Policy. The Committee has evaluated the external environment in which the Company operates, applicable legal provisions, Dutch Corporate Governance Code (the "**Code**"), competitive market practices, and guidance from shareholders.

The Committee engaged deeply with several stakeholders to gain their viewpoints, including the Company shareholders.

In compliance with the Code, the members of the Executive Board were invited to express their opinions on the proposed amendments to their remuneration. Additionally, advice was sought from an external remuneration expert.

The Remuneration Policy rests on the following principles:

- Competitiveness: Our remuneration structure aims to be competitive in the relevant labour market while being conscious of societal trends and perceptions.

- Alignment: The Remuneration Policy is in harmony with the short-term and long-term incentive policy for the Company's senior management and other employees, taking into consideration internal relativity.
- Long-term orientation: The Remuneration Policy and incentives prioritise sustainable and long-term value creation.
- Compliance: The Company upholds the highest standards of good corporate governance.
- Simplicity and transparency: The Remuneration Policy and its execution are designed to be as straightforward as possible, ensuring clarity for all stakeholders.

Reference group and market placement

Analogous to our remuneration philosophy for all Company employees, our intent is to provide the members of the Executive Board with a remuneration package that is competitive within a relevant labour market. To establish this market, we construct a reference group comprising companies analogous to the Company in terms of dimensions and complexity, industry or business profile, data transparency, and geographical presence. This reference group may encompass both Dutch and international companies where potential candidates for the Executive Board could be recruited.

As long as the Company's position aligns with the median of the group of companies in terms of size (evaluated by enterprise value, revenue, and employee count) and complexity, the median market level can act as a reference when determining the Executive Board's remuneration level.

International Carbon Project Developers and Ecosystem Restoration Companies	**International Renewable Energy Companies**	**International Sustainability Consulting and Advisory Firms**
EcoAct South Pole ClimateCare Carbon Clear EcoSecurities Allcot	Enel Green Power Ørsted NextEra Energy First Solar Vestas Wind Systems	ERM (Environmental Resources Management) McKinsey & Company (Sustainability Practice) BSR (Business for Social Responsibility) SustainAbility Trucost (part of S&P Global)

Table 1. Reference group composition

Being headquartered in the Netherlands, the Committee also considers the external environment of the Company's operations in the Netherlands, competitive market practices, as well as published guidance from organisations representing Dutch (institutional) shareholders.

The Committee has elected to use the average of the CEO level and that of the other executive board members in the labour market data as the benchmark reference level for the board members, as opposed to using only CEO data. For the other executive board members, the Committee has applied the average of all non-CEO members in the benchmark as the relevant reference instead of differentiating between executive board members.

Typically, a benchmarking of the Executive Board's remuneration is undertaken every two years. In the off-year, the Committee considers the aptness of any base salary changes, factoring in the market environment and salary adjustments for other Company employees. To ensure an appropriate composition of the relevant labour market, the Committee reviews the reference group's composition when a benchmark is conducted. The reference group's composition may be revised due to takeover transactions, mergers, or other corporate activities. Any major changes to the reference group's composition will be proposed to the shareholders.

Direct total compensation

Remuneration levels are established based on Total Cash Compensation ("**TCC**"), which encompasses the base salary and a Short-Term Incentive ("**STI**"). A Long-Term Incentive ("**LTI**") is then added to the TCC, forming the Direct Total Compensation ("**TDC**"). The Remuneration Policy provides details of each component and their corresponding performance measures.

Base salary

The Remuneration Policy mandates a benchmark exclusively for the TCC level, from which the base salary for the members of the Executive Board is derived. The actual base salary and annual increments will be reported in the remuneration report.

Variable compensation

Variable compensation includes both STI and LTI. Performance parameters for this variable compensation are defined by the Committee and involve both financial and non-financial measures. This ensures an optimal balance is struck among various Company objectives in both short-term and long-term scenarios, ensuring that variable compensation contributes to the Company's strategy, long-term interests, and sustainability.

The Committee retains the right to modify the performance measures and their relative weighting of variable income, adhering to the rules and principles outlined in this policy. This may be necessary in response to changing strategic priorities in a given year. The extent to which performance standards are met is assessed by the Committee at the end of each performance period.

