



# **GREENYARD**

## **REMUNERATION POLICY**

## 1 SCOPE

The Remuneration Policy (*Remuneration Policy*) of Greenyard NV (*Greenyard* or the *Company*) applies to and consists of an overall framework for the remuneration of:

- the **members of the Board of Directors**,
- the **members of the Executive Management**,  
being two co-Chief Executive Officers (*CEOs*), who exercise the day-to-day management, in close cooperation with the Chief Financial Officer, who is also a member of the Executive Management.
- the **members of the Leadership Team**,  
who – under the direction of the Executive Management – assist in the exercise of the day-to-day management and are in charge of the operational management.

This Remuneration Policy is established in accordance with the requirements for listed companies as laid down in the Belgian Companies and Associations Code (*BCAC*) and takes into account the recommendations of the Belgian Code on Corporate Governance (*the 2020 Code*), which Greenyard uses as a reference code, in accordance with article 3:6 (§2) BCAC. The 2020 Code provides for the ‘*comply or explain*’ principle, meaning that any deviations from the recommendations must be justified in the Corporate Governance Statement (*CG Statement*) which is part of the Board of Directors’ Annual Report.

The Remuneration Policy applies as from 1 April 2021, [subject to its approval by the Annual General Meeting of 17 September 2021] [as approved by the Annual General Meeting of 17 September 2021].

If any material changes are made to the Remuneration Policy and, in any event, at least every four years, it will be submitted to the Annual Shareholders’ Meeting for approval. A procedure is provided for deviating from the Remuneration Policy in exceptional circumstances under section 6.

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## 2 VISION AND OBJECTIVES

The Remuneration Policy is aimed at and focused on delivering Greenyard's long-term ambitions and strategic targets, pursuing an organic growth trajectory in both the Fresh segment and the Long Fresh segment of Greenyard over a five-years period, as set forth in the 2020 - 2025 long-range plan (*LRP or Long-Range Plan*).

The LRP is built around the following seven core pillars:



Greenyard intends to prioritize and invest in these core pillars over the coming period, and their achievement constitutes the primary objective of the Remuneration Policy, in particular by:

- setting qualitative and quantitative performance criteria for the members of the Executive Management and the Leadership Team, but also for the broader group of employees of Greenyard, aligned to these strategic targets;
- implementing a long-term incentive plan for the members of the Leadership Team spread over a vesting period which parallels the duration of the LRP;
- continuously conducting a fit and proper assessment of the profiles present and those required in the Board of Directors and the Leadership Team, suitable to accomplish the LRP in the best possible way.

## 3 REMUNERATION POLICY FOR THE MEMBERS OF THE BOARD OF DIRECTORS

### REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

#### 3.1 OBJECTIVES OF THE REMUNERATION POLICY

The Company seeks to appoint directors who will enable and ensure the Board of Directors to be composed in such a way that there is sufficient expertise in the various activities of Greenyard, and sufficient diversity in competencies, background, age and gender, for the Board of Directors to be able to fulfill its role in the most optimal way. All directors are expected to familiarize themselves with the scale and scope of the Company's business and to maintain and update their specific technical skills and knowledge.

The remuneration of the non-executive directors complies with Greenyard’s vision on its Remuneration Policy: a fixed fee and attendance fees which take into account the non-executive directors’ responsibilities and the time allocated to their director’s mandate and which are deemed sufficient for attracting the right profiles to contribute to Greenyard’s strategy as set forth in the LRP.

### 3.2 DECISION-MAKING PROCESS TO DEVELOP THE REMUNERATION POLICY

The components and the amount of remuneration for non-executive directors are proposed to the Annual Shareholders’ Meeting by the Board of Directors, upon the advice of the Nomination and Remuneration Committee. In determining the remuneration of the non-executive directors, their responsibilities and roles, the requisite time expenditure and the associated risks are taken into account.

The Nomination and Remuneration Committee analyses the Remuneration Policy applicable to the non-executive directors on a regular basis. In doing so, the Committee examines whether an adjustment is necessary, including on the basis of a benchmark against comparable and relevant peer companies of a similar size or in the same stock index as Greenyard. In this way, it ensures that the remuneration is still appropriate and in line with market practice of its peer group. Given the foregoing, Greenyard strives to benchmark the remuneration of its non-executive directors on a regular basis.

