

# Signify N.V.

## Remuneration Policy Supervisory Board



## 1 Introduction

The objective of the remuneration policy for the Supervisory Board is to stimulate sustainable value creation of the company, both short-term as well as long-term. The following principles apply for this remuneration policy:

- The remuneration policy aims to attract, reward and retain qualified Supervisory Board members, together forming a diverse and balanced Supervisory Board with the appropriate level of skills, competences and experience for overseeing the (execution of the) company's strategy and performance, whilst taking the interest of all the company's stakeholders into account.
- Given the nature of the responsibilities of the Supervisory Board as an independent body, the remuneration is not dependent on the performance of the company and therefore consists of fixed components only.
- The remuneration reflects the time spent and responsibilities of each individual member of the Supervisory Board.
- Remuneration levels are to be competitive and in line with market practice of comparable companies.

## 2 Changes in remuneration policy

This remuneration policy replaces the policy adopted by the Annual General Meeting of Shareholders in 2020. The policy does not reflect any material changes.

## 3 Remuneration structure

The compensation package for the members of the Supervisory Board consists of the following fixed components:

- annual fee, depending on the member's position on the board

- additional fee for the function of chair or member of committees
- allowance for travel

The total remuneration of members of the Supervisory Board is targeted around the median level of a representative labor market peer group and benchmarked periodically. This labor market peer group is the same as used for benchmarking the remuneration of the Board of Management. The peer group reflects a balance with 50% of the peer companies representing Dutch cross-industry companies that are typically included in the AEX or AMX, and 50% European sector specific companies. For use for the remuneration of the Chair of Supervisory Board, peer group companies having a one-tier board structure are excluded.

As of January 2024, the labor market peer group consists of the following 14 companies:

### Dutch (cross-industry)



### European sector specific



The Supervisory Board reviews the peer group on a regular basis and may adjust to ensure that the companies in the group remain relevant peers. Compared to the 2020 remuneration policy, Boskalis, OSRAM Licht, Siemens Gamesa and ASML were replaced by Arcadis, amu OSRAM, Nordex and ASMI.

## 4 Remuneration

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The remuneration of individual members of the Supervisory Board as well as additional remuneration for its Chair, Vice Chair and members of its committees is determined by the General Meeting of Shareholders. The fees and allowances for travel have not changed since the company's IPO in 2016 and are as follows:

<b>Remuneration Supervisory Board in EUR</b>	
<b>Supervisory Board fixed annual fee</b>	
Chair	110.000
Vice Chair	85.000
Member	75.000
<b>Committee fees</b>	
<b>Audit Committee</b>	
Chair	22.500
Member	13.000
<b>Digital Committee</b>	
Chair	22.500
Member	13.000
<b>Remuneration Committee</b>	
Chair	15.000
Member	10.000
<b>Nomination Committee</b>	
Chair	15.000
Member	7.500
<b>Allowance for travel</b>	
Intercontinental	5.000
Continental	2.500

Compared to the 2020 remuneration policy, the above table also reflects the fees for the Digital Committee, that was established in January 2021. The fees for the Digital Committee are the same as for the Audit Committee.

## 5 Expenses

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Reasonable expenses incurred by Supervisory Board members are reimbursed.

## 6 Loans

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The company does not extend loans to members of the Supervisory Board.

## 7 Shares and share ownership

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Shares or rights to shares shall not be granted to a member of the Supervisory Board. If a Supervisory Board member holds shares in the share capital of the company, this will be for the purpose of long-term investment.

## 8 Other arrangements

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Members of the Supervisory Board are appointed and re-appointed based on the provisions of the law and the company's articles of association. The terms and conditions of the (re-)appointment are confirmed in a letter of appointment. No (additional) pension, severance, change of control or claw-back arrangements are in place for members of the Supervisory Board.

## 9 Ad hoc committee

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When the activities of the Supervisory Board or other circumstances so require, the Supervisory Board may establish an ad hoc committee formed from among its members and assign certain tasks to such committee.

In such event, the Supervisory Board may determine additional fees to be paid to the members of the ad hoc committee. The fees will be in line with the fees for the existing committees.

## **10 Adoption, review and implementation of the remuneration policy; stakeholder engagement**

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### **Roles**

The Supervisory Board is responsible for proposing the remuneration policy for its members for adoption by the General Meeting of Shareholders. The remuneration of the individual members of the Supervisory Board is also determined by the General Meeting of Shareholders based on this policy.

The Supervisory Board has established a Remuneration Committee with members from among its midst. This committee reviews and prepares proposals for the Supervisory Board on the remuneration policy for its Board. The role, responsibilities and functioning of the Remuneration Committee is described in more detail in its charter, which is available on the company's website.

### **Review process and stakeholder engagement**

The previous remuneration policy for the Supervisory Board was adopted by the Annual General Meeting of Shareholders in May 2020.

In 2023, the Remuneration Committee initiated a review of the remuneration policy. The Remuneration Committee was supported by both internal rewards experts and an independent external advisory firm. Various matters were considered as part of this review, including the company's purpose, values and strategy and feedback from shareholders and other stakeholders. In view of the nature of the responsibilities

of the Supervisory Board, the remuneration and employment conditions of the company's employees were not taken into account in formulating this remuneration policy. The works council is embedded within the organization of Signify Netherlands B.V. and does not have a formal role in setting the remuneration policy at the level of Signify N.V.

### **Proposal to adopt remuneration policy by the AGM 2024**

The Supervisory Board and its Remuneration Committee found that the existing remuneration policy and remuneration for the Supervisory Board are still adequate. Therefore, no material changes will be proposed. The remuneration policy is however updated to continue to correspond to the remuneration policy for the Board of Management, including the reflection of the labor market peer group as of January 2024, and to reflect the fees for the Digital Committee that was established in 2021.

The Supervisory Board will propose the remuneration policy as set forth in this document to the Annual General Meeting of Shareholders 2024 for adoption, with application as from January 1, 2024.

Given the above review and feedback received, the Supervisory Board believes that this policy is a sound policy that will support its objectives, is in line with market practice, is cost efficient and has adequate societal support.