

# Remuneration Report 2021

TIE KINETIX N.V. ~ REMUNERATION REPORT 2021

This remuneration report provides accountability for the implementation of the remuneration policy of TIE Kinetix N.V. (the Company), its most important aspects and how it has been applied to the remuneration of the Executive Board in the financial year ended 30 September, 2021.

## Introduction

The remuneration and the individual contracts of the members of the Board of Management are determined by the Supervisory Board, within the framework of the Remuneration Policy of TIE Kinetix N.V. (the Remuneration Policy). The Remuneration Policy was adopted by the Annual General Meeting of shareholders on March 27, 2020.

The Remuneration Policy has been prepared in line with the Dutch Corporate Governance Code dated December 8, 2016 (the Code), the Shareholders Rights Directive (SDR2) and article 135a of Book 2 of the Dutch Civil Code. The Remuneration Policy forms the basis for the Remuneration Plan to be determined by the Supervisory Board, prior to each financial year of the Company (which runs from October 1 to September 30).

## General principles

The Supervisory Board ensures that the Remuneration Policy and the implementation of each Remuneration Plan, are aligned with the Company's objectives in order to ensure that target setting for senior executives and Executive Board will support the successful realization of the strategy of the Company. At the same time, both the Remuneration Policy itself, and the checks and balances applied in its execution, are designed to comply with the applicable legislation, the Code and SDR2 and to determine that any risks taken, will be in line with the strategy and risk appetite of the Company.

To ensure that the remuneration is linked to performance, a significant proportion of the remuneration package was variable and dependent on the short and long-term performance of the individual Executive Board member. Performance targets were realistic and sufficiently stretching and – particularly with regard to the variable remuneration components – the Supervisory Board ensured that the relationship between the chosen performance criteria and the strategic objectives applied, as well as the relationship between remuneration and performance, were properly reviewed and accounted for, both ex-ante and ex-post. As such, the Remuneration Policy and its execution are aimed at supporting the Company's long term value creation.

In accordance with the requirements of the Code, the Supervisory Board has carried out scenario analyses of the possible financial outcome of meeting target levels, as well as maximum performance levels, and how they may affect the level and structure of the remuneration of the members of the Executive Board. These scenario analyses have been carried out before the targets were set by the Supervisory Board.

## 2 Remuneration Report 2021

TIE KINETIX N.V. ~ REMUNERATION REPORT 2021

### Executive Board Remuneration 2021

#### Remuneration Plan

The Remuneration Plan 2021 and the compensation with respect to financial year 2021 has been determined in accordance with the Remuneration Policy as explained and adopted by the Annual General Meeting of shareholders on March 27, 2020. The Remuneration Policy provides a structure that retains and motivates the current members of the Executive Board by providing a well-balanced and incentive-based compensation.

The Supervisory Board is of the opinion that the execution of the Remuneration Plan 2021 has contributed to the achievement of the long-term objectives of the Company and its subsidiaries.

The remuneration for 2021 consisted of:

- » 100% of Base Management Fee / Salary;
- » Short Term Incentive (STI), maximum of 50% of Base Management Fee subject to realization of financial and personal targets in 2021 as determined by the Supervisory Board and reviewed by the external auditor;
- » Long Term Incentive (LTI), maximum of 25% of Base Management Fee subject to conditions of the Performance Share Plan (PSP).

#### Remuneration

The remuneration of the members of the Executive Board for the financial year 2021, as expensed by the Company, is detailed in the following table.

##### Remuneration 2021

(€ x 1,000)

	Jan Sundelin, CEO	Michiel Wolfswinkel, CFO
Base Management Fee / Salary	276	248
Short Term Incentive	150	135
Other benefits (company car)	16	14
<b>Subtotal short term benefits</b>	<b>442</b>	<b>397</b>
Post-employment benefits (pension contributions)	-	6
Long Term Incentive	285	257
<b>Subtotal long term benefits</b>	<b>285</b>	<b>263</b>
<b>Total remuneration</b>	<b>727</b>	<b>660</b>

The Base Management Fee expensed in 2021 relates partly to a catch-up of the Base Management Fee for 2020 as the Executive Board members did not receive an increase in the Base Management Fee in 2020.

# Remuneration Report 2021

TIE KINETIX N.V. ~ REMUNERATION REPORT 2021

## Long Term Incentive

### Key elements and conditions

Under the Performance Share Plan, shares may be conditionally granted to the members of the Executive Board and other key employees.

Key elements and conditions of the Performance Share Plan, in accordance with the Remuneration Policy, are (amongst others as the case may be):

- » The plan is open to the Executive Board, the management team and other key employees;
- » Shares are granted conditionally only, subject to the conditions of the Performance Share Plan;
- » Conditions to be met are based on realized targets tied to TIE Kinetix' strategy and innovation;
- » Targets are determined by TIE Kinetix Supervisory Board and auditable;
- » A three year vesting period;
- » A two year lock-up period applies (a non-vesting condition).