Role	**Chief Executive Officer (CEO)**	**Chief Revenue Officer (CRO)**	**Chief Financial Officer (CFO)**	**Chief Operation Officer (COO)**	**Chief Expansion Officer (CXO)**
Annual salary (full-time gross)	€ 240,000	€ 120,000	€ 180,000	€ 180,000	€ 120,000
2023 Target STI opportunity	100% of salary	300% of salary	100% of salary	100% of salary	300% of salary
2023 Target LTI award	500% of salary	200% of salary	200% of salary	200% of salary	200% of salary

Table 2. Direct total compensation overview Executive board

Role	**Non-executive board members**
Annual salary (full-time gross)	€ 90,000
2023 Target STI opportunity	0% of salary
2023 Target LTI award	0% of salary

Table 3. Direct total compensation overview Non-executive board

Short-Term Incentive (STI)

The STI refers to an annual cash incentive tied to the performance provided to all Executive Board members. Its target level is determined by the Committee. With outstanding performance, the STI can reach up to 300% of the target for some members of the Executive Board. The STI performance measures, target setting, and payout scheme align with those applied to all global Company employees.

The performance measures are a balanced mix of financial and non-financial indicators, focusing on both the Company's short-term performance and its sustainable future regarding technological progress and customer satisfaction. While the targets are set and evaluated annually, they help drive long-term success. The Committee sets challenging yet achievable target levels for each performance measure. The payout levels are proportional to the level of achievement of these performance measures. Below-threshold performance results in no payout, while meeting threshold performance leads to a payout of 50% of the target. In case of outstanding performance, the maximum payout is 200% of the target. The STI is paid annually.

Long-Term Incentive (LTI)

The Company grants a LTI to the Executive Board members to promote a long-term focus and align with the Company's long-term strategy. The LTI is a share-based incentive with a five-year horizon (a three-year performance period plus a two-year holding period). The performance shares are conditionally granted and will become unconditional based on the achievement of predetermined performance targets.

The performance measures for the LTI align with those for the Company's employees, ensuring alignment with employees who receive performance shares. These measures balance the direct interest of the Company's investors, long-term financial success, technological advancement, and the objectives for relevant environmental, social, and governance (ESG) aspects. This way, the LTI contributes to the Company's strategy, long-term interests, and sustainability. The LTI performance measures include long-term strategic and qualitative targets.

Holding period

The minimum holding period is two years after the vesting date. The transfer restrictions remain in place during the holding period, except in case of death. Members of the

Executive Board may partially sell their performance shares at vesting ('sell to cover') to cover any tax payments due in accordance with the law and internal regulations.

Share ownership guidelines

To ensure alignment between the interests of the Executive Board members and the Company's long-term value creation, minimum share ownership guidelines are in place. The minimum shareholding requirement for the CEO is three times their annual base salary, and for other Executive Board members, it's two times their annual base salary. This shareholding can be accumulated over five years. The Committee may temporarily waive this obligation under extraordinary circumstances.

Other remuneration

The pension plan for Executive Board members is based on the 'excedent' (supplementary) arrangement for Company employees in the Netherlands. This defined contribution plan complies with Dutch fiscal regulations. Dependents' pension and disability pension are insured on a risk basis, with the premium paid by the Company. Additionally, remuneration elements include expense reimbursements, such as Company car costs, travel expenses, representation allowances, housing costs (gross amount before taxes), social security costs, and health and disability insurance costs, or other benefits reflecting local market practices. More details on benefits and pension arrangements for current board members are provided in the remuneration report.

Review

This Remuneration Policy will be reviewed by the Committee from time to time, but at least every two years, to ensure it remains competitive, fair, and a reflection of the Company's goals and relevant legislation and corporate governance provisions. Any proposed changes to the Remuneration Policy will be proposed for a vote at the Annual General Meeting of shareholders.

Decision-making process

At least once every two years, the Company presents the Remuneration Policy for a vote at the Annual General Meeting of shareholders, based on a proposal from the Committee. In case of a Remuneration Policy revision, a description and explanation of significant changes, including the reasons for those revisions, are provided as required by law or the Code. The Remuneration Policy seeks input from organisations representing (institutional) shareholders and the Company's major shareholders when proposing

significant changes to remuneration arrangements. The Committee oversees the execution of the Remuneration Policy.

Temporary deviation

Under exceptional circumstances, the Committee may choose to temporarily deviate from the Remuneration Policy, based on the Committee's recommendation. Exceptional circumstances refer to situations where deviation from the Remuneration Policy is necessary for the Company's long-term interests, sustainability, or viability. Such circumstances may include situations like urgently required appointments to the Executive Board or the buy-out of remuneration forfeited upon joining the Company. The deviation may relate to Total Direct Compensation, Other Remuneration, and Contract Terms of this Remuneration Policy.

The Committee reserves the right to adjust the incentive payout up or down if it deems the outcome to be unreasonable due to exceptional circumstances during the performance period. Any such change will be discussed with the Executive Board member. Scenario analyses of the possible outcomes of the variable remuneration components and their effect on the remuneration of the Executive Board must be carried out.