Any decision concerning the remuneration of non-executive directors is the exclusive competence of the Annual Shareholders’ Meeting, which division of powers ensures that there are neither potential nor existing conflicts of interest in this respect.

### 3.3 COMPONENTS OF THE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

In terms of remuneration components, the total remuneration for non-executive directors consists of:

COMPONENT	BOARD OF DIRECTORS	ADVISORY COMMITTEE
<b>FIXED FEE</b>	<p>Non-executive directors receive:</p> <ul style="list-style-type: none"> <li>- a fixed fee in cash per annum,</li> <li>- not subject to automatic indexation, and</li> <li>- payable semi-annually.</li> </ul>	Not offered.
<b>ATTENDANCE FEES</b>	<p>A fee is paid per meeting attended, including attendance through video or telephone conference.</p> <p>No attendance fee is paid for meetings held by video or telephone conference if the meeting is convened solely:</p> <ul style="list-style-type: none"> <li>- for the purpose of a status update, or</li> <li>- exclusively to make an urgent decision requiring immediate action.</li> </ul>	

COMPONENT	BOARD OF DIRECTORS	ADVISORY COMMITTEE
<b>SHARE-BASED REMUNERATION</b>	<p>Not offered.</p> <p>This implies that Greenyard deviates from principle 7.6 of the Code 2020, which recommends that the non-executive directors receive part of their remuneration in the form of Greenyard shares.</p> <p>Currently, Greenyard does not award shares to its non-executive directors as a form of remuneration, for reasons that:</p> <ul style="list-style-type: none"> <li>- Greenyard is of the view that its non-executive directors are already acting and taking decisions with respect to the Company based on a long-term vision,</li> <li>- ownership of Greenyard shares by all the non-executive directors may make alignment and consensus in the Board of Directors more difficult since more conflicts of interest may be involved, and</li> <li>- it cannot be excluded that the independence of the independent directors will be compromised as a result. This independence is considered to contribute to balanced decision-making in the Company's interest.</li> </ul>	
<b>PERFORMANCE-RELATED REMUNERATION</b>	<p>Not offered.</p>	
<b>ANY BENEFITS IN KIND OR BENEFITS ASSOCIATED WITH PENSION SCHEMES</b>	<p>Not offered.</p>	
<b>REIMBURSEMENT OF EXPENSES</b>	<p>International travel expenses incurred by non-executive directors domiciled outside Belgium are reimbursed.</p>	
<b>OTHER</b>	<p style="text-align: center;"><b>Remuneration in case of Chairmanship</b></p>	

COMPONENT	BOARD OF DIRECTORS	ADVISORY COMMITTEE
	<p>Given the specific responsibilities and time expenditure related to his position, the fixed annual fee paid to the Chairman of the Board of Directors differs from that paid to the other non-executive directors to the extent that the Chairman's fixed remuneration is higher but, unlike that of the other directors, also includes the attendance fees for participation in Board of Directors meetings and advisory Committees.</p>	<p>Given the limited size of the advisory Committees, no specific remuneration is granted to the non-executive directors in their roles as chairs of particular committees.</p>
	<p><b>Remuneration for specific tasks assigned to non-executive directors</b></p>	
	<p>Specific additional remuneration may be awarded, upon proposal of the Board of Directors, by the Annual Shareholders' Meeting to non-executive directors to whom specific tasks have been assigned or for additional effort.</p>	

All remuneration of non-executive directors is paid on a pro-rata basis according to the duration of the director's term of office.

An overview of the total remuneration for the non-executive directors is included in the CG Statement (and more particularly, in the Remuneration Report).

### 3.4 MAIN FEATURES OF THE AGREEMENT BETWEEN GREENYARD AND NON-EXECUTIVE DIRECTORS

The non-executive directors exercise their function on a self-employed basis. They are appointed for a term of four years, according to the procedure laid down in the Corporate Governance Charter of Greenyard. The director's mandate may be terminated *ad nutum* (at any time) by the Annual Shareholders' Meeting, without any form of compensation for termination.

### REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

Executive directors, who hold executive positions in the Company or one of its subsidiaries, do not receive any additional compensation for their work on the Board of Directors or advisory Committees, since this is part of the total remuneration package they receive in their executive function. Executive directors are *de jure* members of the Executive Management.

## 4 REMUNERATION POLICY FOR THE MEMBERS OF THE EXECUTIVE MANAGEMENT AND LEADERSHIP TEAM

### 4.1 OBJECTIVES OF THE REMUNERATION POLICY

The remuneration of the members of the Leadership Team (including the members of the Executive Management) is designed to:

- ensure that the Company can continuously attract, motivate and retain high calibre and high potential executive talent;
- promote a sustainable realisation and achievement of the LRP;
- stimulate, recognize and reward strong individual contribution and solid team performance.

External benchmarking exercises against comparable and relevant peer companies are conducted regularly in order to establish target levels that, as a general rule, aim for the median market level and to ensure the remuneration remains competitive and in line with market practice for its peer group.

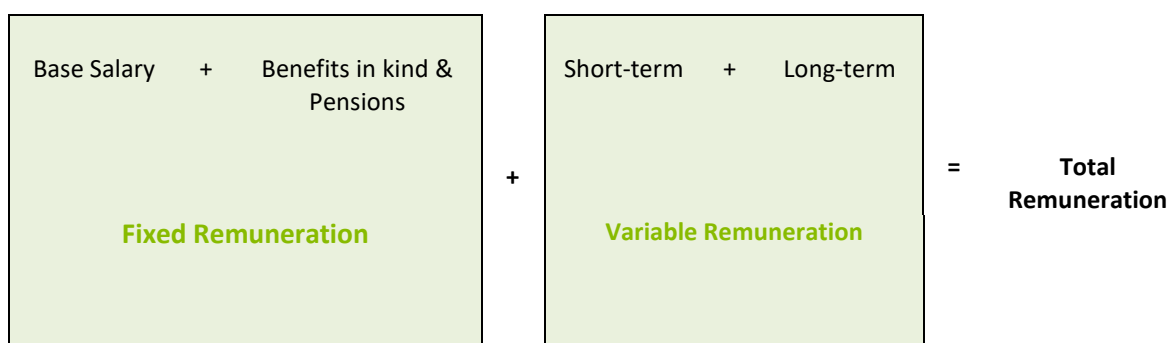
When determining the remuneration levels and structure for the members of the Executive Management and Leadership Team, Greenyard considers an international frame of reference comprising companies selected on the basis of relevant parameters defined upon recommendation of the Nomination and Remuneration Committee such as, amongst others, sector and industry, size (as compared on the basis of revenues and number of employees), EBITDA margin and market cap.

### 4.2 DECISION-MAKING PROCESS TO DEVELOP THE REMUNERATION POLICY

The Remuneration Policy for members of the Leadership Team (including the members of the Executive Management) is determined by the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee makes a recommendation to the Board of Directors based on a reasoned advice of the CEOs as presented to the Nomination and Remuneration Committee, insofar it does not concern their own remuneration.

### 4.3 COMPONENTS OF THE REMUNERATION FOR LEADERSHIP TEAM MEMBERS

The total remuneration of the members of the Leadership Team (including the members of the Executive Management) comprises different components (each of which is addressed separately in the table below):





## FIXED REMUNERATION

The Board of Directors is authorized to decide on the fixed annual remuneration to be paid to the Executive Management members, after having consulted the Nomination and Remuneration Committee on the matter.

Decisions on the fixed annual remuneration of the other members of the Leadership Team are taken by the Executive Management, within the limits as set out in the Remuneration Policy and taking into account relevant benchmarks and Greenyard's performance rating system.

The fixed remuneration consists of a base salary and, in case of an employee, benefits in kind and pension arrangements.

