



Remuneration policy Board of Management 2025

Introduction

This remuneration policy is subject to adoption by the Annual General Meeting of Shareholders ("AGM") of Holland Colours N.V. ("Holland Colours" or "Company") on July 10, 2025. This remuneration policy serves to review the remuneration policy for the Board of Management adopted in the AGM on July 7, 2022.

If adopted, this remuneration policy will be effective retroactively as per April 1, 2025, for a maximum of four years.

This remuneration policy considers all applicable laws and regulations as laid out in the Dutch Civil Code, the Dutch Corporate Governance Code, the articles of association of Holland Colours and the by-laws of the Board of Management. Furthermore, this remuneration policy is in line with Holland Colours purpose, values and strategy, and considers the business environment and views of its stakeholders and society at large.

Focus of the review

In April 2024, the Remuneration Committee started the process of reviewing the current remuneration policy that was approved at the 2022 Annual General Meeting of Shareholders, in order to propose a renewed remuneration policy for shareholder approval at the 2025 Annual General Meeting of Shareholders.

The existing remuneration policy has functioned well and has provided a solid framework to enable the attraction, motivation and retention of qualified members of the Board of Management. The review was intended to further align the remuneration policy with (evolving) market practice and to ensure that remuneration is competitive while maintaining alignment to Holland Colours' purpose, values and strategy.

As a result of this review, the external competitiveness and recognizability has been improved by adapting the remuneration structure towards common market practice. Furthermore, the governance section of this remuneration policy has been updated to align with market norms.

The following key changes have been made:

- **Benchmark peer group:** To determine the external competitiveness, the Remuneration Committee has established a new peer group that reflects Holland Colours' geographic focus, business activities and size.

In 2025, the peer group is as follows:

Alumexx NV	Ebusco Holding NV	Hydratec Industries NV	Treatt PLC
Cabka NV	Envipco Holding NV	Nedap NV	Wereldhave NV
Carclo PLC	Fastned BV	NSI NV	Zotefoams PLC
Ctac NV	Heiq PLC	NX Filtration NV	

- **Short-term incentive:** the Remuneration Committee has simplified the variable remuneration structure by combining the existing short-term incentive and profit-sharing plans into a single short-term incentive.
- **Long-term incentive:** the Remuneration Committee has introduced an equity-based long-term incentive plan to enhance the external recognizability of the remuneration package and to strengthen the focus on long-term value creation.
- **Overall remuneration competitiveness:** To improve the external competitiveness, the Remuneration Committee has increased the total remuneration package for the Board of Management members, primarily through the introduction of a long-term incentive plan. With regards to the CFO, it was agreed by the Remuneration Committee that the salary would be aligned with the CTO in multiple steps in the coming years.
- **Governance:** the Remuneration Committee has updated the existing clauses and has added new clauses to align with new market norms, such as discretion, malus & clawback and the introduction of a new-hire policy.

Remuneration policy principles

This remuneration policy is designed to attract, motivate and retain qualified Board of Management members who will enable Holland Colours to achieve its strategic and operational goals. The remuneration policy for the Board of Management of Holland Colours reflects the Company's purpose, values and strategy, and is built upon the following principles:

Principle	Description
Fairness	Ensure compensation is fair & equitable and balances external market competitiveness and internal relativity & consistency.
Ownership	Encourage the execution of the strategy by being entrepreneurial, taking ownership and striving for excellence while acting with integrity.
Long-term value creation	Drive sustainable growth and profitability, aligning the interests of the Board of Management members with the long-term strategic goals of the organization and share- and stakeholders.
Simplicity and transparency	Safeguard a transparent and honest approach to remuneration, ensuring that employees and stakeholders understand the processes and judgement behind remuneration decisions through a clear policy document and retrospective storytelling in the remuneration report.

Elements of remuneration for the Board of Management

Remuneration structure

The remuneration for the Board of Management as laid out on this remuneration policy, consists of the following elements:

- A fixed gross annual base salary (includes 8% holiday);
- Short-term incentive;



- Long-term incentive;
- Pension and other benefits.

External competitiveness

To ensure that Holland Colours is able to attract, motivate and retain Board of Management members, the level and structure of the Board of Management's remuneration is regularly reviewed.

To determine the external competitiveness of the remuneration, we have established a peer group that reflects Holland Colours' talent pool for Board of Management members. The group is established according to the following principles.

- *Geography*: Netherlands and Western Europe;
- *Industry*: Cross-industry excluding Financial Services (Netherlands) and Chemicals (Western Europe);
- *Size*: Comparable in size (25% to 400%) with Holland Colours in terms of revenue and employees.

