

# Remuneration Policy

## 2022

On 26 November 2021, the Nomination and Remuneration Committee presented a revised remuneration policy (the “**Policy**”), approved by the Supervisory Board on 9 December 2021. The revised Policy will be submitted to Umicore’s Annual Shareholders’ Meeting on 28 April 2022, and if approved, will apply as of 1 January 2022. This revised Policy outlines the remuneration principles for the members of Umicore’s Supervisory Board and Management Board and is in accordance with the Belgian Code of companies and associations and the Belgian Code on corporate governance 2020.

The Nomination and Remuneration Committee is composed exclusively of members of the Supervisory Board and a majority of its members qualify as independent members. This helps to prevent any occurrence of conflicts of interest regarding the set-up, amendments and implementation of this Policy in relation to the Chief Executive Officer (“**CEO**”) and the other members of the Management Board – together “**Members of the Management Board**”. The Members of the Management Board do not take part in any discussions of the Nomination and Remuneration Committee related to their remuneration. As regards the remuneration of the members of the Supervisory Board, all decisions are adopted by the Shareholders’ Meeting.

The Policy aims to ensure that the Company can attract, motivate and retain the right talent for the Supervisory

Board and the Management Board. It focuses on delivering competitive, fair and responsible remuneration driving the achievement of the Company’s long-term interests, sustainability and strategic objectives. For the establishment of this Policy, the Nomination and Remuneration Committee has taken market benchmarks into consideration with the aim to offer a well-balanced remuneration, tailored specifically to its market segments and scale.

The remuneration policy has been revised as part of the review of the overall company strategy, to provide objectives and remuneration with an increased focus on sustainable, profitable growth, combining financial and sustainability performance in full alignment with the “*Let’s go for zero*” strategy. The review also responds to feedback received from shareholders and institutional investors and contributes to Umicore’s efforts to increase disclosure.

# Revised Remuneration Policy

## Key changes

With respect to Umicore's previous remuneration policy, the main changes relate to the remuneration of the Members of the Management Board and are as follows:

- The short-term and long-term variable remuneration plans have been redesigned, adding next to revised financial goals also sustainability objectives in alignment with Umicore's "Let's go for zero" strategy. Including stretched and achievable targets in the remuneration demonstrates Umicore's commitment to achieve meaningful progress against these goals and to enhance sustainable long-term value creation.
- To reinforce the link between reward and sustainable performance, the number of unconditional share awards has been reduced, while the portion of variable remuneration has increased. As of performance year 2022 a Performance Share Unit ("PSU") plan is being introduced, instead of the deferred cash variable program which was in place until performance year 2021.
- The time frame to acquire the minimum shareholding requirement has been increased from 3 years to 5 years.
- A sign-on fee has been introduced for external recruitment, applicable on a case-by-case basis and paid in cash and/or shares (see below section "Sign-on fee").

# Remuneration for the Supervisory Board

The remuneration for the members of the Supervisory Board takes account of their responsibilities and commitment in time. They are rewarded for their services through cash and fixed share-based compensation.

All members of the Supervisory Board receive an **annual fixed fee**. Members of the Committees receive a supplementary fixed fee. The fixed fees can vary, based on the specific mandate and are calculated on a pro-rata basis in case of appointment or end of the mandate during the year.

In addition to the fixed fees, the members of the Supervisory Board receive an **attendance fee** for each meeting of the Supervisory Board and of its committees attended. A member of the Supervisory Board residing outside Belgium receives an additional attendance fee for each meeting attended in person. All reasonable travel and other expenses incurred while performing their duties of Supervisory Board/committee member are reimbursed.

In addition to the cash compensation, members of the Supervisory Board receive a number of **Umicore shares**

depending on their role in the Supervisory Board. The shares granted as of 2020 must be held until at least one year after the member leaves the Supervisory Board and at least 3 years after the moment of grant. The number of shares is calculated on a pro-rata basis in case of appointment or end of the mandate during the year. No performance criteria apply to the grant of the shares.

A company car is provided to the Chairman of the Supervisory Board.

The remuneration of the members of the Supervisory Board is approved by the shareholders at the Company's Annual Shareholders' Meeting.

# Remuneration for the CEO and the other members of the Management Board

The remuneration of the Members of the Management Board comprises a fixed annual fee, short-term and long-term incentives, and other usual benefits.