<b>BASE SALARY</b>	<p><b>DESCRIPTION</b></p> <p>A fixed remuneration, which is paid in cash.</p> <p>Individual's role, experience and performance as well as market practice are considered when determining salary levels.</p> <p>Aims for the median of the market peer group.</p> <p>Any salary adjustments take effect at the start of the new financial year following the decision to adjust, unless otherwise agreed.</p>
	<p><b>PURPOSE &amp; STRATEGIC ROLE</b></p> <p>Facilitates recruitment and is the basis for competitive pay.</p> <p>Rewards performance of day-to-day activities.</p> <p>Secures and retains high profiles needed to deliver Greenyard's strategic priorities as set forth in the LRP.</p>
<b>BENEFITS IN KIND</b>	<p><b>DESCRIPTION</b></p> <p>Perquisites and benefits are only provided to Leadership Team members who are employee, and not to members operating through a management company, though certain costs may be invoiced separately.</p> <p>Provides benefits in line with competitive practices in the local market and mainly include, but are not limited to, hospitalization coverage and company car.</p>
	<p><b>PURPOSE &amp; STRATEGIC ROLE</b></p> <p>Provides market competitive benefits to aid recruitment and retention.</p>

<b>PENSIONS</b>	<p><b>DESCRIPTION</b></p> <p>Pension arrangement for Leadership Team members who are employee, consists of a defined contribution plan which provide for retirement benefits at levels that are in line with the predominant plans of their kind in each country where they are in effect.</p>
	<p><b>PURPOSE &amp; STRATEGIC ROLE</b></p> <p>Provides market competitive benefits to aid recruitment and retention. Provides for employee retirement needs.</p>

**VARIABLE REMUNERATION**

The annual objectives for the Executive Management members and the level of achievement of these objectives are assessed by the Nomination and Remuneration Committee and discussed and finally determined by the Board of Directors.

Decisions on the variable remuneration of the other members of the Leadership Team are taken by the Executive Management, in line with the Remuneration Policy and taking into account the collective objectives defined for the Executive Management members.

<b>SHORT-TERM INCENTIVE</b>	<p><b>DESCRIPTION</b></p> <p>An annual bonus, which is performance-related and paid in cash.</p> <p>Based on the achievement of annual measures over the previous financial year, of which collective (financial) objectives will account for half of the plan outcome, and the other half will relate to personal objectives and individual contributions.</p> <p>For each performance measure, a threshold, target and maximum performance level is set, as a percentage of the fixed base salary. The amount of the bonus pay-out can never exceed 100% of the base salary.</p> <p>The evaluation period coincides with the relevant financial year, starting on 1 April and ending on 31 March of the next calendar year. The level of achievement of the objectives is reviewed in the first quarter of the following financial year. The quantitative calculation is carried out on the basis of audited figures.</p>
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	<p><b>PURPOSE &amp; STRATEGIC ROLE</b></p> <p>Drives and rewards the achievement of annual collective and strategic business targets, with the aim to incentivize sound business decisions in view of the achievement of the LRP.</p> <p>Drives and rewards the delivery of personal objectives and individual contributions to the Greenyard group.</p> <p><b>DEFERRED PAYMENT</b></p> <p>Article 7:91 BCAC provides for a specific scheme regarding the deferred payment of the variable remuneration. In concrete terms, at least 25% of the variable remuneration for executive directors must be based on performance criteria that are measured over a period of at least two years, and another 25% is based on performance criteria that must be measured over a period of at least three years. Given that Greenyard may deviate from this legal provision, as the short-term variable remuneration is paid out immediately in the year following the achievement of the short-term objectives, the Board of Directors annually proposes to the Annual Shareholders’ Meeting to deviate from article 7:91 BCAC for the current financial year. This explicit authorization will be submitted annually to the Annual Shareholders’ Meeting for approval, until the moment at which either, this deviation no longer needs to be applied, or the deviation is explicitly permitted by Greenyard’s articles of association.</p> <p><b>CLAW-BACK PROVISION IN THE ANNUAL BONUS PLAN</b></p> <p>The annual bonus plan for the members of the Executive Management and Leadership Team provides for a claw-back mechanism which enables Greenyard in certain cases to require a member to repay to the Company variable remuneration that has already been paid out.</p>
<p><b>LONG-TERM INCENTIVE</b></p>	<p><b>DESCRIPTION</b></p> <p>Long-term incentive plans are granted by means of stock options with the following characteristics:</p> <ul style="list-style-type: none"> <li>- a certain number of stock options are granted through block awards, free of charge,</li> <li>- upon acceptance of the offer, each option grants its holder or beneficiary the right to acquire a Greenyard share under the exercise conditions and against payment of the exercise price;</li> <li>- after a vesting period, vesting is conditional on the continued employment with Greenyard at the time of vesting;</li> <li>- following the vesting period of at least three years, the options will be vested and definitively acquired;</li> </ul>