The Remuneration Committee will periodically review the composition of the peer group to ensure that it remains fit-for-purpose. Instances which may warrant a change are, but not limited to, mergers, acquisitions, delisting and changes in business profile of peers. The composition of the peer group for 2025 can be found in the preamble to this remuneration policy.

The Remuneration Committee aims to keep the group stable while retaining the ability to make changes to the composition, if required. When adjusting the composition of the peer group, the weighting of Dutch companies will remain more than 50% of the group.

The Remuneration Committee reviews the Board of Management's remuneration against the market levels in the peer group. We strive for a Total Direct Compensation (base salary + short-term incentive + long-term incentive) between the 25th percentile and the median of the peer group.

Internal consistency

When determining the remuneration packages for the Board of Management as described in this remuneration policy, we strive to align with the remuneration arrangements of Holland Colours' wider workforce, where possible.

In addition to reviewing internal consistency between the Board of Management and the wider workforce, Holland Colours regularly evaluates the regional compensation of its employees to companies, similar in size, international scope and complexity and in the same region to ensure that remuneration remains competitive in all layers of the organization.

Remuneration of the Board of Management

Base salary
Purpose and link to strategy Fixed annual salary, intended to attract and retain qualified executives, which reflects their experience and role responsibilities.
Operation The base salary is set upon (re-)appointment of the Board of Management and will be reviewed annually considering factors such as individual performance and development, wider workforce pay, external competitiveness and (macro-) economic developments.

Policy level

The proposed base salaries per 1 April 2025 are:

CEO: € 332,846

CFO: € 175,000

CTO: € 235,000

Short-term incentive ("STI")

Purpose and link to strategy

Annual cash-based incentive that rewards the achievement of annually set performance targets that align with and Holland Colours' strategy.

Operation

Before the start of each performance period, the Supervisory Board will determine the performance conditions and set corresponding performance targets.

For each performance condition, the Supervisory Board will determine the threshold level of performance that corresponds to a payout of 50% of the on-target STI opportunity, and the maximum level of performance that corresponds to a payout of 150% of the on-target STI opportunity.

There will be no payout if the performance is below the threshold. Payout between threshold and target, and between target and maximum performance levels will be based on linear interpolation.

The STI will be paid out in cash on a (Dutch) bank account.

Performance conditions

For the selection of performance conditions, at least 80% will be financial performance conditions. The remainder will be non-financial performance conditions that reflect our ESG ambitions or other strategic goals, including actively supporting and promoting the employee-ownership model.

Where suitable and possible, the Supervisory Board intends to select performance conditions that align with the profit-sharing plan that applies to Holland Colours' wider workforce.

Policy level

The on-target STI opportunity is 30% of the annual base salary.

Long-term incentive ("LTI")

Purpose and link to strategy

Equity-based incentive that rewards the achievement of performance targets that reflect long-term strategic objectives, continuity and value creation, and stimulates employee ownership.

Operation

Under the Company's long-term incentive plan, members of the Board of Management will receive conditional rewards of Performance Shares in Holland Pigments B.V, which are subject to performance conditions measured over a three-year performance period.

The number of Performance Shares to be conditionally rewarded is determined by dividing the target LTI value (annual base salary x Target LTI %), by the most recently calculated share price at the date of reward.

With each conditional reward, the Supervisory Board will determine the performance conditions and set corresponding performance targets.

For each performance condition, the Supervisory Board will set the threshold level of performance at which 50% of the conditionally granted shares will vest, and the maximum level of performance that corresponds to 150% vesting of the conditionally granted shares.

There will be no vesting if the performance is below the threshold. Vesting between threshold and target, and between target and maximum performance levels will be based on linear interpolation.

After vesting, the shares will be subject to a two-year holding period.

Performance conditions

For the selection of performance conditions, at least 70% will be financial performance conditions. The remainder will be non-financial performance conditions that reflect our ESG ambitions or other long-term strategic goals, including actively supporting and promoting the employee-ownership model.

Policy level

The on-target LTI opportunity is 50% of the annual base salary.

Pension and benefits

Purpose and link to strategy

Pension and benefits that help attract and retain qualified executives and which promote long-term saving and retirement planning.

Operation

The Board of Management members participate in a pension plan, based on a defined contribution system, which is applicable to all Dutch employees of Holland Colours.

Other benefits that may be offered include:

- Company car;
- Reimbursement of specific expenses.

Policy level

In the defined contribution system, Holland Colours contributes up to the maximum pensionable salary (based on Dutch regulation).

