



## REMUNERATION POLICY

Version	Status	Date
1.0 - Adoption by the Board of Directors	Approved	November 9th, 2023
2.0 - EGM approval	Approved Entry into force	November 13th, 2023 December 8th, 2023

## Context

The proposed revised Remuneration Policy (Policy) is set out in accordance with Article 7:89/1 of Belgian Code of Companies and Associations (the “BCCA”) and the 2020 Belgian Code of Corporate Governance (‘2020 Code’) and is applicable to SYENSQO’s Non-Executive Directors (NEDs) and Executive Leadership Team (ELT). The Remuneration Policy 2022 was approved by the Solvay Remuneration Committee on February 10, 2022 and approved by its Board of Directors on February 22, 2022. The Remuneration Policy 2022 was submitted at the General Meeting of Shareholders on May 10, 2022 and approved, becoming applicable as from the financial year starting on January 1, 2022.

On 9th November 2023, the SYENSQO Board of Directors resolved to propose the Solvay Remuneration Policy, without alteration, to its Shareholders’ meeting. This Remuneration Policy is to be submitted at SYENSQO’s General Meeting of Shareholders on November 13th, 2023 approval, subject to the completion of the Solvay Partial Demerger planned in December 2023. Where necessary, Solvay plans, programmes, terms (e.g. “One Planet”), will be updated to reflect the names of SYENSQO plans, programmes and terms. The Remuneration Policy will be made available on SYENSQO’s website for as long as it is applicable.

SYENSQO proactively and continuously engages with the key stakeholders to understand how to improve remuneration practices and policies. SYENSQO will review the policy in light of SYENSQO’s strategy and priorities and will seek approval for changes.

## Purpose and objectives

The framework of the Policy focuses on meritocracy and performance, maximizing returns in a responsible and sustainable way and the ability of the Group to attract, motivate and retain the best executive talent in alignment with the market trends and the best long-term interests of the shareholders. These important principles are also reflected in the remuneration policies and programs offered to SYENSQO employees globally.

In the Policy update, the Remuneration committee has considered the evolution of Solvay’s G.R.O.W. strategy, aspirations set as part of Solvay’s One Dignity, “One Planet” and “Solvay Cares” initiatives as well as existing policies and practices applicable to the greater workforce, managers and other executives of the Group - all in perspective of developments and best practices in the market. These remain relevant for SYENSQO.

All aspects of the Policy are carefully weighed for alignment with market practices, strategy of the Group as well as feedback, interests and expectations of the key stakeholders, namely shareholders, proxy advisors and employees of the Group.

### **Consistency of the Executive Remuneration Policy across the Group**

At SYENSQO, vision for the future drives everything it does. SYENSQO places employees at the heart of this strategy. Remuneration arrangements for employees below the ELT consider experience, nature of the role, individual performance and local market practice, approved in line with internal guidelines and frameworks. The Policy aims to ensure that its ELT is rewarded according to its performance in contributing to SYENSQO's long-term objectives of becoming a more resilient, more sustainable and more innovative specialty Group.

## Policy Review

A full policy for SYENSQO will be undertaken in due course. In so doing, the review will consider the strategy and priorities for SYENSQO and may propose changes to this policy to ensure the alignment of ELT compensation with SYENSQO's strategy and priorities. Alignment of ELT compensation with Shareholder interests will continue to be a focus and opportunities to strengthen this will be analysed. Any proposed changes to the policy will take into account shareholder, proxy advisor and employee views and interests.

## Remuneration for Non-Executive Directors

SYENSQO SA Directors are remunerated with fixed emoluments, the common basis of which is set by the Ordinary Shareholders' Meeting, and any complement thereto by the Board of Directors on the basis of Article 24 of the articles of association of the company.

