

Remuneration Policy 2024 - Sif Holding N.V. (the 'Remuneration Policy')

Introduction

The new remuneration policy for Sif Holding N.V. (the "Company") has been proposed by the Supervisory Board, after the proposal by the Supervisory Board's Remuneration Committee (the "Remuneration Committee"). This proposal was drafted following a review, analysis and evaluation of the existing policy that has been adopted subsequent to the approval obtained during the Annual General Meeting of Shareholders (the "AGM") in May 2020. This proposed new policy is updated for the outcomes of the review of the current policy, the Dutch Corporate Governance Code and the Dutch legal requirements. In addition, the policy includes the remuneration principles applicable to the individual compensation of the Supervisory Board.

This new policy is presented to be adopted by the AGM on 17 May 2024. If approved, this Remuneration Policy will apply as from this date and will replace the existing remuneration policy. It is intended that this new Remuneration Policy will be applicable for the period of four years.

Explanation of material changes as referred to in article 2:135a (6) (i) DCC

Material changes to this policy will be presented to the 2024 AGM and include alignment with the Dutch Corporate Governance Code and legal requirements, changes to the Long Term Incentive under which awards will be made subject to financial and non-financial KPI's and that will be settled in shares after the three year performance period. And furthermore, the changes include a rebalancing of the remuneration of the Supervisory Board members to reflect appreciation of committee memberships. The changes reflect the comments received from the General Meeting of Shareholders and the Works Council to the existing Remuneration Policy and to the drafts that were discussed with the Works Council and certain large shareholders prior to issuing the notice and agenda for the Annual General Meeting of Shareholders of 2024. Their comments mainly relate to the balance of STI and LTI and to the balance of non-financial and financial KPI's for both STI and LTI.

The Works Council was consulted for their advice in respect of the changes to this policy. The Works Council advised positively about the changes in the new policy and the underlying remuneration principles.

Prior to the expiry of the four-year period, the Remuneration Policy will again be presented to the AGM for approval whereby the existing remuneration policy remains to be operated and applied by the Company until this Remuneration Policy is approved by the AGM.

A. Executive Board Policy

General

The Remuneration Committee advises the Supervisory Board regarding the remuneration policy and principles as well as the individual remuneration of the Executive Board. Within this framework, the Supervisory Board determines the individual remuneration of the Executive Board.

The company aims to attract, retain, and motivate high calibre executives to the Executive Board. Their performance should be focused on long-term value creation through sustainable design and production of (components for) steel foundations for offshore wind power. The strategy of the Company aims at driving growth by focusing on the optimization of the existing product portfolio and by offering add-on services to existing or new markets. In pursuing this, perspectives of shareholders and other stakeholders should be balanced. This implies, amongst others, an alignment between shareholder returns, executive remuneration principles and the remuneration principles that apply more broadly in the Company. Main objectives of the strategy of the Company are a safe workplace, a leading competitive position through product- and cost leadership and to have a positive impact on the Sustainable Development Goals ("SDGs") that the United Nations have identified in their Global Compact strategy. The Company engages with SDGs 7, 8, 9, 12 and 13 and solid financial ratios.

The Company aspires to ensure that the Remuneration Policy aligns with all relevant policies and procedures and complies with relevant laws and the best practice provisions of the Dutch Corporate Governance Code by applying high standards of corporate governance, environmental and ethical practices.

The remuneration structure should drive strong business performance, promote accountability and incentivize members of the Executive Board to achieve short- and long-term performance targets with the objective of substantially and sustainably increasing the Company's equity value, its social-, and its environmental performance.

The remuneration structure and level should ensure the overall market competitiveness of the remuneration packages, which may be granted to the members of the Executive Board. This policy aims at a total remuneration level around the median level of the market. The peer group consists of 14 companies¹ that are similar in scale and level of complexity. The composition of the peer group is reviewed by the Supervisory Board on a regular basis and is updated if necessary to ensure an appropriate composition. Any material changes to the composition of the remuneration reference group will be subject to the approval of the AGM.

