REMUNERATION REPORT

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This Remuneration report (article 2:135b of the Dutch Civil Code; chapter 3.1 of the Dutch Corporate Governance Code) is based on our Remuneration policy that was resolved after Works Council consultation and approval by the Annual General Meeting of Shareholders in May 2024. The Remuneration policy is published on our website Remuneration-policy-2024.pdf.

The Remuneration Policy for Executive and Supervisory Boards

The Remuneration policy is instrumental to realising Sif's strategy and sustainable long term value creation for all stakeholders of the Company. To deliver on our strategy, we need to be able to attract and retain experienced and top level management. With the new Remuneration Policy that includes a new long term incentive plan with effect from 2025, our remuneration is more long-term focused than this was the case under the former Remuneration policy. The Remuneration policy is now more in line with the principles of the Dutch Corporate Governance Code.

Remuneration level

The assumption is that remuneration should compare to the pay for comparable board positions at similar companies. For this purpose, Sif undertook a market analysis that resulted in a peer-group of 14 companies as listed below:

1. **Listed companies**: Kendrion, Basic fit, Tomtom, Alfen, Hydratec Industries, Nedap, Ebusco holding
2. **Non-listed companies**: Mammoet, Royal Haskoning DHV, Van Oord offshore wind, Janssen De Jong, Huisman equipment, Heesen Yachts, Vecoma rides

The main selection criteria for this benchmark group were type of business (project business), ownership (public-private) and size (revenues and employees). In addition, a certain remuneration ratio between members of the Executive Board and second management level as well as members of the Executive Board and other employees should be observed. The Remuneration committee applied scenario-analysis to assess the maintenance of these ratios.

The Remuneration package

- Annual base salary
- Annual short term bonus
- Bonus for long-term share participation
- Pension provisions

In addition, each member of the Executive Board receives an expense allowance and can be awarded non-recurring awards in case of exceptional performances. Executive Board members are entitled to contractual severance payments in the amount of six month's salary in case of a change of control of the company and in case of premature dismissal at the request of the Supervisory Board and the General Meeting of Shareholders other than for termination due to cause.

The table below summarises the remuneration elements and amounts that were paid to Executive Board members in the past two years.

Executive Board remuneration

	Fred van Beers		Ben Meijer	
compensation	**2024**	**2023**	**2024**	**2023**
Base salary	€445,532	€432,555	€280,000	€261,938
Employer´s pension contributions	€29,991	€27,847	€25,195	€23,626
Pension compensation	€33,821	€35,696	€19,328	€18,095
Annual bonus (expenses)	€197,826	€163,932	€88,205	€94,922
Non-recurring bonus (expenses)	€0	€46,758	€0	€28,073
LTIP (expenses)	€332,514	€120,964	€203,068	€64,820
Other benefits (car lease, travel expenses and relocation expenses)	€62,326	€51,853	€46,848	€42,955
Social security and other payments	€12,005	€11,168	€12,005	€11,168
Total remuneration	**€1,114,015**	**€890,773**	**€674,649**	**€545,597**
variable as % of total	**47.6 %**	**37.2 %**	**43.2 %**	**34.4 %**
Paid annual bonus in the year, earned over the previous year	€163,932	€149,619	€94,922	€69,917
Paid vested LTIP	€40,435	€85,507	€24,315	€0
Paid non-recurring bonus	€46,758	€0	€28,073	€0
Total actual paid variable remuneration	**€251,125**	**€235,126**	**€147,310**	**€69,917**

Base salary

The base salary for Executive Board members increased by 3.0% in 2024 to compensate for inflation. The CFO received an additional 3.9% increase to align his base salary with the remuneration policy of the Company.

Annual short term bonus

The short- term variable remuneration is paid in cash as soon as the Supervisory Board has approved the audited annual accounts for presentation to the shareholders. The bonus-level is based on pre-defined performance targets that may differ for the different members of the Executive Board. The annual short term bonus is based on at least 60% financial performance indicators and can at target amount to 40% of the base salary for CEO and 35% for CFO . The maximum short-term incentive is 60% and 50% of the base salary for the CEO and CFO respectively. The financial results on which the 2024 short-term incentives are based, are derived from the audited financial statements. For 2024, the pay-out percentages are 44% for CEO and 32% for CFO based on the scores as reflected in the following table. Financial targets for 2024 were on adjusted EBITDA, contribution and adjusted ROACE and could account for 60% of the bonus. Non-financial targets included safety performance, carbon footprint and certain organisational achievements and could account for 40% of the bonus.

	max score	2024		score
		target	actual	
For CEO				
Contribution margin	14.7 %	€136.8	€146.5	11.1 %
Adjusted EBITDA	14.7 %	€38.7	€38.4	7.6 %
Adjusted ROACE	14.7 %	21.4 %	57.7 %	14.7 %
LTIF	6.0 %	<1.5	0.79	6 %
ESG plan	5.0 %	Supervisory Board approved June 2024 and realisation 2024 plan	Partly	2.5 %
Organisational development	5.0 %	Supervisory Board approved June 2024 and realisation 2024 plan	Partly	2.5 %
Total	**60 %**			**44.4 %**
For CFO				
Contribution margin	12 %	€136.8	€146.5	9.4 %
Adjusted EBITDA	12 %	€38.7	€38.4	6.6 %
Adjusted ROACE	12 %	21.4 %	57.7 %	12.0 %
Long-term capital structure	3.5 %	AC approved Aug 2024	Partly	1.75 %
Financial forecast model	3.5 %	AC approved May 2024	No	— %
New pricing/calculation model	3.5 %	AC approved Nov 2024	No	— %
ESG plan	3.5 %	Supervisory Board approved June 2024 and realisation 2024 plan	Partly	1.75 %
Total	**50 %**			**31.5 %**

