

REMUNERATION POLICY 2022

In accordance with the 2020 edition of the Belgian Code of Corporate Governance ('2020 Code'), Picanol nv, a Belgian listed company, has established a remuneration policy which describes the remuneration structure and philosophy of the board members (executive and non-executive directors) and of the Executive Committee.

This remuneration policy is overseen by the Nomination and Remuneration Committee, whose role and responsibilities are described in the Corporate Governance Charter adopted by our Board of Directors. The remuneration policy 2022 describes the rationale on how Picanol Group has developed its remuneration structure and principles, considering relevant market practices and in line with the requirements of its corporate governance framework.

The remuneration policy was approved by the Board of Directors upon recommendation of the Nomination and Remuneration Committee on March 23, 2022. It will be submitted to the General Meeting of Shareholders on May 16, 2022. and will be applicable as from the financial year starting on January 1, 2022. This policy is intended to be applicable until December 31, 2024. The policy may be amended from time to time where and when considered appropriate by the Board of Directors upon recommendation of the Nomination and Remuneration Committee and subject to submission of the revised policy for approval by the General Meeting of Shareholders.

1. Remuneration policy for the Directors

Directors are compensated for their services through a cash-based compensation program.

The level of remuneration is benchmarked regularly with a selected number of comparable Belgian companies (Bel 20 & BEL Mid), in order to ensure that the people with competences matching Picanol Group's international ambitions can be attracted.

The actual level of remuneration of the Directors is determined and approved by the General Meeting of Shareholders. The remuneration per Director consists of the following 2 elements:

- A fixed annual fee
- An attendance fee per half meeting day

The fixed annual fee is to be pro-rated according to the number of months served as an active Director during the financial year and covers the activities to be performed as a member of the Board of Directors, the Audit Committee or the Nomination and Remuneration Committee. The only exception to this is:

- An additional annual fee for the chairman of the Board of Directors;

If the Board of Directors requests assistance of a Director in a specific matter on account of his or her independence and/or competence and/or requests the Director to oversee/ manage a project or committee, the Director will be entitled to a fee.

Non-executive directors are **not** entitled to performance related remuneration such as bonuses, long-term incentive schemes, fringe benefits or pension benefits, nor to any other type of variable remuneration. Nor will any remuneration in the form of shares be granted to the directors. It is of the opinion that a payment in shares does not have a positive impact on decisions of the directors that support the long term vision of the Company, given the presence of a reference shareholder who aims to create sustainable value within the Company.

Expenses incurred in the performance of their duties will not be reimbursed unless approved by the Nomination and Remuneration Committee and upon submission of suitable justification.

Appointments are made for a term of four years, and, as a rule, for a maximum of three consecutive terms. In the interest of Picanol Group, in order to avoid losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into Picanol Group and its operations and, therefore, provide an increasingly valuable contribution to the Board of Directors as a whole, the Board of Directors may, by unanimity of votes, grant exceptions to this policy, provided that the reasons for the exception are explained to the General Meeting of Shareholders.

Any Director may resign at any time by giving notice in writing to the chairman of the Board of Directors. Such resignation shall take effect upon receipt thereof or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective. To the extent that the resignation of a Director would result in the composition of the Board of Directors to be no longer compliant with mandatory provisions of the BCAC, the resigning Director will remain in office for a reasonable period until he or she is replaced. In case Directors were elected to the Board of Directors based upon a certain quality, which has been specifically mentioned in the nomination decision, they should immediately inform the Board of Directors when they lose that quality. The Board of Directors through the Nomination and Remuneration Committee shall review the continued appropriateness of membership of the Board of Directors under the circumstances.

Directors can be revoked at will by a simple majority vote at the General Meeting of Shareholders without any right to severance payments.

2. Remuneration Policy for the Executive Committee (ExCom)

To enable Picanol Group's pay for performance culture to be deeply rooted and to stimulate the entrepreneurial spirit, Picanol Group continuously reviews how its remuneration policy, structure and philosophy support its strategy and long-term sustainable growth ambition. The following reward principles serve as a backbone to the design of the Picanol Group's rewards offering across its entire workforce:

- Recognition and leadership are key for employee and team engagement.
- The reward structure will serve to attract and retain the talent that Picanol Group requires to meet its short and long-term goals.
- Remuneration level will be positioned on or just above the median, and will be tested annually against a selected basket of relevant industry references and industries in which Picanol Group is active.

- Base salary will drive and reward growing competencies, showing the right corporate attitudes and living according to Picanol Group's guiding principles.
- Variable remuneration is linked the success of Picanol Group, the various business units, departments, teams and individual contributions.
- Job grading and the compensation system for external/internal appointments are based on an objective methodology and measurable market data.
- The reward structure should support & contribute to the sustainable long term growth of Picanol Group.

The Nomination and Remuneration Committee ensures that the reward programs applicable to the members of the Executive Committee are:

- Aligned to the Picanol Group reward principles;
- Consistent with the overall remuneration framework of Picanol Group;
- Fair;
- Appropriate to attract, reward, retain & motivate the right executives.

COMPENSATION ELEMENTS

Fixed Remuneration

The actual base salary level of the individual depends on its level of skill and position within Picanol Group combined with the right behavior according to Picanol Group's guiding principles.

Variable remuneration

The variable compensation is only applicable within subsidiary Tessenderlo Group. For a description of the variable compensation attributed to the ExCom members within Tessenderlo Group, we refer to the remuneration policy of Tessenderlo Group (www.tessenderlo.com).

Pensions

Pensions are only applicable within subsidiary Tessenderlo Group. For a description of the other compensation elements attributed to the ExCom members within Tessenderlo Group, we refer to the remuneration policy of Tessenderlo Group (www.tessenderlo.com).

Other compensation elements

The other compensation items are only applicable within subsidiary Tessenderlo Group. For a description of the other compensation elements attributed to the ExCom members within Tessenderlo Group, we refer to the remuneration policy of Tessenderlo Group (www.tessenderlo.com).

"CLAW-BACK" PROVISION

The variable compensation plans within Tessenderlo Group do not provide any "claw-back" provisions entitling the company to reclaim the compensation paid on the basis of incorrect financial data. However, a "claw-back" clause has been added to the management services agreements of the ExCom members which enables the company to reclaim all or a part of the yearly variable compensation, or withhold payment of variable compensation, in the event of

proven fraud and this in a period of two years preceding the year of discovery of the fraud and/or termination of the management services agreement.

TERMINATION AGREEMENT

Belgian corporate governance requirements are strictly followed for all management agreements and these agreements are governed by Belgian law.

Within Tessenderlo Group, the management agreement of the COO & CFO provides for a notice period of maximum 12 months. The management agreement of the CEO does not provide for a notice period.

CONFLICT OF INTEREST

Based on the fact that all ExCom members are currently also part of the Board of Directors, Art. 7:96 of the Belgian code of companies & associations is strictly applied.