Other benefits are determined on a case-by-case basis.

Governance provisions

Discretion

The Supervisory Board retains the discretionary authority to adjust remuneration outcomes to ensure the outcomes are fair and reflective of the Company performance, and align with stakeholder interests. Such discretionary authority is intended for extraordinary circumstances that may warrant deviation from standard outcomes. More specifically, the Supervisory Board has the discretionary authority to:

- Modify or adjust STI/LTI objectives and targets in the event of exceptional circumstances or one-off events beyond management's control (such as strategic portfolio disposals, significant acquisitions, accounting changes, or extraordinary one-time costs), or instances where an individual has engaged in serious misconduct or violated Holland Colours' Code of Conduct.

- Adjust payouts and vesting under both the short-term and long-term incentive plans, if applicable, when the results do not accurately reflect the actual performance that was achieved, in accordance with article 2:135 of the Dutch Civil Code.

If discretion is applied, this will be disclosed in the remuneration report.

Derogation

In exceptional circumstances, the Supervisory Board may temporarily derogate from this remuneration policy, if it is necessary to serve the long-term interests of the Company, ensure its sustainability or to assure its viability. The derogation clause is only triggered in exceptional circumstances as defined and specified in the Dutch Civil Code, such as crises, strong financial turnaround, or illness or death of members of the Board of Management.

- In case of a trigger event, the Remuneration Committee will propose to the Supervisory Board an overview of the remuneration policy elements for which derogation must be applied, and what the impact on the remuneration quantum will be (if any). Any application of the derogation clause will be disclosed in the remuneration report.
- Derogation will end no later than the adoption of a new remuneration policy.

Malus and Clawback

All variable remuneration paid out, rewarded or vested under this remuneration policy is subject to malus & clawback. The Supervisory Board has the authority to adjust the reward, or to fully or partially reclaim the payouts as well as rewarded or vested shares. Instances in which malus & clawback may be applied are:

- Incentives were paid, granted, vested, or delivered based on incorrect financial or other data;
- Performance conditions or targets were assessed using erroneous, inaccurate, or misleading information or assumptions;
- Circumstances exist that would justify terminating the member's management agreement for urgent cause ('dringende reden') as defined in Article 7:678 DCC and further.

New-hire policy

This remuneration policy provides the Supervisory Board with a solid framework to determine fitting remuneration for newly appointed Board of Management members. In instances where there is an internal promotion, existing contractual arrangements may be respected where relevant. For external hires, compensation may be provided for any forfeited remuneration.

Term of appointment

A member of the Board of Management is appointed for a period of four years on the basis of a management agreement ('overeenkomst van opdracht'), in line with Dutch law. After the initial 4-year period, the agreement can be extended for another 4 years upon approval by the General Meeting of Shareholders. In case of early termination, a notice period of three months is applicable from a member of the Board of Management perspective and six months when the Company terminates.

Upon termination, any vested Performance Shares, whether subject to the holding period or not, will be sold back to Holland Colours against the most recently calculated share price of Holland Pigments at that moment.

Severance arrangement

Members of the Board of Management have a change-of-control arrangement, which in case of early termination will be covered by a severance payment which is limited to six months' gross base salary, in accordance with the Dutch Corporate Governance Code.

No severance payment is due in case the agreement is terminated early at the initiative of a member of the Board of Management or due to urgent cause ('dringende reden') as defined in article 7:678 DCC and further.

Loans, guarantees or advance payments

Holland Colours does not provide any loans, guarantees or advance payments to a member of the Board of Management.

Governance of the remuneration policy

In general, the Remuneration Committee advises the Supervisory Board on the formulation of the remuneration policy and the setting of the individual remuneration of the Board of Management.

The Supervisory Board has the authority to make minor policy changes to the remuneration policy to maintain the spirit of the remuneration policy.

Amendments to the remuneration policy

The remuneration policy and remuneration for individual members of the Board of Management are set by the Supervisory Board, based on proposals of the Remuneration Committee. The Supervisory Board will regularly review the remuneration policy, which shall be submitted for approval by the AGM at least every four years. In case of material changes to the remuneration policy, a proposal will be submitted to the AGM for approval.

Scenario analyses

The Supervisory Board and the Remuneration Committee use scenario analyses in determining the remuneration of the Board of Management, as stated in principles 3.1 and 3.2 of the Corporate Governance Code. The scenario analyses are made in order to determine whether the variable remuneration aligns with the policy principles and stimulates a focus on long-term sustainable value creation.