In addition, the Remuneration Committee will pursue that there is an alignment with the market, the salary- and employment conditions of the employees of the company, partially expressed by the CEO pay ratio level² and the views within society to ensure that the remuneration of the Executive Board remains fair, reasonable and aligned with the values and purpose of the Company.

Furthermore, the views of shareholders as expressed during the AGM or in dialogue with the largest investors and shareholder representative bodies are considered when operating the remuneration policy.

When determining the remuneration of individual members of the Executive Board, the Supervisory Board shall analyse the possible outcomes of the variable short- and long-term remuneration components. In determining the level and structure of the remuneration of the members of the Executive Board, the Supervisory Board shall make variable remuneration subject to predetermined criteria that promote ownership and that support both the achievement of short-term Company objectives and long-term value creation, taking into account that the portion of the variable remuneration should be appropriate relative to the portion of base remuneration. The Supervisory Board shall take into account, among other things, the results performance and non-financial indicators relevant to the Company's long-term objectives, all with due observance of the risks for the Company's business which may result from variable remuneration and assesses the actual performance delivered based on the strategy and takes into account the impact of the overall remuneration of the Executive Board on the pay differentials within the Company. When determining the remuneration, the Remuneration Committee obtains the views of the individual members of the Executive Board relating to the level and structure of the remuneration.

Composition of Remuneration

The remuneration package for members of the Executive Board shall consist of:

- a. Fixed compensation – Annual base salary;
- b. Short-term incentive – Annual cash bonus;
- c. Long-term incentive – Conditional performance share units;
- d. Pension allowance and other benefits.

These remuneration elements are regularly compared with a balanced peer group of companies selected.

The remuneration of the members of the Executive Board will be determined by comparing the total direct compensation levels around the median level of the remuneration reference group. The total direct compensation elements consist of the fixed compensation and the short-term and long-term incentives.

Fixed compensation – Annual Base Salary

The annual base salary is a fixed compensation and is set by the Supervisory Board taking into account a variety of factors such as the benchmark of the companies as contained in the peer group.

The base salary will be evaluated periodically (e.g. at the end of each year), taking also into account factors such as the Company's and individual development, experience, capability and marketability of the Executive Board, the nature of the

¹ The peer group currently consists of *Kendrion, Basic Fit, TomTom, Alfen, Hydratec Industries, Nedap, Ebusco Holding, Mammoet, Royal HaskoningDHV, Van Oord Offshore Wind, Janssen de Jong, Huisman Equipment, Heesen Yachts, Vekoma Rides.*

² As determined in accordance with the principles of the Dutch Corporate Governance Code.

individual's roles and responsibilities, historic salary levels of the individual, internal pay levels as well as general market developments.

Base salaries of members of the Executive Board will be determined by comparing the base salary levels around the median level of the peer group. The Remuneration Committee will make a proposal for the Executive Board's fixed compensation for determination by the Supervisory Board. If adjusted, the new base salary will be valid as of 1 January of the next calendar year

Short-Term Incentive – Annual cash bonus

Members of the Executive Board shall be eligible for an annual short-term incentive (STI) award paid in cash. STI's are designed to give focus to a range of strategically important annual objectives, both financial and non-financial. These objectives are targeted to deliver a level of performance in line with operational plans. At the start of each financial year, the Remuneration Committee will consider the Company's priorities and will propose targets for the coming financial year for the members of the Executive Board to the Supervisory Board. The relative weighing of the targets and the addition of other (quantitative or qualitative) targets will be dependent of the short-term priorities of the Company.

The 'at target' short-term incentive opportunity for the CEO is 40% of the annual base salary and for the other members of the Executive Board 35% of the annual base salary. The maximum annual bonus opportunity in case of overachievement of the financial measures is 60 % of the annual base salary/at target opportunity for the CEO and 50% for the other members of the Executive Board. Furthermore, threshold performance levels are in place resulting in 0% annual bonus pay out in case of performance below threshold levels.

