REMUNERATION POLICY

1. LEGAL FRAMEWORK AND SCOPE

The remuneration policy (hereinafter referred to as the “Remuneration Policy”) is in line with the provisions of Belgian Code of Corporate Governance 2020 and Article 7:89/1 of the Code of Companies and Associations and takes into account the latest requirements applicable to listed companies, in particular the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (Shareholder’s Rights Directive II).

This Remuneration Policy covers the remuneration of the members of the Board of Directors, executive and non-executive directors, the CEO and the other members of the executive management of AKKA TECHNOLOGIES SE (hereinafter referred to as “**AKKA**” or the “**Company**”). It aims to remunerate all the members involved in the management of the Company as to attract and retain the best talents and share the value created over time. This Remuneration Policy also tends to promote the fulfilment of AKKA’s societal mission and takes account of its strategic objectives and specific characteristics.

2. APPROVAL AND PUBLICATION

The general principles set out in this Remuneration Policy are drawn up by the Board of Directors, which shall ensure that the Policy is applied properly. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, submits this Policy to the General Shareholders’ meeting so that the Shareholders can vote on it for approval. AKKA shall take the necessary steps to address concerns in case of non-approval and consider adapting it.

The Remuneration Policy has been approved by the Board of Directors on 20 April 2021 and has been submitted on the Annual Shareholders’ Meeting of 15 June 2021. Subject to approval by the ordinary general meeting, this Remuneration Policy applies as from 1st January 2021 and in principle until the end of the financial year ending in 2025.

This Remuneration Policy is submitted to the Annual Shareholders’ Meeting at least every fourth year and upon any proposed material change of the Remuneration Policy.

The Board of Directors, with support from the Nomination and Remuneration Committee, is responsible for the compliance with this Remuneration Policy and for completing an annual review of this Remuneration Policy. The Nomination and Remuneration Committee submits to the Board of Directors (i) an annual report on compliance with the Remuneration Policy and (ii) at least every two years, a report on the necessity of revising the Remuneration Policy.

3. PROCEDURE AND CONFLICTS OF INTEREST

The remuneration of the Directors of AKKA is determined by the General Meeting, upon proposal of the Board of Directors and on the recommendation of the Nomination and Remuneration Committee. In order to prevent any conflicts of interest, no director takes part in the deliberations of the Board of Directors concerning its own remuneration. All decisions concerning the remuneration of members of the Board of Directors are subject to the provisions of the Companies and Associations Code on conflicts of interest.

The main terms and conditions of the remuneration applicable to the Executive Managers are adopted by the Board of Directors upon proposal of the Nomination and Remuneration Committee. In order to prevent any conflicts of interest in determining, reviewing and implementing the Remuneration Policy, no member of the executive management takes part in the deliberations of the Nomination and Remuneration Committee concerning their own remuneration. All decisions concerning the remuneration of the Executive Managers are, moreover, subject to the provisions of the Companies and Association Code on conflicts of interest.

4. OBJECTIVES

This Remuneration Policy describes the principles underlying AKKA's remuneration policy, management remuneration, structure and philosophy.

In order to realize the group's ambitions in this challenging environment, the organization needs to perform strongly and focus on the implementation of a sustainable strategy.

This Remuneration Policy aims to link this strategy and the Company's objectives to the performance and remuneration of management. The Nomination and Remuneration Committee determines the principles of the Remuneration Policy and submits them to the Board of Directors.

In this way, the group creates a consistent framework for the development, remuneration and empowerment of its employees. The group considers respect, courage and ambition as important foundations for employee engagement. This enables the group to attract, retain and motivate the best talents to achieve both short-term and long-term objectives.

This is all within the context of a consistent Remuneration Policy that rewards the individual contribution towards the achievement of Company's objectives and the generation of shareholder value.

This Remuneration Policy is established, implemented and maintained in line with the AKKA business, with the Company's objectives, and the long-term interests and performance of AKKA.

This Remuneration Policy is in line with the general framework of remunerations of the AKKA group.

AKKA's compensation policy aims to ensure that its Executive directors and Executive Managers are rewarded according to their performances and achievement in contributing to the Company's objectives of becoming a more resilient, more sustainable, and more innovative Group with high added value and future looking perspective in alignment with its strategy.