Element	Purpose	Operation
Board fees	To attract individuals with the required range of skills and experience to serve as a Chair or Board Member.	<ul style="list-style-type: none"> <li>• The Chair and Members receive a fixed annual fee in respect of their Board duties. The Chair receives an additional fixed fee by reason of workload and responsibility attached to the role.</li> <li>• Further fees are paid to Committee Members for the attendance to Committee meetings. No Committee attendance fees are paid to the Chairman of the Board.</li> <li>• Board Members are not eligible for additional meeting fees if they attend more than one meeting on the same date.</li> </ul>
Benefits	To align to local market practice.	<ul style="list-style-type: none"> <li>• The Company provides admin support and customary insurance policies covering the Board of Directors' activities while they carry out their duties.</li> <li>• The Chairman of the Board is provided with administrative support, an office, use of the General Secretariat and a car.</li> </ul>
Travel and Accommodation	To reimburse directors for appropriate business travel and accommodation, including attending Board and committee meetings.	<ul style="list-style-type: none"> <li>• Reasonable costs of travel and accommodation for business purposes are reimbursed to Directors when they exercise their Board and Board Committee functions.</li> </ul>
Share Ownership Guidelines	In order to comply with the spirit of principle 7.6 of the 2020 Corporate Governance Code.	<ul style="list-style-type: none"> <li>• Non-Executive Directors are required to hold a number of Company shares equivalent to 100% of their gross annual fixed board fees.</li> <li>• These shares should be held until at least one year after the Non-Executive Director leaves the Board of Directors and, in any case, for at least three years after the shares were acquired.</li> <li>• This shareholding is normally to be built up over a period not exceeding 3 years.</li> </ul>
Exclusions	<ul style="list-style-type: none"> <li>• SYENSQO does not offer variable remuneration to its Non-Executive Directors.</li> <li>• SYENSQO will not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Non-Executive Director.</li> </ul>	



The levels of Board fees are determined after considering the roles and responsibilities of each Director and the practice of companies of similar size and international complexity. An assessment against market practice is conducted on a regular basis. The policy levels will be disclosed in the remuneration report for each of the years in question.

Executive Directors are remunerated in accordance with the remuneration policy for the ELT and any Director fees paid to the Executive Directors are deducted from the remuneration as ELT Member. The only exception being the CEO who receives additional attendance fees for Board meetings attended.

## Remuneration of the Executive Leadership Team

SYENSQO's total remuneration package, in alignment with typical market practice, has four key elements:

Element	Summary
Fixed base remuneration	<p><b>Purpose</b></p> <p>To provide market aligned cash income for the accomplishment of their core job responsibilities, duties and unique skills, differentiated based on performance and the nature of contribution.</p> <p><b>Operation</b></p> <p>Fixed base remuneration offered to ELT Members is regularly reviewed. Any changes are approved by the Remuneration Committee. The review considers:</p> <ul style="list-style-type: none"> <li>• Positioning relative to the peer market median;</li> <li>• Individual and business performance;</li> <li>• Indexation where required by law;</li> <li>• Changes in the scope of the role.</li> </ul> <p><b>Maximum opportunity</b></p> <p>There is no maximum base pay increase.</p>
Benefits	<p><b>Purpose</b></p> <p>In pursuit of its mission, “<i>One Planet</i>” and “<i>One Dignity</i>” objectives and in alignment with SYENSQO Cares aspirations, SYENSQO sees benefits as a critical part of the remuneration package and overall employee and executive value proposition.</p> <p><b>Operation</b></p> <p>In accordance with Belgian legal requirements, the CEO has a separate contractual agreement as a self-employed Executive, including pension, death-in service and disability benefits.</p> <p>The ELT Members that are salaried are entitled to pension, death-in-service, and disability benefits on the basis of the provisions of the plans applicable in their home countries.</p>

Element	Summary
	<p>Other benefits, such as medical plans and company cars or car allowances, are also provided according to local policies. The nature and level of these other benefits are aimed to be in line with median market practice and other Executives of the Group.</p> <p>The ELT Members are also reimbursed for tax filing and limited financial advisory services to comply with their home and / or assignment country legislation.</p> <p>Benefits are not dependent on performance of the individual.</p>

Short Term Incentive Plan (STI)	<p><b>Purpose</b> To reward ELT Members based on achievement of pre-determined annual financial, non-financial and individual objectives.</p> <p><b>Operation</b> The Board of Directors following the recommendation of Remuneration Committee will:</p> <ul style="list-style-type: none"> <li>• determine the measures included within the STI and set the minimum, target and maximum achievement level for each measure at the beginning of the performance period;</li> <li>• assess and approve the results and payouts for the STI plan after the end of the performance period.</li> </ul> <p><b>Performance Measures</b></p> <ul style="list-style-type: none"> <li>• Measures can change from year to year considering the strategic priorities of the Group.</li> <li>• The weighting of each measure should fall within the parameters below: <ul style="list-style-type: none"> <li>o Financial: 60%-70%</li> <li>o “One Planet”: 10%-20%</li> <li>o Individual: 10%-20%</li> </ul> </li> <li>• "One Planet" aspirations and goals form an important part of SYENSQO's strategy. To drive progress toward these challenging and aspirational objectives "One Planet" (extra-financial) KPIs are included in the STI plan. KPIs will include dimensions of Climate, Resource efficiency, Better life and others.</li> <li>• SYENSQO's specific priorities and objectives of the Group are considered commercially sensitive and as such, will only be disclosed retrospectively in the remuneration report.</li> </ul> <p><b>Opportunity</b></p> <p>STI target is 120% of fixed base remuneration for the CEO and up to 70% of fixed base remuneration for other ELT members. The minimum payout is 0% and maximum is 200% of target STI.</p>
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Element	Summary
	<p><b>Malus and clawback</b> Awards are subject to malus and clawback. Details of when these may be applied are set out in the notes below.</p> <p><b>Discretion</b> See notes to this table.</p>