Financial measures

At least 60% of the total STI objectives will be based on the following financial metrics:

- Contribution margin;
- Adjusted EBITDA;
- Adjusted ROACE.

Non-financial measures

At least 30% up to maximal 40% of the total STI objectives is linked to non-financial targets which differ for each Executive Board member and can include safety, absence rate, carbon footprint, corporate culture, ESG, reporting and communication.

The division of the financial and non-financial measures is divided into percentages according to below table.

STI measure	100% performance level weight	Maximum performance level weight
CEO		
Financial measures	24% (60%)	44% (73,3%)
Non-financial measures	16% (40%)	16% (26,7%)
Total	40% (100%)	60% (100%)
Other members Executive Board		
Financial measures	21% (60%)	36% (72%)
Non-financial measures	14% (40%)	14% (28%)
Total	35% (100%)	50% (100%)

Long-Term Incentive – Conditional performance share units

The purpose of the long-term incentive plan is to align the interests of the Company, shareholders and the Executive Board for the medium and long term, to foster and reward sustainable performance and to provide an incentive for longer term commitment and retention of the Executive Board. Under the Company's long-term incentive plan members of the Executive Board may be invited to receive a conditional award of performance share units that mirror the value of ordinary shares issued by the Company.

For solely the financial year 2024, the award value of the annual award amounts to 20% for both the CEO and the other members of the Executive Board of their annual base salary in line with the previous remuneration policy as applicable at the start of the 2024 financial year. The number of performance share units that vest after three years may be lowered by a maximum of 30%, in case predefined performance conditions have not been met. The performance share units awarded in 2024 that vest after the three-year performance period will be settled in cash.

Effective as from the financial year 2025, the award value will be increased to 40% for the CEO and 35% for any other members of the Executive Board of their annual base salary in the year of award. Awards of performance share units will vest at the end of a three-year performance period subject to (i) the achievement of predetermined group financial targets that appropriately reflect the longer term strategy of the Company, having a weight of at least 60%; (ii) non-financial targets including ESG measures, having a weight of at least 30% and maximal 40%; and (iii) the continued service as an Executive Board member with the Company. The number of performance share units that vest after the three-year performance period will be settled in shares. The Remuneration Committee applies a performance incentive zone between 0% and 100% for each of the financial and non-financial performance conditions applicable to the award value considering the long term and sustainable performance achieved during the performance period.

Members of the Executive Board are required to retain the shares released to them following the vesting of the performance share units awarded for an additional holding period of two years. During this period these shares cannot be transferred, sold or otherwise encumbered by the Executive Board member, unless with the approval of the Supervisory Board. Notwithstanding the aforementioned, a sale-to-cover tax is allowed to ensure the Executive Board members can meet their tax obligations.

Number of shares available

The aggregate number of shares available for all equity-based incentive awards under the Company's long-term incentive plan will not exceed 1% of the total issued share capital on an annual basis of the Company calculated on a fully diluted basis.

Additional bonuses

The Supervisory Board may award (additional) cash and/or equity bonuses to (members of) the Executive Board for specific transactions or other achievements that the Supervisory Board deems exceptional in terms of strategic importance and effect on the Company's results. The cash and/or equity bonus shall be dependent on achieving challenging and predefined criteria and, in case of equity bonuses, subject to approval by the AGM.

Pension

The Company offers the members of the Executive Board the opportunity to join the Company's pension scheme which is based on the scheme of the industry's Pension Fund for Metal & Technique (Pensioenfonds Metaal & Techniek) supplemented by the Company's extended pension scheme (nettopensioenregeling). The Company and the member of the Executive Board may agree upon an alternative pension scheme, based on defined contribution, whereby the Company's contribution will not exceed the premium that the Company would otherwise have paid for pension under the Company's pension scheme.

