



REMUNERATION POLICY¹ SUBMITTED FOR APPROVAL AT THE ORDINARY GENERAL MEETING TO BE HELD ON 09 JUNE 2021

INTRODUCTION

In establishing the remuneration policy, the Board of Directors has considered the external environment in which IBA operates, legal requirements and principles of the Belgian Corporate Governance Code 2020, market practice and guidance issued by organizations representing institutional shareholders.

External competitiveness currently is assessed by reference to a general cross-section of companies active in the markets where the executives are based.

IBA does continuously assess the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate.

Employee's pay and conditions were taken into account when establishing this policy. The profit-sharing plan described below applies to all staff in the same manner as to the managing directors and management team members.

As from 2021 IBA is implementing two revisions of its remuneration policy:

- Introducing a Minimal Holding Requirement (MHR) of IBA shares for its Managing-Directors and management team members.
- Modifying the variable pay formula by integrating the profit-sharing plan as applicable to all employees, matching the dividend paid to shareholders.

The expected outcome of these measures is to align Shareholders and Management interests, with a proper balance between short term performance and long-term goals in support of the realization of IBA's strategic commitment to its multi-stakeholders' approach.

REMUNERATION POLICY NON-MANAGING DIRECTORS

In accordance with IBA's Corporate Governance Charter, published on the group website, the Board of Directors determines the remuneration policy and amounts paid to non-Managing Directors, based on recommendations made by the Compensation Committee. It is reviewed regularly in the light of market practice, and subject to approval by the shareholders.

IBA directors are currently remunerated by an annual lump-sum fee of EUR 6,000, except directors residing overseas, who, in order to cover the specific time implications and constraints related to intercontinental travel, receive EUR 16,000. The Chairman of the Board receives an annual lump-sum fee of EUR 12,000, whilst the Chairs of the Audit Committee and of the Sustainability Committee receive an annual lump-sum fee of EUR 9,000 each.

The annual lump-sum fee is supplemented with a fixed fee of EUR 1,600 per Board or committee meeting the director has been invited to and which he has attended. The Chairman of the Board receives EUR 3,000 per meeting attended. The Chairman of the Audit Committee and the Chairman of the

¹ Also available on pages 72 et sq. of the Annual Report FY 2020 (English version).

Sustainability Committee receive EUR 2,200 per Committee meeting they chaired and EUR 1,600 per other meeting attended. The fixed fees are on a half-day basis (assuming a half-day of preparation) and adjusted per half day if required.

Non-Managing Directors do not receive any form of variable remuneration and no other form of fixed, equity-based or in-kind remuneration in the course of the year.

No share-based remuneration is offered given the international mix of non-managing directors and incompatibility of such a practice with independence requirements in some jurisdictions.

At present, it is not anticipated that the policy will fundamentally change over the next two years. Both the level and structure of director remuneration are monitored and reviewed on an annual basis, which may result in an adjustment when deemed necessary or appropriate.

Termination agreements with Non-Managing Directors

The schedule below summarizes the main contractual agreements, concerning each non-Managing Director, in relation to termination at the initiative of the Company:

NON-MANAGING DIRECTORS	START OF TERM	END OF TERM	APPLICABLE NOTICE PERIOD	TERMINATION AGREEMENT
Saint-Denis SA, represented by Pierre Mottet	1998	GM 2022	None	None
Consultance Marcel Miller SCS, represented by Marcel Miller)	2011	GM 2023	None	None
Hedvig Hricak ^(a)	2017	GM 2022	None	None
Nextstepefficiency (represented by Christine Dubus)	2020	GM 2021	None	None
Dr. Richard A. Hausmann	2020	GM 2021	None	None
Bridging for Sustainability SRL, represented by Sybille van den Hove	2015	GM 2023	None	None

REMUNERATION POLICY MANAGING DIRECTORS AND OTHER EXECUTIVE MANAGEMENT TEAM MEMBERS

Procedure

After review by the Compensation Committee, the Board of Directors determines the direct or indirect remuneration paid to the Managing Directors in accordance with its remuneration policy. The Committee ensures that remuneration is in line with market practice, as determined by studies performed by specialized firms. The Compensation Committee monitors and reviews the remuneration policy for Executive Management Team Members and the employees of the Company, adopted by the Chief Executive Officer. For the purpose of the above and in general, the Board of Directors, the Compensation Committee and individual directors have the authority and duty, subject to the rules defined in the Corporate Governance Charter, to assign themselves sufficient resources, including the assistance of external consultants, if and when appropriate.