<p>Long Term Incentive (LTI) Program</p>	<p><b>Purpose</b></p> <ul style="list-style-type: none"> <li>• To reward the ELT Members on the basis of achievement of pre-determined long-term financial and non-financial objectives; and</li> <li>• To align the ELT's interests with those of shareholders and to support the retention of key personnel encouraging the focus on long-term growth in enterprise value.</li> </ul> <p><b>Operation</b></p> <p>The Group operates two long-term incentive plans in their annual grant process:</p> <ul style="list-style-type: none"> <li>• 70% delivered via the Performance Share Plan (PSP);</li> <li>• 30% delivered via the Restricted Share Plan (RSP).</li> </ul> <p><u>PSP</u></p> <ul style="list-style-type: none"> <li>• The PSP is designed to incentivize and reward the ELT for delivering SYENSQO's long-term business objectives and align them with the interests of shareholders.</li> <li>• Grants are issued annually and vest after 3 years dependent on the achievement of approved performance objectives.</li> <li>• Group business objectives are balanced between: <ul style="list-style-type: none"> <li>o Financial: 60% to 80%;</li> <li>o "One Planet": 20% to 40%;</li> <li>o Targets and their weight are set in alignment with the mid- and long-term strategy of the Group;</li> <li>o Targets are set and approved, before grants are offered to the ELT Members, by the Board of Directors.</li> </ul> </li> <li>• Outcomes range from zero if the minimum targets are not met, to maximum of 150% of target if all plan objectives are achieved.</li> <li>• Outcomes are subject to a further linear adjustment upwards or downwards dependent on the Group's performance against the median of Total Shareholders Return of the Stoxx 600 Index peer group. The final number of Performance Shares vested can reach a total maximum opportunity of 188% for maximum achievement on each of the KPIs as well as at or above 75<sup>th</sup> percentile positioning in the scale for the Total Shareholder Return.</li> <li>• The number of shares vested will be determined by the Remuneration Committee based on the achievements assessed and approved at the end of performance evaluation period.</li> </ul> <p>Details</p>
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Element	Summary
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	<p>of the targets, as commercially and strategically sensitive, and their achievements are always disclosed in retrospective in the Remuneration report of the Group.</p> <ul style="list-style-type: none"> <li>• The PSP grant will be at least 50% of variable remuneration to meet the code's requirement that long term performance is considered.</li> </ul> <p><b>RSP</b></p> <ul style="list-style-type: none"> <li>• The Restricted Share plan is offered to the executives of the Group primarily as a retention tool that also encourages share ownership by the executives of the Group.</li> <li>• Shares are awarded annually and vest after 3 years.</li> </ul> <p><b>Opportunity</b></p> <p>LTI target is 150% of fixed base remuneration for the CEO and up to 125% of fixed base remuneration for other ELT Members.</p> <p><b>Malus and clawback</b></p> <p>Awards are subject to malus and clawback. Details of when these may be applied are set out in the notes below.</p> <p><b>Discretion</b></p> <p>See notes to this table.</p>
Share Ownership Guidelines	<p><b>Purpose</b></p> <p>To align Executives interests with those of shareholders.</p> <p><b>Operation</b></p> <p>A requirement to build and maintain a shareholding in the Company equivalent to 150% of fixed base remuneration for the CEO, 100% of fixed base remuneration for other ELT Members.</p> <p>Any shares acquired to meet this requirement should be held until at least one year after the ELT Member leaves the Group and, in any case, for at least three years after the shares were acquired.</p> <p>This shareholding is normally to be built up over a period not exceeding 5 years.</p>

## Notes to the table

### Governance

Terms and conditions of this policy and general terms of employment and remuneration of ELT Members fully comply with Belgian legal requirements as well as legal jurisdictions of countries of primary individual contracts for those individual ELT Members that are not based in Belgium.