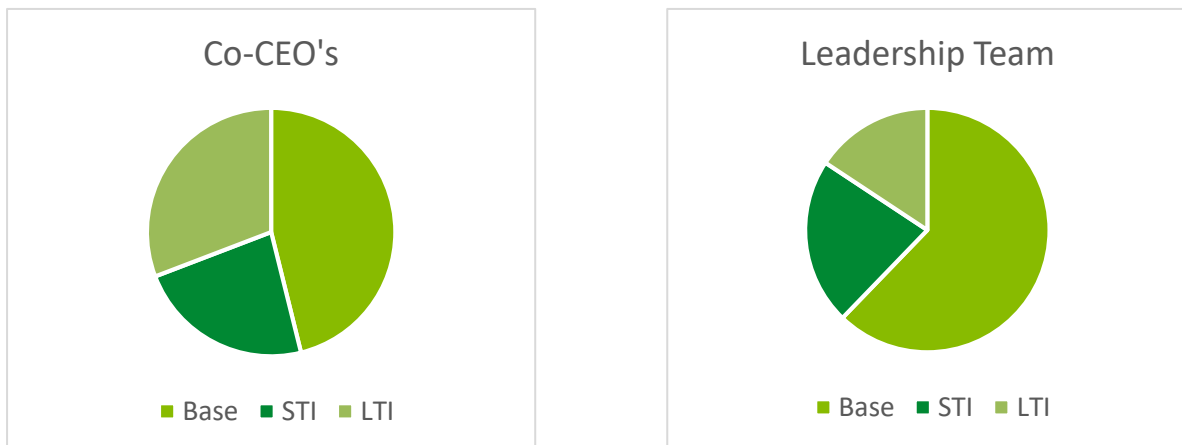
	<ul style="list-style-type: none"> <li>- when the options are vested, they may be exercised against payment of the exercise price, which equals the average closing price of the Greenyard share for thirty days preceding the grant date;</li> <li>- each option, if exercised, allows to subscribe to one Greenyard share at the exercise price, which shares will benefit from the same rights and advantages as the existing Greenyard shares;</li> <li>- the options cannot be exercised before expiry of the vesting period, nor can they be exercised later than maximum six years from the grant date;</li> <li>- there are no share retention or lock-in periods after the exercise of the options;</li> <li>- the number of stock options granted to each beneficiary is an absolute number and not a percentage of the base salary;</li> <li>- a bad leaver clause is provided for in the stock option plans, stipulating that, in certain cases (such as termination for cause), the holder or beneficiary concerned loses the stock options previously granted, which options will be automatically annulled and will no longer vest, with no compensation of any kind being due from Greenyard.</li> </ul>
	<p><b>PURPOSE &amp; STRATEGIC ROLE</b></p> <p>Drives and rewards sound business decisions in view of the sustainable achievement of the LRP.</p> <p>Aligns with the shareholders' interest.</p> <p>Supports retention.</p>
	<p><b>CLAW-BACK PROVISION</b></p> <p>The long-term incentive plans provide for a bad leaver clause stipulating that in certain cases (such as termination for cause) the stock options will be automatically annulled and lost, regardless of whether they have already vested.</p>
<b>OTHER</b>	
<p>The Company will not grant credit, nor maintain credit, nor award credit in the form of a personal loan, not extend an existing credit to any Executive Management or Leadership Team member.</p> <p>The members of the Executive Management and Leadership Team are encouraged to build stock ownership in the Company, preferably by keeping part of the stocks that they purchase under the existing stock option plans.</p> <p>Greenyard deviates from principle 7.9 of the Code 2020, which recommends that the Board of Directors sets a minimum threshold for the holding of Greenyard shares by the Executive</p>	

Management and Leadership Team members. Currently, the Board of Directors has not formally set any explicit minimum thresholds for Greenyard shareholdings for Executive Management and Leadership Team members, since it wants to allow a degree of flexibility to the persons concerned. The long-term incentive plans demonstrate that the Company wishes to stimulate the long-term vision of the Executive Management and Leadership Team members by allowing them to participate financially in Greenyard's growth.

#### 4.4 STRUCTURE OF THE REMUNERATION PACKAGE FOR THE MEMBERS OF THE EXECUTIVE MANAGEMENT AND LEADERSHIP TEAM

The total remuneration of the members of the Executive Management and Leadership Team comprises different components (as indicated in the table above, under section 4.3).

The mix between fixed remuneration and variable remuneration for at target performance in the remuneration package for the CEOs and, in an aggregate manner, for the other Leadership Team members, is illustrated below. In these charts, fixed remuneration refers to base salary only, excluding pensions and other benefits in kind, and variable remuneration consists of the short-term and long-term opportunities. Share price movements during vesting periods are hereby not included.



Note: the structure presented above is calculated on the basis of the composition of the Leadership Team on 31 March 2021 and is based on the grant with respect to financial year 2019/2020. Therefore, this information is provided for indicative purposes only. The Remuneration Report which is part of the CG Statement will provide accurate information in this respect on an annual basis.

#### 4.5 MAIN FEATURES OF THE AGREEMENT BETWEEN GREENYARD AND THE MEMBERS OF THE EXECUTIVE MANAGEMENT AND LEADERSHIP TEAM

Most of the members of the Leadership Team (including the members of the Executive Management) are bound to Greenyard on the basis of a management agreement and are self-employed. Some members of the Leadership Team work for Greenyard on the basis of an employment contract.

In principle, these contracts are concluded for an indefinite period, unless special circumstances require a fixed-term contract.

In case of unilateral termination by Greenyard, a severance pay and/or term equal to twelve months' remuneration is provided for in the agreements with the Executive Management

members. For the other members of the Leadership Team, the severance pay is in principle equal to six months' remuneration or, if the member is an employee, this is calculated in accordance with the applicable legal provisions under the employment contract.

## **5 EXPLANATION OF HOW EMPLOYMENT CONDITIONS OF OTHER GREENYARD EMPLOYEES ARE TAKEN INTO ACCOUNT WHEN DETERMINING THE REMUNERATION POLICY**

The Remuneration Policy for the Leadership Team members is designed in line with the remuneration philosophy set out at the beginning of this Policy which also underpins remuneration for the wider group of employees of Greenyard. As such, remuneration arrangements for the Leadership Team members draw on similar elements as those for other employees and include elements such as base salary, performance-related pay and extra-legal benefits. However, the concrete implementation of these components is dependent on, amongst others, the position and status of the person in question, as well as on the local legislation which the employee is subject to.

In addition, the working of the annual bonus plan for the Leadership Team members and for the other eligible employees is similar in nature, and any potential award is based upon achieving collective objectives, personal objectives and contributing individually to a sustainable development of the Greenyard group. On the other hand, Leadership Team members receive a higher proportion of their total remuneration in variable remuneration (short-term incentive and long-term incentive) compared to the broader group of employees of Greenyard.

## **6 PROCEDURE FOR DEVIATING FROM THE REMUNERATION POLICY**

In exceptional circumstances, to be assessed on a case-by-case basis, and only if this serves the long-term interests and sustainability of Greenyard or guarantees its viability, the Board of Directors may, subject to a reasoned opinion issued by the Nomination and Remuneration Committee, allow certain deviations from the applicable Remuneration Policy. In case of such derogation during a financial year, this will be explained in more detail in the Remuneration Report of the financial year in question.

## **7 SHAREHOLDERS' ENGAGEMENT**

In establishing the Remuneration Policy and its future revisions, Greenyard endeavours to take into account the votes and views of its shareholders on the Remuneration Policy and the Remuneration Report (which is part of the CG Statement). Greenyard is committed to an open and transparent dialogue with its shareholders on remuneration as well as other governance matters. Such dialogue takes place in the Board of Directors given that Greenyard's reference shareholder is represented in the Board of Directors, but also other shareholders are holding a director's mandate.

The feedback of shareholders and investors on remuneration matters is shared with the Nomination and Remuneration Committee and is taken into consideration when decisions are made about future remuneration strategy and arrangement.