5. PRINCIPLES OF THE REMUNERATION POLICY

5.1 NON-EXECUTIVE DIRECTORS

The Nomination and Remuneration Committee carries out frequently a benchmarking exercise with the remuneration of non-executive directors of other listed companies of similar size with a panel that contained both competitors and listed company active in other activities. The objective is to ensure that the remuneration remains adequate and in line with market practice, while taking into account the size of the Company, its financial situation, its position in the economic environment and the level of responsibilities assumed by the directors.

AKKA PASSION FOR TECHNOLOGIES

5.1.1 Fixed remuneration

The remuneration of non-executive Directors who are not members of the staff of AKKA is set as follows:

- An annual gross fixed compensation of €20,000 gross per director and additionally an individual attendance fee of €2,000 gross per Board meeting attended;
- €1,000 gross for members of the Audit and Risk Management Committee and €2,000 gross for its Chairman for each meeting of the Committee attended;
- €1,000 gross per member of the Nomination and Remuneration Committee and €1,500 gross for its Chairman for each meeting of the Committee attended;

75% of the net remuneration of non-executive Directors are paid by cash until 45 days following the last meeting of the Board of Directors for the calendar year.

The remaining 25% are paid in the form of a grant of treasury shares, in accordance with provision 7.6 of the 2020 Belgian code of corporate governance. Such shares are to be held until at least one year after the non-executive director leaves the board and at least three years after the time of grant.

A non-executive Director appointed upon presentation of a shareholder may forgo any direct remuneration.

5.1.2 Variable remuneration

Non-executive Directors do not receive variable compensation link to results or other performance criteria. More specifically, non-executive Directors are not entitled to annual bonuses or stock options.

5.1.3 Expenses

The Company reimburses directors' travel and expenses for meetings and when they exercise their Board and Board Committee functions.

5.2 EXECUTIVE DIRECTORS

5.2.1 Fixed annual remuneration

The Executive Directors receive a fixed annual remuneration payable in 12 monthly instalments. The amount is determined annually by the Board of Directors upon recommendation of the Nomination and Remuneration Committee, in relation to the level of responsibility, experience and market practices, as well as the personal and Company performance.

The fixed annual remuneration is an addition of all fixed remunerations allocated to all Directors that assume executive functions for services provided within the AKKA Group.

5.2.2 Variable remuneration

The variable remuneration of Executive Directors includes two main separate components: the short-term variable remuneration and the Long-Term remuneration. These two components of the variable remuneration are based on the long term and allow the long-term vision and the sustainable value creation and ensure consistency between the AKKA strategy and its Remuneration Policy. They also enable the increase of the alignment between the beneficiaries and the Company's shareholders.

5.2.2.1 Short-term variable remuneration

Short term incentives are linked partly to Group performance and partly to individual performance to drive and reward the overall annual performance of executives.

AKKA's primary market is innovation and engineering services, therefore at least 75% of the short-term variable remuneration is based on the performance of the Group, mostly focused on quantitative objectives, namely :

- Operating Margin or Operating Profit;
- Free Cash Flow generated;
- Some specific performance criteria (such as external growth targets, geographical extension, recruitment of potentials, cash protection targets) depending on the annual priorities set up by the Group CEO;
- Acquisition, merger or other similar transaction in connection with the Group's activities.

Maximum 25% of the short-term variable remuneration is based on individual objectives (including qualitative objectives, such as their contribution to the Group's corporate social responsibility.

In any case, short-term variable will not represent more than 25% of the total annual remuneration of any Executive Director.

Payment of short-term remuneration may be deferred. The contractual relation between the Group and each Executive Director includes provisions that would enable the Company to recover variable remuneration paid or withhold the payment of variable remuneration under the circumstances where it is appropriate to do so, insofar as enforceable by law.

The annual individual objectives of the CEO are discussed by the Nomination and Remuneration Committee, followed by a discussion and approval by the Board of Directors.

The annual performance of the CEO is assessed by the Nomination and Remuneration Committee and the results of this assessment are discussed with the members of the Board of Directors.

The annual individual objectives of the other Executive Directors are fixed by the CEO on basis of their areas of responsibility. The objectives are then presented to the Nomination and Remuneration Committee before approval by the Board of Directors.

The annual performance of the other Executive Directors is initially assessed by the CEO, then presented to the Nomination and Remuneration Committee before approval by the Board of Directors.