The Board of Directors determines the remuneration policy and levels of the Non-Executive Directors and of the ELT following recommendations of the Remuneration Committee. The remuneration of the Non-Executive Directors is proposed to the General Shareholders' meeting for approval.

#### Positioning to market

The Policy and package offered to ELT Members is regularly benchmarked and compared to the relevant peer market. The pursued competitive positioning is market median for all key elements of the package.

SYENSQO's peer group is built around a selection of relevant European chemical and industrial companies whose international operations footprint and model, as well as annual revenues, and headcount are reasonably close to its own.

The Company periodically reviews the composition of this peer group to ensure that it continues to reflect SYENSQO's strategic direction and changes in the ownership or operating models of the selected peer companies (due to corporate transactions).

#### Malus and clawback

Consistent with best practice, malus and clawback provisions will be operated at the discretion of the Committee in respect of both the STI and LTI where it considers that there are exceptional circumstances. Such exceptional circumstances may include:

- Serious reputational damage;
- A material failure of risk management;
- An error in available financial information which led to the award being greater than it would otherwise have been;
- Serious personal misconduct;
- Any regulatory investigation or breach of laws, rules or codes of conduct;
- Conduct which resulted in significant loss(es) or termination of employment;
- Failure to meet appropriate standards of fitness and propriety;
- Any circumstances determined by the Board that mean the underlying financial health of the Group or member of the Group has significantly deteriorated, resulting in severe financial constraints which preclude or limit the ability to fund variable pay.

Clawback may be applied for a period of up to three years for awards issued under incentive plans governed by this policy.

#### Discretions

The discretions the Remuneration Committee has in relation to the operation of the STI and LTI programs are set out in the plan rules. In relation to the outcomes under these plans, the Remuneration Committee has complete discretion to adjust upward or downward (including to nil) the outcome where it considers that:

- The outcome does not reflect the underlying performance over the performance period;
- The outcome is not appropriate in the context of circumstances that were unexpected or unforeseen at the award date;
- There exists any other reason why an adjustment is appropriate; and/or
- It is appropriate to do so, considering a range of factors and in all cases, the experience of shareholders.

Any discretions applied will be explained in the remuneration report of the respective year where such discretion would be applied.

The Remuneration Committee also retains discretion to approve payments or awards in excess of, in a different form to, or calculated or delivered other than as described in the table above. Any such discretion exercised, will continue to align with the main objectives and principles of the Policy and details of such discretion to be disclosed in the Annual report for shareholders approval.

### **Legacy payments**

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed:

- i. before this policy came into effect, provided that the terms of the payment were consistent with the remuneration policy in force at the time they were agreed; or
- ii. at a time when the relevant individual was not a Member of the Board of Directors / of the ELT of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming or having been a Member of the Board of Directors / of the ELT of the Company.

For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

### **Recruitment remuneration approach**

On hiring a new ELT member, the Committee would align the proposed remuneration package with the Policy at the time of recruitment. In determining the actual remuneration for a new executive, the Committee would consider the package in the round to take account of elements such as:

- Skills and experience of the individual;
- Market benchmarks; and
- The existing remuneration of other senior executives.

The Committee would ensure any arrangements would be in the best interests of SYENSQO and its shareholders, not seeking to pay more than necessary to secure the right candidate. To strengthen the ability of the Group to attract high calibre executives, the Remuneration Committee can exercise its discretion to compensate the loss of compensation opportunity from the previous employer with consideration of what it deems reasonable and within the parameters of the Policy. Any "buyout" payable is linked to the performance of the executive over a period, not less than 6 months following the start date.

On appointing a new Board member, the Committee would align the remuneration package with the Policy for Board members, outlined above, including fees and travel benefits.

### **Termination**

ELT Members will not benefit from any contractual departure indemnity linked to the exercise of their office. Non-compete period of 12 month applies to all ELT Members. In case of early

termination, only the legal system applies except for provisions as set in the section Legacy Payments.

The convention entered into between the CEO and the Company provides for (i) a severance fee equivalent to 18 months of remuneration in case SYENSQO terminates the agreement, computed on the basis of the sum of the fixed and variable remuneration as well as other benefits and (ii) a 12 months non-compete indemnity equivalent to six months of remuneration, computed in the same way as the severance fee due in case of termination by SYENSQO.

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