Non-recurring awards

The Supervisory Board can grant non-recurring awards 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 Supervisory Board has awarded two long-term incentive bonuses with value of one year base salary each. The first bonus was awarded in 2023 and will be paid out during 2026, taking into account a Total Shareholder Return (TSR) modifier. The second bonus is awarded during 2024 with a payout end of 2027, subject to KPI's that relate to the finalisation of the investment project and the start-up of the production process of the manufacturing expansion, and a Total Shareholder Return (TSR) modifier. The bonus is reflected in the Executive Board Remuneration table.

Bonus for long-term share participation

As of 1 January 2025 the long-term incentive plan has changed as stipulated in the Remuneration policy that was adopted in May 2024. Before 1 January 2025 Sif applied a plan based on cash-settlement of performance share units (PSU) the outcome of which depended on share price development only. The vesting period of these PSU's was 3 years. No actual shares were involved.

From 1 January 2025, PSU's can be awarded with a maximum award value of 40% for CEO and 35% for CFO of base salary in the year of award. The vesting period is 3 years and subject to achievement of targets that appropriately reflect the longer term strategy of the company, having at least 60% weight on financial targets and at max 40% weight on non-financial targets. The PSU's that vest after a 3 year performance period, will be settled in shares. The members of the Executive Board are obliged to retain the shares received upon vesting for a holding period of 2 years.

LTIP

The LTIP is based on the share price performance of Sif's shares. Performance Share Units ("PSU") are awarded. No actual shares are involved in the LTIP and all LTIP are settled in cash. Under the long-term incentive plan, 8,624 PSUs with a value of €89,086 were conditionally awarded to the CEO (7,122 in 2023 with a value of €86,532). 5,420 PSUs with a value of €55,989 were conditionally awarded to the CFO (4,313 in 2023 with a value of €52,403). The 2021-awards under this LTIP were vested in 2024. The pay-out on vested LTIP arrangements to the CEO was €40,435 and to the CFO €24,315.

Pension provisions

Members of the Executive Board are offered a pension arrangement for a pensionable salary based on the base salary including holiday allowance. Sif may contribute 100% to the pension premiums or reimburse the members of the Executive Board with an equal amount if they decide to refrain from participation in Sif's pension arrangement. The pension contribution covers the maximum pension amount; the pension compensation covers the excess arrangements with or without director contribution.

Internal pay ratio

The pay ratio is defined as the total annual remuneration of the CEO as included in the financial statements, divided by the average annual remuneration of the employees (total wage costs in the financial year as included in the financial statements divided by the average number of FTEs on Sif's paylist during the financial year). The value of the share-based remuneration is determined in line with the applicable reporting standards. This brings Sif's pay ratio for 2024 to 11.3 compared to 9.8 for 2023.

The 2023 remuneration report was discussed in the Annual General Meeting of Shareholders in May 2024 and presented for an advisory vote. Chair of the Remuneration Committee Angelique Heckman explained that CEO and CFO did not achieve all targets and therefore were not awarded the maximum incentive. Angelique Heckman also explained why a non-recurring award was granted to CEO and CFO in relation to the purchase of Sif-shares they made.

Of the shares voted for (80.9%), 92.1% voted in favour. Prior to the Annual General Meeting of Shareholders, Sif consulted three large shareholders as well as two shareholder representatives on some of the remuneration elements.

Executive Board remuneration and company performance

	2024	2023	2022
Fred van Beers	€1,114,015	€890,773	€730,606
Ben Meijer	€674,649	€545,597	€414,191
Average full-time remuneration of employees	€98,231	€91,184	€86,315
Pay ratio CEO	**11.3**	**9.8**	**8.5**
Company performance			
Contribution/ton	759	669	674
Adjusted EBITDA	€38,406	€42,168	€41,792
Net debt at year-end	€124,245	€427	€17,566

Supervisory Board remuneration

The remuneration for Supervisory Board members is determined by the Annual General Meeting of Shareholders. Remuneration of Supervisory Board members is not dependent on Sif's results nor performance based. Supervisory Board members do not receive shares or options as part of their remuneration.

The new remuneration policy that was adopted in May 2024, included an altered remuneration of Supervisory Board members. The fixed remuneration of chair and members of the Supervisory Board was lowered and a remuneration for committee chair and membership was introduced. This is reflected in the table below.

Supervisory Board remuneration

	2024	2023	2022
Peter Gerretse	€69,066	€60,625	€45,000
Peter Wit	€50,045	€45,000	€45,000
Angelique Heckman*	€49,060	€28,515	
Peter Visser	€46,557	€45,000	€45,000
Annabelle Vos**	€62,750	€14,178	
Total remuneration	**€277,478**	**€193,318**	**€135,000**

*appointed May 2023

**appointed September 2023