5.2.2.2 Long-term remuneration

A Stock option plan has been set up namely for the benefit of the Executive directors in application of the law of 26 March 1999 on the Belgian action plan for employment 1998 comprising various provisions. Long-term incentives consist of stock options according to the Stock Option Plan 2018-2023 approved by the Shareholders Meeting on 19 June 2018.

110,000 options were granted in 2019.

The key features of the Stock Option Plan are:

- Options are granted at the money (the exercise price will be, at the choice of the Board of Directors, the average closing price of the share during the thirty (30) days preceding the offer letter or the last closing price preceding the day of the offer).

- Options become exercisable for the first time on the 1st of January of the forth calendar year following the issuance of the offer, and until the 1st of June of the fifth calendar year following the issuance of the offer letter). Options which have not been exercised before their final maturity date will have no legal force and may therefore no longer be exercised after this date;

- Each option accepted allows its holder to acquire a share in the Company which will give the holder the same rights and obligations, on the exercise date, as the other shares issued by AKKA;
- Options are not transferable inter vivos;
- The plan includes a bad leaver clause.

In the future, options may be granted to certain Executive directors to encourage and retain Executive directors who are considered as key people for Group's development. The number of options will be determined each year with a maximum of:

- 40,000 options for the CEO,
- 25,000 options for the other Executive Directors.

The grant for the CEO is discussed annually by the Nomination and Remuneration Committee, followed by a discussion and approval by the Board of Directors.

The grants for the other Executive Directors are proposed by the CEO on basis of their areas of responsibility. The grants are then presented to the Nomination and Remuneration Committee and approved by the Board of Directors.

The Board of Directors retains the right to condition the exercise of the stock option to individual or collective performance targets, considering strategic objectives and priorities of the Group.

In specific circumstances, the Board of Directors may decide to grant performances shares instead of stock options to Executive Directors who meet the criteria of stock options, at the following conditions:

- vesting period of at least three years;
- rights are not transferable inter vivos;
- the plan includes a bad leaver clause;
- the Company may grant one performance share for every five stock options that would have been granted.

5.2.3 Exceptional remuneration

The Board of Directors, upon proposal of the Nomination and Remuneration Committee, may grant an exceptional remuneration following quantifiable outstanding performances of the Group and its related business and/or exceptional achievement by the Executive Director, in accordance with the Articles of the Companies and Associations Code on conflicts of interest.

This exceptional remuneration is a derogation from the Remuneration Policy and will be therefore justified by exceptional circumstances, because of which such a derogation is necessary to serve both the long-term interests and sustainability of the Company or to assure its viability.

Any reward granted will be added to short and long term variable remuneration and be considered as such. The Board of directors may decide to base one fourth of the reward on quantitative predetermined criteria upon two years, and one fourth of the reward on quantitative predetermined criteria upon three years, in particular when the variable remuneration exceeds 25% of the total remuneration, unless approval by the General Meeting, according to Article 7:91 of the Code of Companies and Associations.

5.2.4 Severance payment

Notice periods and any other severance payments are capped to 12 months of remuneration for the Executive Directors.

The contracts of the Executive Directors are contracts with undetermined term. The Company may terminate the contracts at any time with payment of compensation capped to 12 months of remuneration.

5.2.5 Benefits in kind

In addition, the Executive Directors enjoy all or parts of the following benefits: company cars, communication means, housing, insurance programs (covering travel insurance and directors' liability) and the provision of tax advisory services.

5.3 EXECUTIVE MANAGEMENT OF THE COMPANY

This section applies to the members of the Executive Management that are not members of the Board of Directors ("Executive Managers").

The Board of Directors approve the main terms and conditions of the contracts of the Executive Managers further to the advice of the Nomination and Remuneration Committee.

5.3.1 Fixed annual remuneration

The Executive Managers receive a fixed annual remuneration payable in 12 monthly instalments.

5.3.2 Variable remuneration

The variable remuneration of Executive Managers includes two main separate components: the short-term variable remuneration and the long-term remuneration. These two components of the variable remuneration are based on the long term and allow the long-term vision and the sustainable value creation and ensure consistency between the AKKA strategy and its Remuneration Policy. They also enable the increase of the alignment between the beneficiaries and the Company's shareholders.

5.3.2.1 Short-term variable remuneration

Short term incentives are linked partly to Group performance and partly to individual performance to drive and reward the overall annual performance of executives.

The short-term variable is ranged from 30% to 60 % of the fixed and variable annual remuneration.