## Fixed annual fee

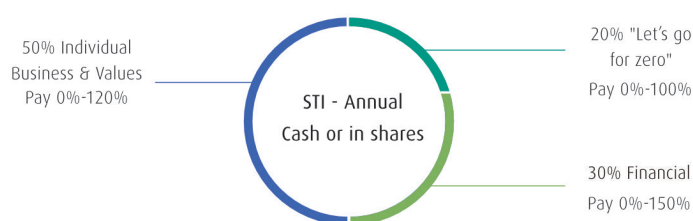
The fixed annual fee of the Members of the Management Board is determined annually by the Supervisory Board upon recommendation of the Nomination and Remuneration Committee. In making its decision, the Supervisory Board considers the scope and level of responsibility, experience, prevailing market conditions, as well as personal and company performance.

## Short-term incentives

The annual variable cash compensation plan has been redesigned as of the performance year 2022, to reward strong sustainable performance and achievements at company and individual level over a time horizon of one year. The previous plan, under which grants were made up to and including performance year 2021, was based on individual performance only, whereas the revised variable cash compensation plan is weighted 30% on Group financial objectives, 20% on Group "Let's go for zero" objectives and 50% on individual objectives.

The company **financial objectives** (30% weight) are based on financial metrics to reward for the quality of the results (return on capital employed of the Group or ROCE) and the company growth (Actual adjusted EBITDA versus budgeted/targeted adjusted EBITDA). The award level of this component varies between 0% and 150% depending on the level of attainment of these objectives. More details will be included in the Remuneration Report.

**Sustainability objectives** (20% weight) are determined in line with the "Let's go for zero" strategy, with targets fixed on a yearly basis by the Supervisory Board following the recommendations of the Nomination and Remuneration Committee. The award level for this component varies between 0% and 100% depending on the level of achievement of these objectives. The sustainability metrics within the annual variable compensation relate to diversity and health & safety. More details will be included in the Remuneration Report.



At the beginning of every performance year, the **individual objectives** (50% weight) of the CEO are discussed during a meeting of the Nomination and Remuneration Committee, followed by a discussion and approval by the members of the Supervisory Board. The annual individual objectives of each member of the Management Board are approved by the Supervisory Board upon proposal by the CEO on basis of their areas of responsibility. The annual individual objectives take account of financial performance, progress achieved against Company strategic and sustainable development objectives, and adherence to the values of the Company. Financial criteria include ROCE, recurring EBIT and EBITDA, with budget and year-on-year progress being used as reference. Strategic and sustainable development objectives are tied to economic performance, value chain and ESG goals. The various categories do not carry any specific weighting.

The annual performance of the CEO is assessed by the Nomination and Remuneration Committee and the results of this assessment are presented by the Chairman and discussed with the members of the Supervisory Board. The annual performance of each member of the Management Board is initially assessed by the CEO. The results of the assessments and the individual variable cash remuneration proposals are presented by the CEO to the Nomination and Remuneration Committee before approval by the members of the Supervisory Board. The award level for this qualitative assessment component varies between 0% and 120%.

The Supervisory Board, at its discretion and following recommendations of the Nomination and Remuneration Committee, will set performance goals, their respective weight and corresponding level of payout range, in alignment with the overall company strategy.

The **total weighted payout**, which can vary between 0%-125%, is applied on the variable remuneration target. This target is defined by the Supervisory Board, following the proposal of the Nomination and Remuneration Committee. The payout is calculated on a pro-rata basis in case of an incomplete year of performance.

The Supervisory Board will have the discretion, following recommendations of the Nomination and Remuneration Committee, to reduce the total calculated variable payout, taking into consideration specific circumstances (e.g. serious incidents regarding climate, health or safety, or breaches of Umicore's Code of Conduct).

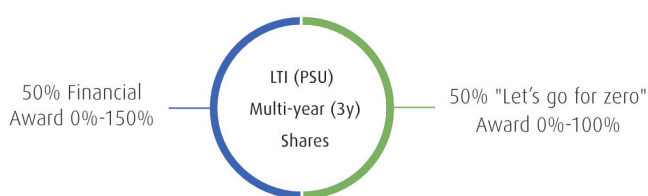
The Members of the Management Board have the possibility to receive their variable cash compensation, if any, partly or totally in the form of Umicore shares.

#### **Long-term incentives**

Long-term incentives are designed to ensure a direct correlation with the long-term value creation benefitting shareholders and stakeholders. The incentives include a PSU plan, Umicore shares and stock options.

## PSU plan

Grants under the PSU plan are applicable as of performance year 2022, instead of the cash deferred variable program which was in place until performance year 2021. The PSU plan rewards strategic achievements over a time horizon of three years, driving long-term sustainable performance. The PSU plan ensures alignment with market best practices, so that Umicore remains competitive to attract, retain, and motivate key executives.