Allowances and Benefits

The members of the Executive Board may be eligible for a range of other allowances and/or benefits as determined by the Supervisory Board from time to time. These may comprise elements based on general local practice, including the use of a company cell-phone and/or company car, social security contributions, contributions for healthcare costs and annual cost allowances; and/or relate to specific circumstances, such as costs relating to relocation, accidental and health insurance, housing, education and travel.

Severance Payment

The members of the Executive Board may be eligible for severance payment upon early termination of office as determined by the Supervisory Board. Severance payments do not reward failure and shall not exceed the Executive Board (member)'s annual base salary. Rights under LTI and/or STI plans are not part of the severance payment and will be settled in accordance with the terms and conditions governing these plans. Severance payments will not be awarded if the agreement is terminated early at the initiative of the Executive Board member, or in the event of seriously culpable or negligent behaviour on the part of the Executive Board member.

Service Agreements

Service Agreements with the members of the Executive Board are entered into force for a period of four years. A member of the Executive Board can be reappointed for a 4-year period without any limitation on the total duration of the membership of the Executive Board. The notice period for the termination of contract with members of the Executive Board is 6 months if notice is given by the Company and 6 months if notice is given by the member of the Executive Board.

Malus and Claw Back

The Company has the right to reduce payments that are not yet paid out and to demand repayment of a short-or long- term incentive, in whole or in part, to the extent that payment was made on the basis of incorrect information regarding the achievement of the targets underlying the bonus or regarding the circumstances on which the bonus was dependent (regardless of the terms of any contractual arrangements with the member of the Executive Board concerned). The Supervisory Board members may furthermore adjust the variable remuneration elements to an appropriate level, if payment thereof is unacceptable according to the requirements of reasonableness and fairness. Such variable remuneration may be adjusted or recovered from a member of the Executive Board in accordance with the relevant provisions in the Dutch Civil Code, as amended from time to time and currently based on the relevant provisions as contained in Article 2:135 of the Dutch Civil Code.

Miscellaneous

The Company does not grant personal loans, advance payments or guarantees to its Executive Board members.

The Supervisory Board has the authority to deviate from the policies set out above in case it considers it necessary or desirable to do so in specific individual cases, for instance to attract and reward the most qualified members of the Executive Board also in future.

B. Supervisory Board Policy

Introduction

This policy aims to attract, retain and fairly compensate Supervisory Board members with the required background, skills and experience and to reflect the responsibilities of their role.

In line with the roles and responsibilities of the Supervisory Board, the compensation of the members is based on fixed amounts paid in cash. Supervisory Board members are not entitled to any performance or equity related compensation and are not entitled to any pension allowance or contribution. This compensation structure is designed to ensure the independence of the Supervisory Board members and the effectiveness from a corporate governance perspective.

Fixed compensation – Supervisory Board and committee fees

The Supervisory Board members are entitled to the following elements:

- A fixed base fee for membership of the Supervisory Board; and
- A fixed committee fee for each of the Supervisory Board committees.

The Supervisory Board members are entitled to the following fees:

Annual fee per function in the Supervisory Board	Fixed annual fee
Chair	EUR 52,000
Vice chair	EUR 43,000
Member	EUR 41,000
Annual fee per function in the Supervisory Board committees	Fixed annual fee
Chair Audit Committee or P11 Committee	EUR 10,000
Chair Remuneration	EUR 7,000
Member Audit Committee	EUR 6,500
Member Remuneration Committee	EUR 5,000

The compensation is regularly assessed against Dutch market levels. The benchmark is based on the peer group also applicable and applied for the Executive Board and comparing compensation levels at median level.³ The Supervisory Board will present any proposed changes to the fees or the compensation elements to the AGM for approval.

Miscellaneous

The Company does not provide its Supervisory Board members any personal loans, guarantees or advance payments.

³ The peer group currently consists of the following 14 companies: *Kendrion, Basic Fit, TomTom, Alfen, Hydratec Industries, Nedap, Ebusco Holding, Mammoet, Royal HaskoningDHV, Van Oord Offshore Wind, Janssen de Jong, Huisman Equipment, Heesen Yachts, Vekoma Rides.*