Principles of the remuneration policy

The key purpose of IBA's remuneration philosophy is to ensure the Company is able to attract, retain and engage the executive talent it requires to deliver on its promises towards its various stakeholders –

including its clients and patients, its shareholders, its employees, society in general and the planet –, whilst aligning to their respective interests.

The structure and levels of remuneration, in general, must be effective in meeting these objectives. Remuneration programs and decisions at all times meet the following criteria:

- They appropriately balance external competitiveness with other organizations and internal equity, considering both the content of the position, and the personal competencies and effectiveness of the manager within IBA;
- They are affordable, sustainable and cost efficient, avoiding excesses;
- They reward performance – both individual and collective – aligned to the business strategy, considering short-term results and long-term focus, and supported by a robust performance management system;
- They provide transparency and predictability, whilst offering enough flexibility to swiftly respond to changing business needs, if and when required;
- The resulting remuneration is a fair balance from the point of view of all stakeholders, taking exceptional circumstances in consideration (fairness factor). In exceptional circumstances only, the non-Managing Directors have the authority to change the policies set out herein or to deviate from them in case it considers this in the best interest of the company. This derogation may concern all aspects of the policy. “Exceptional circumstances” cover situations in which deviation from the remuneration policy is necessary to serve the long-term interest and sustainability of the company. Deviation can only be requested by the non-Managing Directors and the full explanation will be provided.

Managing Directors do not receive specific director remuneration. The remuneration they receive for their direct or indirect role in the company includes compensation for their director responsibilities.

Total Remuneration components for Managing Directors and other Executive Management Team members

For Managing Directors and other Executive Management Team members, total remuneration generally consists of fixed remuneration, variable remuneration and long-term incentives. Retirement plan contributions and other components are offered to salaried Executive Team Members. Each individual member does not necessarily benefit from each remuneration component: this is primarily dependent upon the nature and structure of the individual agreement. As a result, the weight of the different remuneration components, as part of total remuneration differs on an individual basis. In general terms, the weight of each component of remuneration accounts for a part of total remuneration that may be summarized as follows:

Managing Directors and Other Executive Management Team Members	
Remuneration component	Part of total remuneration (when offered)
Annual fixed remuneration	Between 46% and 63%
Annual variable remuneration (at target)	Between 18% and 46%
Annualized value of long-term incentives	Between 5% and 9%
Annual value of retirement plan contributions	Up to 3%
Annual value of other components	Up to 8%



Annual Fixed Remuneration

Annual fixed remuneration is a cash component of remuneration, defined in accordance with an individual's position, as well as his or her competencies and experience in the position.

Annual Variable Remuneration

The annual variable remuneration program rewards performance against specified objectives, defined and formalized at the beginning of the performance period. Payout levels currently are targeted at between 30% and 100% of annual fixed remuneration, depending on the position.

For performance year 2020, collective performance is measured against Profit Before Tax (PBT) and Order Intake targets, geared towards achieving and exceeding the Company's fiscal year objectives.

As from performance year 2021, IBA is introducing a profit-sharing plan matching the total dividend paid to shareholders. A number of Profit-Sharing Points is assigned to each IBA employee, usually corresponding to the portion of their variable remuneration linked to collective performance. The Profit-Sharing envelope is allocated between all employees accordingly. Managing Directors and other Executive Management Team members participate to this plan alongside with employees, 50% of their variable pay being based on this profit-sharing plan.

At the individual level, quantitative and qualitative objectives are focused on delivering the business strategy and reflect specific strategic challenges at Group or business unit level, including (i) financial targets (PBT), (ii) commercial targets, and (iii) strategic objectives. The maximum payout is set at 150% of target in case of exceptional performance, whilst performance below expectations results in a zero payout.