**Financial objectives** (50% weight) are based on Total Shareholder Return versus a peer group and on average ROCE, over a time horizon of three years. The peer group consists of the following 12 companies: Air Liquide, Albemarle, Aurubis, BASF, Boliden, Clariant, Croda, Johnson Matthey, LG Energy Solution, Linde, Samsung SDI, Solvay. The Supervisory Board will have the possibility to review the peer group and the award range. More details will be included in the Remuneration Report.

**Sustainability objectives** (50% weight) are aligned with the “Let’s go for zero” strategy, focusing on climate, health & safety, and diversity. The award level for this component varies between 0% and 100% depending on the level of achievement of these sustainability objectives. The respective weights and achieved award levels per objective will be detailed in the Remuneration Report.

The Supervisory Board, at its discretion and following recommendations of the Nomination and Remuneration Committee, will set performance goals, their respective weight and corresponding level of achievement range, in alignment with the overall company strategy.

The number of PSUs to be conditionally granted is determined by dividing the target PSU grant value by the Umicore share price on Euronext Brussels as defined by the Supervisory Board. As such, the number of PSUs granted will fluctuate year by year. The target PSU grant value is defined by the Supervisory Board, following the proposal of the Nomination and Remuneration Committee.

At vesting, the PSUs will be converted into Umicore shares depending on the level of achievement of the performance goals and provided continued service on the date of vesting. The number of shares for vesting is calculated by multiplying the number of granted PSUs with the total level of award, which can vary between 0% and 125%, rounded up to the next whole share. The Supervisory Board will have the discretion, following recommendations of the Nomination and Remuneration Committee, to reduce the total calculated outcome, considering specific circumstances (e.g. serious incidents regarding climate, health or safety, or breaches of Umicore’s Code of Conduct).

Continued service on the date of vesting is a condition for the vesting of the PSUs. This condition is not applicable for Members of the Management Board appointed before 1 April 2021, nor in the event of retirement, disability, or death of the participant. In these cases, vesting will be calculated on a pro-rata basis in case of an incomplete year of performance. The Supervisory Board, following the proposal of the Nomination and Remuneration Committee, can deviate from the service vesting condition and will disclose any deviation applied.

### **Umicore shares**

Shares are granted annually to the Members of the Management Board at the discretion of the Supervisory Board in recognition of services rendered in the previous year. The shares are subject to a 3-year lock-up and are not subject to forfeiture conditions.

### **Stock options**

The Members of the Management Board are also granted stock options for the ongoing year as part of the annual Umicore Incentive Stock Option Plan, subject to an annual approval of the Supervisory Board. Every year the Supervisory Board, following recommendations of the Nomination and Remuneration Committee, determines the volume of stock options for grant. Each accepted option entitles the holder to acquire one existing share of the Company against payment of the exercise price. The Umicore Incentive Stock Option Plan for the Members of the Management Board has a duration of 7 years including a 3-year waiting period before exercise. Stock options that have not been exercised by the expiry of the exercise period will lapse automatically and without compensation. In case of dismissal for serious cause the non-exercised options become void.

Should the Company carry out a corporate change having an impact on its capital and an adverse effect on the exercise price of the stock options and/or the number of shares to which the options give right, the Supervisory Board may, at its sole discretion, adapt such price and/or the number of shares to which the stock options holders are entitled.

### **Pension and other benefits**

Members of the Management Board are entitled to retirement, death-in-service, and disability benefits. Members of the Management Board appointed before

1 July 2018 are enrolled in a defined benefit plan and a supplementary defined contribution plan. For members who joined the Management Board as of 1 July 2018 a defined contribution plan applies.

In addition, the Members of the Management Board are entitled to the usual benefits such as a company car, medical insurance, and representation allowance.

### **Additional benefits**

The Supervisory Board may decide to grant Members of the Management Board individual additional fringe benefits where deemed appropriate, such as for instance a mobility premium or housing for cross-border assignments, payment of international schooling or the compensation for effective double taxation on Umicore remuneration. Such additional remuneration will be disclosed in the annual remuneration report.

### **Sign-on fee**

A sign-on fee can be granted when recruiting externally to cover the loss of unvested variable remuneration and equity awards faced by the individual when changing companies. The grant of a sign-on fee is decided on a case-by-case basis by the Supervisory Board, on proposal of the Nomination and Remuneration Committee. Payment is made in the form of shares with a 3-year lock-up, or in cash.



