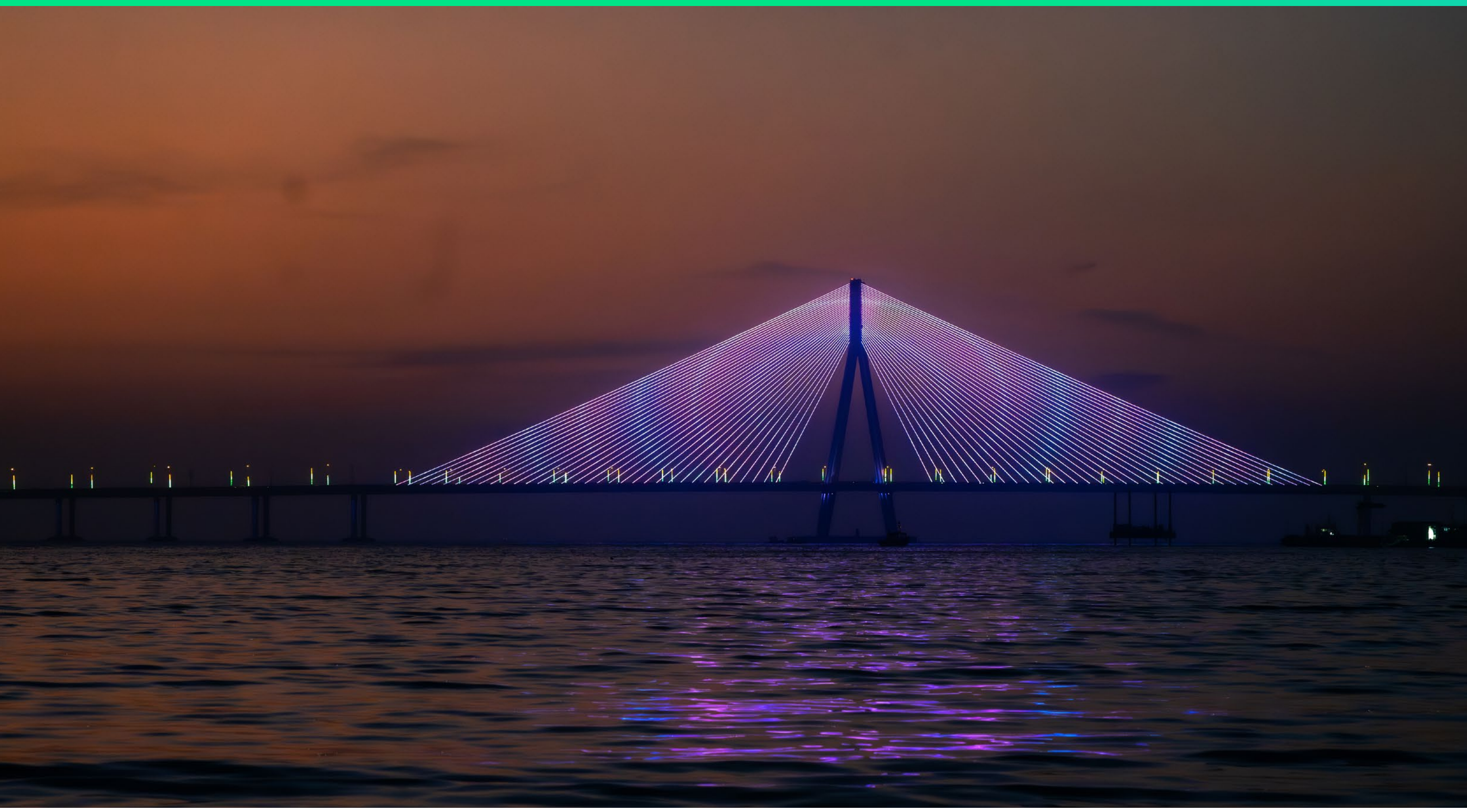
Signify N.V.

Remuneration Policy
Board of Management



I Introduction

Signify has a long and proud history as the leader in lighting for more than 130 years. The company's purpose is to unlock the extraordinary potential of light for brighter lives and a better world. Our 5 Frontiers Strategy coupled with our Brighter Lives, Better World programs are our guiding lights and are as relevant today as when they were first introduced. More than ever, the focus is to drive our leadership in lighting technology, serve our customers, satisfy our stakeholders and continue to lead the way in sustainability. These drivers are important elements of our remuneration policy.

Signify has a balanced approach to compensation for all its employees, from its CEO and other members of the Board of Management to all employees worldwide. This is reflected in the remuneration policy, which is aimed at stimulating sustainable value creation, both short-term as well as long-term. Therefore, the performance measures used in the variable compensation components are linked to quantitative financial, non-financial and sustainability targets. The remuneration policy also serves a communication purpose as it clearly stipulates and supports a common approach to deliver on the company's strategy.

Remuneration Principles

Signify's remuneration philosophy, applicable for all employees, includes the principle of providing a competitive and fair remuneration package in the relevant labor markets, while considering role complexities and responsibilities. This same philosophy is applicable for the Board of Management of Signify and is considered by the Supervisory Board when determining the policy elements.

The level of stakeholder support for the remuneration policy is important to us and was considered in the development of the policy. The Remuneration Committee undertook extensive discussions with stakeholders in preparation for the remuneration policy to ensure that their varied perspectives were considered.

Signify's value creation model

Through our company purpose and strategy, we aim to address global challenges and our stakeholders' expectations, while contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs). Our approach is to optimize long-term value through financial, environmental, and social resources. Our activities impact our customers, employees, investors and society at large. Signify expresses these impacts in monetary terms in our Annual Report.

The following principles apply for the remuneration policy of the Board of Management:

- Signify's remuneration policy aims to attract, reward and retain qualified leaders for pursuing the company's purpose and long-term strategic objectives, while taking the interest of all the company's stakeholders into account.
- Remuneration levels are to be competitive and in line with market practice in the labor market while supporting a pay-for-performance philosophy, with a significant proportion of total compensation at risk.
- Remuneration should drive long-term value creation from a financial, non-financial and sustainability perspective.
- Stakeholder feedback and standards of good corporate governance, including the Dutch Corporate Governance Code, are taken into consideration.

2 Changes in the remuneration policy

This remuneration policy replaces the policy adopted by the Annual General Meeting of Shareholders in 2020. Substantial changes compared to that policy are as follows.

- **Base salary:** The Supervisory Board sets and annually reviews the base salary levels. In the 2020 remuneration policy, the relationship between the base salary levels of the Board of Management and salary increases for the collective labor agreement (CLA) population in the Netherlands was formulated as a very tight link, whereas other factors may also play a role in reviews to determine whether the base salary should be adjusted, such as developments of salaries in the labor market peer group, salary developments of employees globally and the Board of Management member's role and performance. This is now clarified in this policy.
- **Annual cash incentive – financial and team/individual component:** Similar to the 2020 remuneration policy, the annual cash incentive relates both to financial and team/individual performance measures. This updated policy now gives the Supervisory Board the flexibility to annually determine to relate 75% to 80% to financial measures (compared to a fixed 80% under the previous policy) and 20% to 25% to team/individual targets, given the priorities for that year.
- **Annual cash incentive – performance measures:** Similar to the 2020 remuneration policy, the Supervisory Board can annually select two or three financial performance measures from a pre-defined list and determine the weighting per performance measure. The categories of performance measures remain largely the same. The growth measure was expanded to include sales, and the return measure was expanded to include cost metrics. To avoid duplication with the long-term incentive performance measures, FCF will not be selected as a cash flow metric nor ROCE as an investment return metric and hence FCF and ROCE are removed as examples of the relevant performance measure categories. This change is made in direct response to investor feedback.
- **Leaver arrangements:** Similar to the 2020 remuneration policy, any severance payment is capped at a maximum of one time the annual base salary. It is clarified, no severance payment is due in case of voluntary resignation or a serious culpable act or an act of negligence. Furthermore, it is clarified that in case of termination of a services contract, unvested awards granted under the LTI Plan shall forfeit, unless the Supervisory Board decides otherwise or in case of retirement (in which case pro rata vesting shall apply). The introduction of pro rata vesting upon retirement of any unvested awards granted under the LTI Plan will be applied in direct response to investor feedback.
- **Claw-back:** The claw-back provision in the policy has been clarified in accordance with the service contracts. It extends beyond Dutch legislation and includes the discretion of the Supervisory Board to recoup an incentive in case of a serious violation of the Signify Integrity code or applicable law, or in circumstances allowing the company to terminate the contract for urgent cause.

The principles for selecting the labor market peer group and TSR peer group remain the same as under the 2020 remuneration policy. The Supervisory Board made the following changes since the 2020 remuneration policy.

- **Labor market peer group:** The Supervisory Board updated the labor market peer group to adapt to the changes that have taken place in the former peer group. Compared to the 2020 remuneration policy, Boskalis, OSRAM Licht, Siemens Gamesa and ASML were replaced by Arcadis, ams OSRAM, Nordex and ASMi. Despite Signify having a large operation in the US, the peer group remains focused on EU companies only.
- **TSR peer group:** Compared to the 2020 remuneration policy, Cree and Toshiba were replaced by MLS Co Ltd. and ams OSRAM.

3 Remuneration structure

The compensation package for the members of the Board of Management consists of the following fixed and variable components:

- base salary
- annual cash incentive
- long-term equity-based incentive
- pensions and other benefits

The combination of a member's base salary, annual cash incentive, and long-term equity-based incentive, together referred to as the "total direct compensation", is targeted around the median level of a representative labor market peer group and benchmarked on a regular basis. This labor market peer group is created and reviewed to reflect companies that are of a comparable size, complexity, industry, and geographical region. It also reflects companies/industries where Signify may compete for talent. 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.

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

Dutch (cross-industry)

aalberts
AkzoNobel
ARCADIS
ASM
bam
dsm-firmenich
kpn

European sector specific

legrand
Nexans
NORDEX
ams OSRAM
Prysmian Group
Rexel
RHEINMETALL GROUP

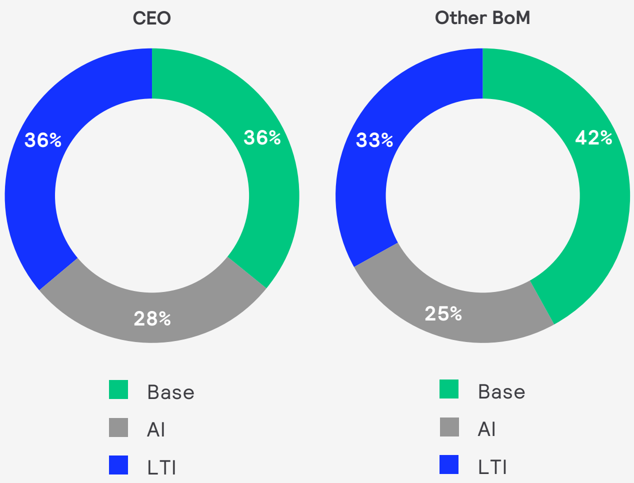
The Supervisory Board reviews the peer group on a regular basis and may adjust to ensure that the companies in the group remain relevant peers. Any updates will be published in the Annual Report.

A competitive benchmark of the total direct compensation of the Board of Management is conducted regularly.

4 Base salary

The base salary is a fixed cash payment. It is intended to attract and retain qualified leaders and to reflect their experience, skills, scope of responsibilities and contribution within Signify. The Supervisory Board sets and annually reviews the base salary levels.
In determining whether an adjustment of the base salary is required, the Supervisory Board will consider salary increases for the collective labor agreement (CLA) population in the Netherlands as an important reference, whilst it may also consider other factors, including developments of salaries in the labor market

To support the Remuneration Policy's objectives, the total direct compensation for the Board of Management members includes a significant mix of variable components in the form of an annual cash incentive and a long-term equity-based incentive in the form of performance shares. As a result, a considerable proportion of pay is 'at risk' through variable incentives and linked to the short-term and long-term performance of Signify. The chart shows the relative on-target value of fixed compensation (Base) versus variable compensation (annual cash incentive (AI) and long-term equity incentive (LTI)), both for the CEO and the other members of the Board of Management.



peer group, salary developments of employees globally, and the Board of Management member's role, scope, experience and individual contribution within Signify.

5 Variable remuneration

The variable remuneration of the members of the Board of Management consists of an annual cash incentive and a long-term equity-based incentive.

The design of the incentives aims to achieve a balance between short-term objectives, long-term value creation and sustainable performance. Variable pay is based on both financial and non-financial performance measures. In selecting performance measures, their respective weights and targets for a performance period, the following is considered:

- Performance measures are selected based on relevance to the company's strategy, and in the case of the annual incentive may reflect strategically important focus areas in a particular year.
- The company's strategy guides the targets and intervals for the performance measures.
- Targets are set ambitiously yet realistically, taking the company's risk appetite into account.
- Alignment with stakeholders' interests and expectations is essential.

The Supervisory Board determines the target for each of the performance measures of the annual cash incentive and the long-term equity-based incentive. The target definition for these variable remuneration components includes target intervals and correlating payout schemes, being defined in incremental steps in performance and respective payout. In addition, a minimum threshold for the achievement of financial performance measures applies, below which there will be no payout. Following the end of the relevant performance period, the Supervisory Board will assess the actual performance relative to the targets set. On that basis, the Supervisory Board will, at its discretion, determine the achievement per performance measure and target.

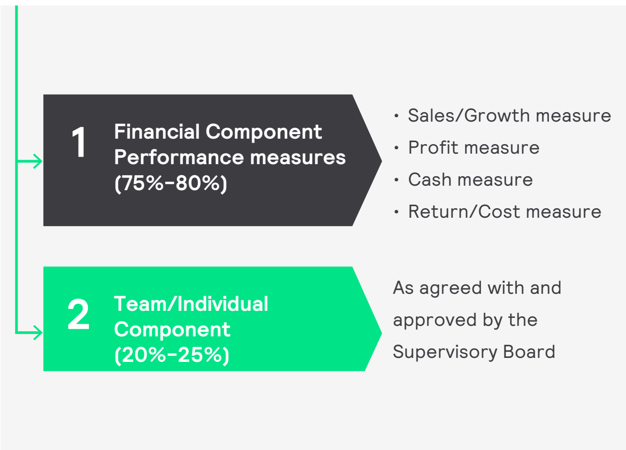
In setting remuneration levels for the Board of Management, scenario analyses of the possible outcomes of variable compensation, both annual and long-term incentives, and their impact on total remuneration are conducted. Consideration is given to various levels of performance including below threshold, threshold, target and maximum but excluding share-price development. In addition, the maximum performance scenario is also reviewed under share-price development scenarios to ensure the full potential is considered.

6 Annual cash incentive

Members of the Board of Management are eligible for an annual cash incentive. The annual incentive is designed to reward the achievement of annual financial objectives and team/individual performance. The purpose is to ensure alignment with the company's annual business plan setting the strategic priorities for that year, which in turn contribute to the company's long-term objectives.

The on-target annual incentive level for the CEO is set at 80% of base salary, while for the other members of the Board of Management the on-target annual incentive is set at 60% of their base salary. For each member, the maximum annual incentive is capped at twice the on-target percentage and the minimum is 0%.

The Supervisory Board can annually determine to relate 75% to 80% of the annual cash incentive to financial performance measures focusing on the realization of strategic business objectives, and 20% to 25% of the annual cash incentive to team and individual performance measures.



For the financial component, the Supervisory Board can annually select two or three financial performance measures from the following list and determine the weighting per performance measure: sales/growth (such as comparable sales growth or nominal revenue), profit (such as adjusted EBITA or net income), cash (such as working capital) and return/cost measures (such as return on R&D investments or operating expenses).

For the team/individual component, the Supervisory Board can annually determine the performance measures given the strategic priorities for that year. These performance measures are partially shared by the Board of Management as a team and partially focus on the specific role of the individual within the Board of Management. These measures will vary given the strategic focus in a year.

The possibility to annually select financial performance measures from the above list, determine the team/individual performance measures, and determine the weighting between financial performance measures and team/individual performance measures, gives the Supervisory Board a certain level of flexibility to ensure continuous alignment of the performance measures with the company's strategy, financial and operational objectives for the mid-term.

7 Long-term equity-based incentive

Members of the Board of Management are eligible for a long-term equity-based incentive under the Signify Long-term Incentive Plan (LTI Plan), the main characteristics of which were approved by the AGM 2017, and adjustments were approved by the AGM 2020.

The objective of the long-term incentive is to link pay with sustainable long-term value creation, by selecting a combination of performance measures that together reflect and balance successful financial and sustainability performance under the company's strategy.

The main characteristics of the long-term incentive plan for the Board of Management are as follows:

- The long-term incentive is granted annually in performance shares only.
- The vesting of performance shares is conditional upon the achievement of performance conditions measured over a period of three financial years.
- Performance is measured using four performance measures: relative total shareholder return, free cash flow, return on capital employed and sustainability.
- All performance measures have an equal weight of 25%.
- Payout per performance measure can vary between 0% and 200%.
- All after-tax shares received under the LTI plan must be held for a period of at least five years from the date of grant.

Grant value and pool size

For the CEO, the annual on-target grant value is set at 100% of the base salary and for the other members of the Board of Management at 80% of base salary.

In 2024, the number of shares to be granted in aggregate to all employees under LTI Plans will be approximately 1.5 million, of which approximately 5% will be granted to the members of the Board of Management. The aggregate number of shares to be granted on an annual basis depends on the eligible population, the overall at target value and the share price (as the target value is divided by the average of the closing prices in the three months preceding the grant date to determine the number of shares to be granted) and hence may fluctuate.

Relative total shareholder return (TSR)

The vesting of 25% of the shares granted is subject to a relative total shareholder return (TSR) condition. Relative TSR measures the share price growth plus dividends paid over the three-year performance period, whereby a three-month share price averaging will be applied at the start and the end of the performance period. The TSR over the performance period is considered an important measure for indicating the development of shareholder value of Signify relative to a competitor peer group and aligns Signify management interests with the interests of Signify shareholders.

Performance is expressed as a percentage for all companies. This percentage is compared to the TSR performance of companies included in the peer group specifically compiled for this purpose. The TSR performance is determined for each company in the peer group and ranked from top to bottom. Signify's position in the ranking, together with the payout curve, determines the payout level.

As of January 2024, the TSR peer group consists of the following companies:

ABB	AcuityBrands	EATON
FAGERHULT	HITACHI	Honeywell
HUBBELL	Johnson Controls	legrand
MLS	ams OSRAM	Panasonic
Schneider Electric	Signify	ZUMTOBEL

Performance-incentive zone for TSR in % of grant value

Ranking	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Payout	200%	200%	200%	175%	150%	125%	100%	75%	0%	0%	0%	0%	0%	0%	0%

The peer group consists of our global business competitors and companies representing other sectors in which we operate, considering a range of criteria. They reflect our global business competitors in the lighting sector as well as those operating in other similar sectors to Signify and reflect the global footprint of our business. The peer group is reviewed regularly to ensure that the companies remain relevant peers. In case a peer needs to be replaced due to a corporate event (merger, acquisition, and so on) the Supervisory Board will ensure that the adjusted peer group remains aligned with the strategic objectives, the geographical spread and the business characteristics of Signify. Any updates will be published in the Annual Report.

After ranking the TSR performance of all the companies in the peer group best to worse, the position of Signify determines the payout percentage.

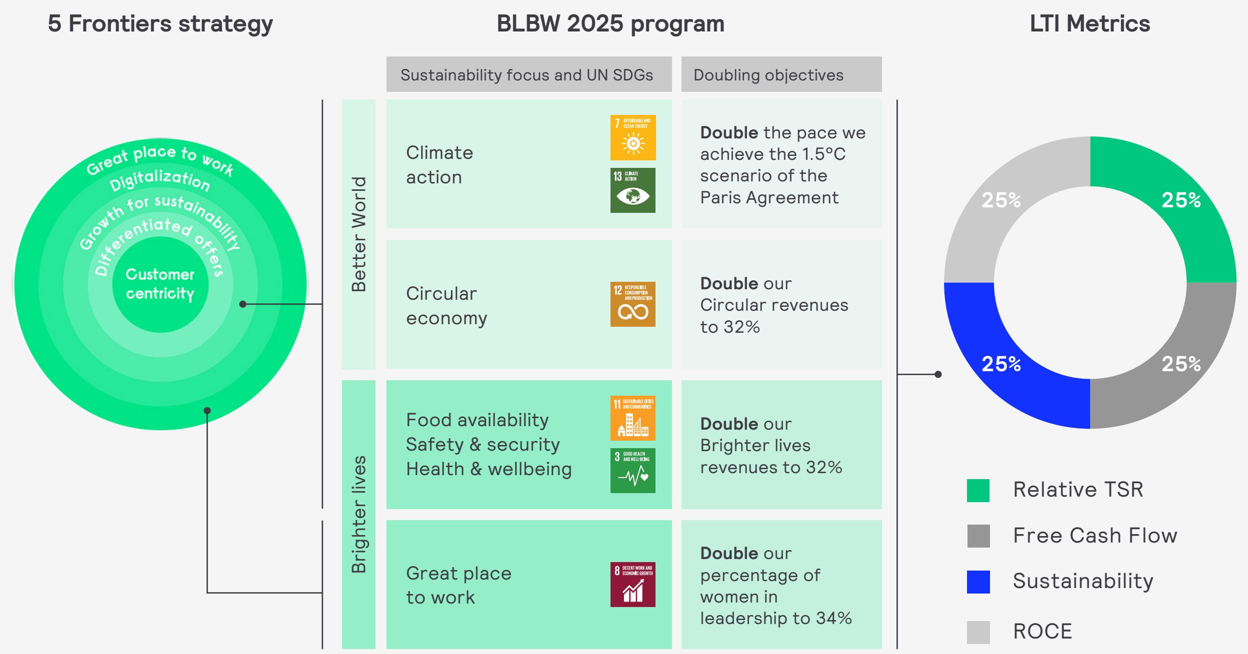
Free cash flow

The vesting of another 25% of the long-term incentive grant is linked to performance measured by a free cash flow target over the three-year performance period. Free cash flow measures Signify's ability to generate cash from its operations and reflects an important element of Signify's financial performance over a multi-year period. The targets and intervals around these measures are determined by the Supervisory Board, aligned with the company's strategic, multi-year plan.

Sustainability

The vesting of 25% of the long-term incentive grant is dependent on how well Signify performs against the targets set with respect to the sustainability condition. The targets and intervals around these measures are

Long-term variable remuneration links to the Signify strategy and Sustainability metrics via Signify's Brighter Lives, Better World 2025 program. After 2025, this program will be replaced by a new multi-year sustainability program, which will be the basis for setting targets for the LTI sustainability performance measure.



determined by the Supervisory Board aligned with the company's multi-year sustainability program, which is developed in pursuance of the company's strategy.

Until the end of 2025, performance on the sustainability metric will be aligned with the company's sustainability program Brighter Lives, Better World 2025 as detailed in the annual report. After that period, performance will be aligned with a new multi-year sustainability program, which will be published in the company's Annual Report. The sustainability measure over the three-year period reflects Signify's performance in achieving the multi-year sustainability commitments in the Brighter Lives, Better World programs and therefore is directly linked to Signify's long-term strategy and sustainability commitments.

Return on Capital Employed

The vesting of the remaining 25% of the long-term incentive grant is linked to performance measured by a return on capital employed target. Return on capital employed (ROCE) reflects the long-term performance of Signify in efficient use of capital and therefore it is directly linked to the company's long-term value creation. The targets and intervals around these measures are determined by the Supervisory Board, aligned with the company's strategic, multi-year plan.

8 Share ownership guidelines and holding requirements

Under the Signify share ownership guidelines, members of the Board of Management must hold a certain value in shares in the company. These guidelines are designed to further align the interest of the members of the Board of Management (and certain other leaders within Signify) with the interests of its shareholders. For the CEO, the value in Signify shares to be held is 300% of base salary and for the other members of the Board of Management it is 200% of base salary. The guidelines require that all after-tax shares be retained, dividends to be re-invested in shares and shares purchased to be held until the required level is met.

In addition, members of the Board of Management shall comply with holding requirements under the Dutch corporate governance code. This effectively means that members of the Board of Management shall hold all after-tax shares received under the long-term incentive plan for a period of at least five years from the date of grant.

Once the requirements under the Signify share ownership guidelines and under the Dutch corporate governance code are met, shares in excess of the ownership and holding requirements may be sold, subject to insider trading rules.

9 Pension and other benefits

The following pension arrangements are currently in place for the members of the Board of Management:

- Flex pension plan in the Netherlands, which is a collective defined contribution plan up to the maximum pensionable salary (2024: EUR 137,800).
- Gross pension allowance in relation to the part of base salary exceeding the maximum pensionable salary under the flex pension plan. Members of the Board of Management can, on a voluntary basis, choose to participate in a net pension arrangement by investing the net (after tax) amount.

As per July 1, 2026 the pension plan will change as a result of the amendment to the Dutch Pension Act ("Wet Toekomst Pensioenen"). The final changes will be included in the annual report once finalized and approved by the DNB (De Nederlandsche Bank).

Members of the Board of Management are also entitled to other benefits, such as expense and relocation allowances, accident insurance and company car arrangements.

10 Claw back, adjustments and change of control

The annual cash incentive and the long-term incentive of the members of the Board of Management are subject to adjustment and claw back provisions. Pursuant hereto, the Supervisory Board may, in its sole discretion, resolve to (a) revise an incentive prior to payment if unaltered payment would be unreasonable and unfair, (b) recover an incentive if it was granted on the basis of incorrect information on the fulfilment of the incentive goals or the conditions for payment of the incentive, (c) recoup an incentive in case of a serious violation of the Signify Integrity code or applicable law, or in circumstances allowing the company to terminate the contract for urgent cause, and (d) recoup an incentive in the other circumstances set forth in the services contract with the member of the Board of Management concerned.

In the event of a change of control of the company, the Supervisory Board may, at its sole discretion, decide to accelerate the vesting of any unvested awards under the long-term incentive, subject to the achievement of the performance conditions up to the date of the completion of the change of control. Unless the Supervisory Board determines otherwise, vesting will take place on a pro rata basis.

11 Contractual arrangements

Terms of engagement: Members of the Board of Management are engaged by a services contract.
Term of appointment: Members of the Board of Management are appointed for a maximum period of four years ending at the end of the Annual General Meeting of Shareholders in the fourth calendar year after the appointment, subject to re-appointment by the General Meeting of Shareholders.
Notice period: Termination of the services contract is subject to a six-month notice period for either party.
Severance arrangements: Severance payments are capped at a maximum of one time the annual base salary. In any event, no severance payment is due upon voluntary resignation of a Member of the Board or if the termination is a result of a serious culpable act or an act of negligence of the Member of the Board.
Long-term incentives: Any unvested awards granted under the LTI plan shall forfeit upon termination of the services contract, unless the Supervisory Board decides otherwise or in case of retirement (in which case pro rata vesting shall apply).

12 Hiring policy

In case of appointments to the Board of Management, both in case of internal appointments or an external hire, the Supervisory Board will determine the remuneration of the individual in accordance with this remuneration policy. In addition, the Supervisory Board may, at their sole discretion, consider applying some of the following items which thus form an inherent part of this remuneration policy:

- Depending on the date of appointment or date of hire, (a) for the annual cash incentive: to set pro rata targets and amount over the first (partial) year, and (b) for the long-term equity-based incentive: to set a pro rata grant size or to make the first LTI grant at the first possible grant date after appointment of as member of the Board of Management.
- In case of internal promotions, continue to honor commitments made prior to the appointment as a member of the Board of Management given that new remuneration arrangements apply upon appointment.
- In case of external hires, to award cash or share based sign-on awards, covering compensation that the new member of the Board of Management forfeits by leaving previous employers. This shall be made public as part of the proposal for appointment of that member of the Board of Management.
- To offer alternative benefits such as pensions, relocation support, or insurances with an equivalent

value in an international context, and to compensate double taxation or social security costs.

13 Deviation from the remuneration policy

In exceptional circumstances, the Supervisory Board shall be allowed to deviate from the policy, and ultimately until a new remuneration policy is adopted by the General Meeting of Shareholders. Exceptional circumstances cover only situations in which the deviation from the remuneration policy is necessary to serve the long-term interests and sustainability of the company as a whole or to assure its viability. In these circumstances, deviations may relate to the total direct compensation or components thereof. Deviations shall be aligned with the main objectives and principles of the remuneration policy.

14 Adoption, review and implementation of the remuneration policy; stakeholder engagement

Roles

The Supervisory Board is responsible for proposing the remuneration policy for the members of the Board of Management for adoption by the General Meeting of Shareholders. The remuneration of the individual members of the Board of Management is determined by the Supervisory Board 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 the Board of Management. It also reviews the implementation of the policy and prepares proposals for the Supervisory Board in relation hereto. 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 Board of Management 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, benchmark studies among similar companies, gap analyses versus market and best practices, feedback from shareholders and other stakeholders, remuneration scenario analyses and the company's remuneration structure and pay ratio. 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.

Signify pay structure and grades

The remuneration design for the members of the Board of Management is an integral part of the overall pay structure within the company. Signify uses the Hay system for evaluating and grading the various positions within its organization. This means that the company uses a standardized method for determining the appropriate benefits for each of the respective job levels within the company. Using the Hay grading system also ensures that the remuneration of the members of the Board of Management is aligned with and is relative to the remuneration of Signify employees holding other positions within the company. The remuneration of senior staff within Signify is built of the same components as the remuneration of the members of the Board of Management.

In its annual report, Signify annually reports on the pay ratio. Signify believes that the pay ratio over the past years aligns with Signify's profile, considering the company's industry, workforce profile and geographical spread. The pay ratio over the past years did therefore not result in proposing any further amendments to the remuneration policy for the members of the Board of Management.

Proposal to adopt remuneration policy by the AGM 2024

The internal review process together with the stakeholder feedback received, resulted in the proposal to adopt the remuneration policy as set forth in this document. The current policy does not significantly differ from the policy as adopted in 2020. The main changes are reflected in part 2 above.

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