The performance period is the fiscal year.

The Managing Directors are not present at the Board and Compensation Committee meetings where their performance and variable payout levels are discussed and decided. The IBA Corporate Governance Charter of December 2020 explicitly cautions for conflicts of interests and how to subsequently act (see sections 4.3.3 and 4.4.2 and 7.1 of the Corporate Governance Charter).

Agreements with the Managing Directors and members of the Executive Management Team do contain claw-back provisions in relation to variable payments that would be made based on erroneous financial information.

Long-Term Incentives (LTI): Stock Options Plan

A new Stock Options Plan has been offered in 2021 to Managing Directors and members of the Executive Management Team, as well as to some other senior leaders. The plan vests on January 1st, 2025 and can be exercised through December 31st, 2026. Any proceeds earned under this plan will be handed to beneficiaries in the form of full shares until their MHR as set here below is met. When their MHR is met, the plan beneficiaries may elect to obtain their proceeds in the form of shares or in cash. The options under this plan have an exercise price of 13,39€.

Minimum Holding Requirement (MHR)

A minimum number of Company registered shares are to be held by the Managing Directors and members of the Executive Management Team. Each of them has to acquire, hold and retain directly or indirectly a number of Company shares corresponding to 100,000 IBA shares for the Managing Directors and to 10,000 IBA shares for members of the Executive Management Team. Other senior



leaders who are participating to the stock options plan described above are also subject to a MHR corresponding to 40% of their 2021 Stock Options for those based in Belgium and to 25% of it for those based elsewhere. The MHR shall have to be reached at the latest by 31st December 2026. The MHR can be built up in the manner which is deemed most appropriate by the individual on whom such minimum is imposed, including through the Stock Options Plan described above.

The MHR is applicable during the entire period of the contractual relationship with IBA, and during a three-year period starting at the date the said contractual relationship terminates unless the termination of the contractual relationship is consecutive to the retirement or death of the concerned Executive.

The Managing Directors are significant owners of the reference shareholder and already comply with the MHR provision.

Retirement Plan

IBA does not pay any pension contribution to its Managing Directors, who operate under a Management Company agreement.

Depending on the terms and conditions of their agreement, members of the Executive Management Team may participate in a retirement plan. These plans follow market practice in the countries where they apply. They are defined contribution type of plans.

Other Components

IBA does not pay any other compensation components to its Managing Directors, who operate under a Management Company agreement.

Similar as for retirement contributions, members of the Executive Management Team may be entitled to other remuneration components as per their agreement and the programs in place for employees in their respective country. These mainly include participation in IBA’s insurance programs (often covering life insurance, disability, travel insurance and medical care), company cars or car allowances, and other elements like meal vouchers. All components follow local market practice in the country where the individual is based. They represent, if at all, a minor part of the remuneration.

Contractual arrangements with Managing Directors and other Executive Management Team Members

Schedule below summarizes the main contractual arrangements, concerning each Managing Director and member of the Executive Management Team, in relation to termination at the initiative of the Company:

Managing Directors and Executive Management Team	Start of term	End of term	Applicable notice period	Termination agreement
Lamaris Group SPRL, represented by Olivier Legrain	Mandate: 2012; Management agreement: 2011	Mandate: GM 2023; Management agreement: indefinite	Mandate: None Management agreement: 6 months or equivalent compensation	None. The management agreement also contains a non-competition obligation for the duration of the agreement and 12 months thereafter

Ion Beam Applications (in short, IBA) SA

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Research Management Systems SA, represented by Yves Jongen	Mandate: 1991; Management agreement: prior to 2009, amended in 2012	Mandate: GM 2021; Management agreement: indefinite	Mandate: None Management agreement: 12 months or equivalent compensation	None. The management agreement also contains a non-competition obligation for the duration of the agreement
Soumya Chandramouli	2004	Indefinite	As provided by law, i.e. currently a total of 12 months' notice or equivalent compensation	None. The employment agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived
Frédéric Nolf	2007	Indefinite	As provided by law, i.e. currently a total of 12 months' notice or equivalent compensation	None. The employment agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived