

REMUNERATION POLICY

For information purpose only – unofficial translation – French original wording prevails

“We prefer fairness than equality”. At EVS, our goal is not to offer equal but fair packages. We want to stay innovative, and to continue to listen to our team members while being aligned with our Employer Caring strategy. We want to take care of our team members the same way we would like them to take care of our customers.

At EVS, comparisons to the market are made with the median of the market, not the average. The benchmarks used are chosen according to the sector, the size of the companies and the location.

We want to make sure that our Reward strategy makes our team members feeling concerned by EVS' long term strategy.

The remuneration policy aims to attract, maintain and motivate competent and professional team members. This is why the amount of remuneration is determined on the basis of the tasks and responsibilities of each individual, while ensuring, on the one hand, that the remuneration of managers is consistent with the remuneration of staff members and, on the other hand, that the total amount of remuneration paid by EVS is kept within reasonable limits. The level of remuneration is also compared to external references, either through studies or through external counsels.

The present remuneration policy has been adopted by the Board of Directors of April 7, 2021 further to a proposition of the Nomination and Remuneration Committee, and updated on April 1, 2022, subject to approval by the ordinary general meeting of significant changes. The Nomination and Remuneration Committee assumes the mission described in the article 7:100 of the Belgian Company and Association Code. More generally, it assists the Board of Directors in its responsibilities concerning the remuneration policy creation, reviewing and setting of the remuneration for the company's executives and managers as well as the long terms incentives and variables and bonus policy. It also monitors and makes recommendations to the Board of Directors regarding the appointment of members of the Board of Directors and/or the Executive Management. The Nomination and Remuneration Committee is composed of four non-executive independent directors. Both the Board of Directors and the Nomination and Remuneration Committee strictly comply with the applicable conflict of interests procedure. No Director or member of the Executive Management attends or takes part in the deliberations of the Nomination and Remuneration Committee or the Board of Directors with regard to his or her own remuneration.

Both the composition of the Nomination and Remuneration Committee and compliance with these rules prevent conflicts of interests.

The results of the company are evaluated based on revenues and operational financial results of the past financial year. These criteria, as proposed by the Nomination and Remuneration Committee, are evaluated by the Board of Directors annually and adapted when necessary.

The performance of all team members, including the CEO and the members of the Executive Management is based on a clearly defined evaluation system based on the achievement of specific measurable objectives and the realization of the company expected performance. All objectives are in line with the group strategy, the key values and the guidelines. The performance objectives are determined annually at the beginning of the financial year. There is no provision of formal right of recovery of the variable remuneration awarded on the basis of erroneous financial information, for the benefit of the company. The evaluation period is the last fiscal year, and the variable remuneration amount is determined at the end of the first quarter of the next year.

1. THE DIRECTORS

Non-executive Directors receive an annual fixed amount, eventually on a pro rata basis. This fixed amount includes the participation to six meetings per year. The non-executive Directors also receive, as remuneration for the execution of their mandate, a fixed amount for each Board of Director meeting (above six meetings per year) and special committee meeting attended.

The Company and its subsidiaries do not provide any personal loans, guarantees and such to the members of the Board of Directors or of the Executive Management. If Directors are charged with special tasks or projects, they are entitled to receive an appropriate remuneration for those activities.

The policy and the remuneration of the Directors are approved by the ordinary general meeting. During the ordinary general meeting of May 2016, the shareholders unanimously approved the increase of the remuneration of the Board of Directors, proposed based on comparisons made with comparable companies, and with the aim of professionalizing even more the governance of the company.

The ordinary general meeting of May 2020 unanimously approved the granting to the members of the Board of Directors of an additional global remuneration of EUR 15,000 per year for all members of the Board of Directors for the performance of exceptional tasks in the context of their function as director as validated by the Board of Directors (such as, in particular, interviews, preparation meetings and other internal meetings other than meetings of the Board of Directors or of a Committee (Audit or Nomination and Remuneration)). This amount will be allocated by the Board of Directors among its members according to the number and importance of exceptional missions actually carried out by each of them.

The ordinary general meeting of May 2022 approved the proposed increase in the remuneration of the Board of Directors, based on available comparisons with other comparable companies.

As approved by the above-mentioned ordinary general meetings, the current remuneration of the directors is fixed as follows, with effect as from January 1, 2022:

- Fixed annual remuneration of EUR 22,000 per Director (resp. EUR 44,000 for the Chairman of the Board of Directors), covering up to six meetings per year.
- Above six meetings per year, variable remuneration of EUR 2,000 per meeting as from the seventh meeting of the Board of Directors for each non-executive Director (as well as the non-executive Chairman of the Board) who attends.
- Fixed annual remuneration of EUR 4,000 for the Chairman of a Committee.
- Amount of EUR 1,500 per attendance at a Committee (Audit or Nomination and Remuneration) for each non-executive Director (as well as the non-executive Chairman of said Committee).
- Additional global remuneration of maximum EUR 25,000 per year for all members of the Board of Directors, for the performance of exceptional tasks in the context of their function as directors as validated by the Board of Directors (such as interviews, preparatory meetings and other internal meetings other than meetings of the Board of Directors or of a Committee (Audit or Nomination and Remuneration)). This amount will be allocated by the Board of Directors among its members according to the number and importance of the exceptional assignments actually performed by each of them.
- The lump sums or fixed amounts are adjusted pro rata temporis according to the date of appointment/removal from office during the year.

No termination compensation is provided for non-executive Directors at the end of their mandate. Non-executive Directors do not receive any shares, warrants or stock options.

With respect to executive Directors, and following a study of the practice and benchmark in this area carried out in 2021, the Board of Directors has decided at this stage not to apply the possibility of setting a minimum threshold of shares to be held by executives to avoid speculation. This position will be reviewed by the Board of Directors on a regular basis.

Regarding the non-executive Directors, and following a study of the practice and benchmark in this area carried out in 2021, the Board of Directors has decided at this stage not to apply the possibility of allowing the non-executive Director to receive part of their remuneration in shares of the company in order to avoid conflicts of interests and to preserve their independence. This position will be reviewed by the Board of Directors on a regular basis.

Directors (executive and non-executive) do not receive benefits in kind and do not receive pension benefits.

2. THE CEO AND THE OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT

Although it is not mandatory, the majority of the members of the Executive Management are already shareholders of EVS.

2.1.1. CEO

As remuneration for his services, the CEO receives:

- a fixed remuneration,
- a variable remuneration consisting of a cash component and a Warrant component of which the formula and conditions have been approved by the ordinary general meeting of May 2020 and May 2021 (of which the minutes are available on the company's website) and which are summarized in a spirit of synthesis and transparency in article 2.1.3.

In order to align the interests of the CEO with the interests of the company and its shareholders, a major part of the variable remuneration is linked to the results of the company.

There is no advance for the variable remuneration for the CEO.

He does not receive any benefits in kind, with the exception of a laptop computer and a cell phone, the configuration of which is secured to meet EVS security standards, and the payment by EVS of the related subscriptions, and does not receive any pension benefits.

2.1.2. Members of the Executive Management

As remuneration for their services, the other members of the Executive Management receive:

- a fixed remuneration,
- a variable remuneration consisting of a cash component and a Warrant component of which the formula and conditions have been approved by the ordinary general meeting of May 2020 and May 2021 (of which the minutes are available on the company's website) and which are summarized in a spirit of synthesis and transparency in article 2.1.3.

In order to align the interests of the members of the Executive Management with the interests of the company and its shareholders, a part of the variable remuneration is linked to the results of the Company and another part to the performance.

There is no advance for the variable remuneration for the members of the Executive Management.

They do not receive any benefits in kind, with the exception of a laptop computer and a cell phone, the configuration of which is secured to meet EVS security standards, and the payment by EVS of the related subscriptions, and do not receive any pension benefits.