The annual individual objectives of the Executive Managers are fixed by the CEO on basis of their areas of responsibility.

AKKA's primary market is innovation and engineering services, therefore at least 75% of the short-term variable remuneration is based on the performance of the Group, mostly focused on quantitative objectives, namely :

- Operating Margin or Operating Profit of the Business Units (BU);
- Free Cash Flow generated by the BU;

- Some specific performance criteria (such as inactivity rate, number of consultants being recruited) depending on the annual priorities of the BU set up by the Group CEO;
- Acquisition, merger or other similar transaction in connection with the Group's activities.

Maximum 25% of the short-term variable remuneration is based on individual objectives (including qualitative objectives, such as their contribution to the corporate social responsibility of the Group).

In case of overperformance, the short-term variable remuneration is capped to 150% of the fixed remuneration.

Payment of short-term remuneration may be deferred. The contractual relation between the group and each Executive Manager includes provisions that would enable the Company to recover variable remuneration paid or withhold the payment of variable remuneration under the circumstances where it is appropriate to do so, insofar as enforceable by law.

5.3.2.2 Long-term remuneration

A Stock option plan has been set up namely for the benefit of the executive directors in application of the law of 26 March 1999 on the Belgian action plan for employment 1998 comprising various provisions. Long-term incentives consist of stock options according to the Stock Option Plan 2018-2023 approved by the Shareholders Meeting on 19 June 2018.

20,000 options were granted in 2018, and 101,000 options were granted in 2020.

The key features of the Stock Option Plan are:

- Options are granted at the money ((the exercise price will be, at the choice of the Board of Directors, the average closing price of the share during the thirty (30) days preceding the offer letter or the last closing price preceding the day of the offer);

- Options become exercisable for the first time on the 1st of January of the forth calendar year following the issuance of the offer, and until the 1st of June of the fifth calendar year following the issuance of the offer letter) ; Options which have not been exercised before their final maturity date will have no legal force and may therefore no longer be exercised after this date;

- Each option accepted allows its holder to acquire a share in the Company which will give the holder the same rights and obligations, on the exercise date, as the other shares issued by AKKA;

- Options are not transferable inter vivos;
- The plan includes a bad leaver clause

In the future, options may be granted to certain Executive Managers to encourage and retain Executive directors who are considered as key people for Group's development. The number of options allocated will be determined each year by the Board of Directors upon advice from the Nomination and Remuneration Committee with a maximum of 200,000 options per year.

The grants for Executive Managers are proposed by the CEO on basis of their areas of responsibility. The grants are then presented to the Nomination and Remuneration Committee and approved by the Board of Directors.

The Board of Directors retains the right to condition the exercise of the stock option to individual or collective performance targets, considering strategic objectives and priorities of the Group.

In specific circumstances, the Board of Directors may decide to grant performances shares instead of stock options to Executive Managers who meet the criteria of stock options, at the following conditions:

- vesting period of at least three years;
- rights are not transferable inter vivos;

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- the plan includes a bad leaver clause
- the Company may grant one performance share for every five stock options that would have been granted.

5.3.3 Exceptional remuneration

The Board of Directors, upon proposal of the CEO and upon recommendation of the Nomination and Remuneration Committee, may grant an exceptional remuneration following quantifiable outstanding performances of the Group and its related business, in accordance with the Articles of the Companies and Associations Code on conflicts of interest.

This exceptional remuneration is a derogation from the Remuneration Policy and will be therefore justified by exceptional circumstances, because of which such a derogation is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

The reward will not represent more than 50% of the annual fixed remuneration of any Executive Manager.

5.3.4 Severance payment

The contracts of the Executive Managers are contracts with undetermined term. Notice periods and any other severance payments are capped to 12 months of remuneration for the Executive Managers.

5.3.5 Benefits in kind

In addition, the Executive Managers enjoy all or parts of the following benefits: company cars, communication means, housing, insurance programs (covering travel insurance and directors' liability) and the provision of tax advisory services.

6. DEVIATIONS TO THE REMUNERATION POLICY

In exceptional circumstances, the Board of Directors may decide to derogate from any items of the Remuneration Policy if necessary to serve the long-term interests and sustainability of the Company. Any such deviation must be discussed at the Nomination and Remuneration Committee who will provide a substantiated recommendation to the Board of Directors. Any deviation from the Remuneration Policy will be described and explained in the Company's annual remuneration report.

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