



REMUNERATION POLICY¹ SUBMITTED FOR APPROVAL AT THE ORDINARY GENERAL MEETING TO BE HELD ON 08 JUNE 2022

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 2022 IBA is implementing the following revision of its remuneration policy:

- Addition of Sustainability criteria to the variable pay formula

The expected outcome of that measure is to support IBA's multi-stakeholders approach represented into IBA's Sustainability Program.

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 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.

¹ Also available on pages 70 et sq. of the Annual Report FY 2021 (English version).



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.

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 | GAM 2022 | None | None |
| Consultance Marcel Miller SCS, represented by Marcel Miller) | 2011 | GAM 2023 | None | None |
| Hedvig Hricak (2) | 2017 | GAM 2022 | None | None |
| Nextstepefficiency (represented by Christine Dubus) | 2020 | GAM 2024 | None | None |
| Dr. Richard A. Hausmann | 2020 | GAM 2024 | None | None |
| Bridging for Sustainability SRL, represented by Sybille van den Hove | 2015 | GAM 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, 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 aligned to the business strategy, considering short-term results and long-term focus
- They provide transparency and predictability, whilst offering enough flexibility to swiftly respond to changing business needs, if and when required

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:

| REMUNERATION COMPONENT | PART OF TOTAL REMUNERATION (WHEN OFFERED) |
|---|---|
| Annual fixed remuneration | Between 50% and 68% |
| Annual variable remuneration (at target) | Between 20% and 50% |
| Annual value of retirement plan contributions | Up to 3% |
| Annual value of other components | Up to 9% |

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 20% and 50% of annual fixed remuneration, depending on the position. Actual payout levels are subject to IBA’s performance. 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.

For performance year 2022, performance is measured against 3 elements: Profit Before Tax, Order Intake and Sustainability for respectively 33%, 33% and 34%. These targets are geared towards achieving and exceeding the Company's fiscal year objectives and specific milestones on IBA's ESG goals.

The Managing Directors are not present at the Board and Compensation Committee meetings where their performance and variable payout levels are discussed and decided.

Long-Term Incentives (LTI): Stock Options Plan

IBA issues LTI usually under the form of a Stock Option Plan. The goal of this plan is to create further alignment between management and shareholders' interests, allowing participants to benefit from the long-term value created. The value of LTI takes into consideration the potential gain vis-à-vis participants' annual salary, provided the share price appreciates sufficiently. IBA has a policy to buy shares on the market to back-up LTI plan to neutralize the related dilution. These plans come alongside a share ownership guideline as described below

A Stock Option Plan has been launched in 2021. This plan covers several years and there is currently no intention to open a new plan for the same beneficiaries before its vesting. Any proceeds earned under this plan will be handed to beneficiaries in the form of full shares.

Minimum Holding Requirement (MHR)

IBA strongly believes that management must own company shares to strongly align with Shareholder's interests.

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. 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 Long-Term Incentive 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 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 generally 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 |
|--|---|--|--|--|
| Olivier Legrain | Mandate: 2012; Management agreement: 2011 | Mandate: GAM 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 |
| Yves Jongen | Mandate: 1991 Management agreement: prior to 2009, amended in 2012 | Mandate: GAM 2024; 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 |