## Summary of the remuneration for the Members of the Management Board

The table below provides a summary of the remuneration structure for the Members of the Management Board, also showing the vesting timeline.

Fixed Annual Fee	Annual variable cash compensation	Performance share units	Shares	Stock options	Benefits
Based on the level of responsibility, the expertise and experience, prevailing market conditions, as well as the personal and company performance. Annual review based on market practices BEL 20 and European peer companies.	Based on the achievement of annual Group financial, sustainability and individual objectives.	Based on the achievement of Group financial and sustainability objectives over a time horizon of 3 years.	Recognition of services rendered in the year of reference (past year); not linked to individual or company performance; subject to a 3 year lock-up.	Upfront grant for the year of reference; not linked to individual or company performance, subject to a 3 year lock-up.	Retirement, death-in-service and disability benefits, and other market common benefits.
Year of reference (Y)	Y+1	Y+3	Y+4	Y+3 to Y+7	Year of reference (Y) - Retirement age (pension)

### MINIMUM SHAREHOLDING REQUIREMENT

According to the decision of the Supervisory Board on 6 February 2020, the CEO is required, within 3 years from the date of appointment, to build up and retain throughout his tenure, a minimum of 30,000 Umicore shares. This requirement is also applicable to the other members of the Management Board, in respect of a minimum of 15,000 shares.

The revised Policy modifies the timescale of the buildup of the shareholding from 3 years to 5 years.

### MALUS AND CLAW BACK PROVISIONS

The Nomination and Remuneration Committee has discretion to adjust (malus) or reclaim (claw back) performance-related payments/awards of the past 3 reference years, in the event of fraud or a misstatement of the results leading to undue paid variable compensation, insofar as enforceable by law.

This clause has been applicable to contracts entered with Members of the Management Board since December 2019.

# Main Features of the Agreements with the Members of the Supervisory and Management Boards

## General features

All members of the Supervisory and Management Boards have self-employed status.

## Agreements related to the mandate of the members of the Supervisory Board

The maximum duration of the mandate of the members of the Supervisory Board is 4 years. This mandate can be renewed. Members of the Supervisory Board are not entitled to any notice period or severance indemnity in relation to the termination of their mandate.

## Agreement related to the mandate of the CEO

The agreement concluded with Mathias Miedreich includes the following:

- Either party may terminate the agreement upon a notice of 12 months or by paying a severance equal to 12 months of the fixed annual fee. It is at the Supervisory Board's discretion to determine whether the variable remuneration would form part of any final indemnity in case of termination of the contract by the Company.
- A non-competition clause applies for a period of 24 months after the termination of the agreement. In case the Company terminates the agreement (except in the event of termination for serious cause) and imposes the application of this non-competition

clause, a compensation equal to 50% of the fixed annual fee will apply. If Mathias Miedreich is the terminating party or if the agreement terminates for any reason other than a decision to terminate by the Company, or the agreement is terminated by the Company for serious breach, the 24 months non-compete post termination applies immediately without compensation.

- Participation in the annual variable cash compensation plan and the PSU plan applies as of performance year 2022. There is therefore no participation in the 2021 variable compensation plans.
- The payment of a sign-on fee
- The payment of tuition fees for elementary and international secondary school

More details can be found in the Remuneration Report.

### Agreement related to the mandate of the other members of the Management Board

The agreements concluded with the other members of the Management Board include the following:

- The agreements with the other members of the Management Board appointed before 1 July 2018 include a compensation equivalent to 18 months of the fixed annual fee in case of contract termination. For the other members of the Management Board appointed after 1 July 2018, a 12-month compensation of the fixed annual fee will apply in case of contract termination. It is at the Supervisory Board's discretion as to whether the variable cash remuneration would form part of any final indemnity.
- A non-competition clause applies for a period of 24 months after the termination of the agreement. In case the Company terminates the agreement (except in the event of termination for serious cause) and imposes the application of this non-competition clause, a compensation equal to 50% of the fixed annual fee will apply. If the member of the Management Board is the terminating party or if the agreement terminates for any reason other than a decision to terminate by the Company, or the agreement is terminated by the Company for serious breach, the 24 months non-compete post termination applies immediately without compensation.

# Deviations to the Remuneration Policy

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

# Approval and Publication

The Supervisory Board, with the support of the Nomination and Remuneration Committee, is responsible for compliance with this Policy and for completing an annual review of this Policy.

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

The Policy has been approved by the Supervisory Board on 9 December 2021 and will be submitted to the Annual Shareholders' Meeting of 28 April 2022.

For inquiries and additional information  
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