2.1.3. Overview of the fixed and variable remuneration of the CEO and the other members of the Executive Management

	Base remuneration (RC)	STI*	STI criteria*			Warrants	Other benefits **	Insurance and pension contribution **
			EBIT	Performance	Order Intake			
CEO		40% of RC)	100%	-	-	33,000	None	N/A
CCO		40% of RC	35%	10%	55%	Max. 20% of RC	None	N/A
CFO		20% of RC	70%	30%	-	Max. 20% of RC	None	N/A
CMO		20% of RC	70%	30%	-	Max. 20% of RC	None	N/A
CPO		20% of RC	70%	30%	-	Max. 20% of RC	None	N/A
CTO		20% of RC	70%	30%	-	Max. 20% of RC	None	N/A

*Short Term Incentive (STI) - The Board of Directors has selected STI parameters, proposed by the Nomination and Remuneration Committee, which are essential to achieve the strategic objectives of EVS: annual EBIT, performance and order intake targets are validated by the Board of Directors at the beginning of the relevant financial year and achievements are monitored quarterly and evaluated annually. The evaluation period corresponds to the last fiscal year, and the amount of the STI is determined at the end of the first quarter of the following year. These criteria are evaluated annually by the Board of Directors and adjusted if necessary. The annual EBIT and order intake targets are ambitious but achievable in order to increase shareholder value. EVS management considers that it would be detrimental to the EVS business (especially in view of the competition) to disclose the details of the EBIT and order intake targets, but both targets are generally in line with our revenue forecasts published at the beginning of the year in the financial press release. Performance targets generally relate to strategy, customers, EVS team members management and sustainability. Given these parameters and the monitoring and evaluation process, there is no assumption that the company would be able to withhold payment of the compensation that is due or request its return.

** Other benefits and pension contributions - The CEO and other members of the Executive Management are management companies that provide their services on an independent basis, which means that they do not receive any other benefits, insurance or pension contributions, as employees do.

STI payout:

a. CEO

EBIT Target	Below Threshold	Threshold	On-Target	Cap
Achievement	<80%	80%	100%	120%
Payment	0%	50%	100%	150%

b. CCO

EBIT Target	Below Threshold	Threshold	On-Target	Cap
Achievement	<80%	80%	100%	120%
Payment	0%	50%	100%	150%

Performance Target			On-Target		Cap
Achievement	0%	50%	100%	125%	150%
Payment	0%	50%	100%	125%	150%

Order Intake Target	Below Threshold	Threshold	On-Target	Cap	Super Cap
Achievement	<80%	80%	100%	110%	120%
Payment	0%	30%	100%	145%	200%

c. CFO, CTO, CPO, CMO, EVP Operations & Projects

EBIT Target	Below Threshold	Threshold	On-Target	Cap
Achievement	<80%	80%	100%	120%
Payment	0%	50%	100%	150%

Performance Target			On-Target		Cap
Achievement	0%	50%	100%	125%	150%
Payment	0%	50%	100%	125%	150%

Consequences for the STI in case of termination of the service contract of the CEO and other members of the Executive Management

In case of termination of the service contract of the CEO and other members of the Executive Management, the STI is not due, except in case of termination (i) by EVS without cause (or due to unavailability of the provider for medical reasons or death) or (ii) by the provider with cause, in which case, in both cases, the provider remains entitled to receive the STI:

- relating to the fiscal year preceding the year in which written notice of termination is given;
- relating to the fiscal year in which the written notice of termination was given, only if the written notice is given after July 1 of that fiscal year, and only on a pro rata basis (or where the reason is the unavailability of the provider for medical reasons or death - 50% of the STI is due if the written notice is given before July 1 of that fiscal year or 100% of the STI is due if the written notice is given after July 1 of that fiscal year).

2.1.4. Severance pay and termination conditions

If the severance payment exceeds twelve months' fixed and variable remuneration (or eighteen months' remuneration if the Remuneration Committee gives a reasoned decision), it will be submitted to the General Meeting. For members of the Executive Management, it has been agreed that severance payments will not exceed twelve months' remuneration. In case of departure, the severance payment will be determined in accordance with the applicable contractual provisions.

The contracts of the CEO and the other members of the Executive Management are for an indefinite period of time and provide respectively for

- A notice period or severance payment of 3 months plus one month per year up to a maximum of 6 months for the CEO;
- A notice period or severance payment of 6 months for the other members of the Executive Management.

3. REMUNERATION POLICY FOR THE COMING YEARS

For the coming years, the remuneration policy will be consistent with the above, subject to future decisions by the general meeting of shareholders.

For the Board of Directors

House of Value – Advisory and Solutions,
Represented by Johan Deschuyffeleer
Chairman & Director, permanent representative

Accompany You SRL
Represented by Anne Cambier
Director, permanent representative