### LTI awards

In 2020, no shares were awarded under the Performance Share Plan. The shares awarded to the Executive Board under the Performance Share Plan and accounted for in 2021 relate to both financial years 2020 and 2021. In lieu of a Long Term Incentive award in 2020, the LTI pertaining to 2020 was awarded in 2021, together with the LTI for 2021. The awarded shares are not subject to vesting conditions as these shares have been awarded for past performance, in lieu of any LTI awards in recent years. The two year lock-up condition applies to the awarded shares.

The number of shares to be awarded as LTI for both years was determined at 25% of the Base Management Fee, taking into account the Base Management Fee for the respective years and the Company's share price at the start of the year. For accounting purposes, however, the expense recognized in the financial statements is based on the fair value of the shares at the grant date during 2021 (both for the 2020 award as for the 2021 award).

The following table details the number and weighted average fair value of the shares granted during the year.

#### Shares awarded in 2021

	Jan Sundelin, CEO	Michiel Wolfswinkel, CFO
Number of shares (a)	12,194	10,975
Weighted average fair value at grant date (b)	€ 23.4	€ 23.4
<b>Total Long Term Incentive expenses accounted for in the financial statements (a*b)</b>	<b>€ 285k</b>	<b>€ 257k</b>

## Pay ratio

The 5-year overviews below have been prepared in accordance with article 2:135b section 3e of the Dutch Civil Code. For purposes of the calculation, the remuneration taken into account for the members of the Executive Board consists of the Base Management Fee, STI and LTI for each financial year, and therefore excludes post-employment and company car benefits. Similarly, the average annual salary of employees of the Company includes the fixed and variable wage for the full financial year, as well as vacation pay and social security, and excludes company car benefits as well as post-employment benefits in the form of pension contributions. This number takes into account all of the employees of the Company and its direct and indirect subsidiaries (including temporary employees), assuming a full-time employment.

## 4 Remuneration Report 2021

TIE KINETIX N.V. ~ REMUNERATION REPORT 2021

The pay ratio has been calculated separately for the CEO and CFO and is detailed in the following tables.

### CEO

(€ x 1,000)

	2017	2018	2019	2020	2021
Base Management Fee	250	250	250	250	276
Short Term Incentive	21	104	125	288	150
Long Term Incentive	4	20	-	-	285
<b>Total</b>	<b>275</b>	<b>374</b>	<b>375</b>	<b>533</b>	<b>685</b>
Average annual employee salary	86	86	88	88	86
<b>Pay ratio</b>	<b>3.2</b>	<b>4.3</b>	<b>4.3</b>	<b>6.1</b>	<b>7.9</b>

### CFO

(€ x 1,000)

	2017	2018	2019	2020	2021
Base Management Fee	200	200	200	200	248
Short Term Incentive	16	100	90	230	135
Long Term Incentive	-	2	16	-	257
<b>Total</b>	<b>216</b>	<b>302</b>	<b>306</b>	<b>430</b>	<b>640</b>
Average annual employee salary	86	86	88	88	86
<b>Pay ratio</b>	<b>2.5</b>	<b>3.5</b>	<b>3.5</b>	<b>4.9</b>	<b>7.4</b>

In 2021, an increase in the pay ratios as defined above is visible, mainly as a result of the fact that the financial year 2021 includes the effect of the LTI for 2020 as well as the LTI for 2021, both of which were awarded during 2021.

## Shares, options & warrants

As at September 30, 2021, the CEO owns in total 46,598 shares in the Company. Of these, 12,194 shares are subject to lockup conditions under the Performance Share Plan. In addition, the CEO owns 11,428 warrants in the Company, which can be exchanged for shares upon exercise, in exchange for consideration. Each warrant entitles the holder to purchase a newly issued TIE Kinetix N.V. share at a share price of € 7.00 until December 2, 2023.

As at September 30, 2021, the CFO owns 12,661 shares in the Company. Of these, 10,975 shares are subject to lockup conditions under the Performance Share Plan.

Neither members of the Executive Board held any options in the Company as at September 30, 2021. In 2021, no options, warrants or shares were granted to the Executive Board or employees of the Company.

## Other disclosures

### Performance criteria

The performance criteria related to the Short Term Incentive are not disclosed as this is strategic and Company confidential information.

# Remuneration Report 2021

# 5

TIE KINETIX N.V. ~ REMUNERATION REPORT 2021

## Charge-out of remuneration costs

In 2021, the remuneration of the Executive Board was part of the corporate costs charged out on a pro rata basis to group companies as part of the management fee. Reference is made to the Company Financial Statements as part of the Annual Report 2021.

## Claw back

As part of the Remuneration Policy the company is authorized to reclaim – in part or in full – the STI and LTI if the distribution was made on the basis of incorrect information about the achievement of the performance criteria or regarding the circumstances upon which the remuneration depended. In 2021, no claw back of any remuneration or variable was applicable for the Executive Board.

## Loans, advances & guarantees

Neither the Company nor any of its direct or indirect subsidiaries has provided any loans, advances or guarantees to any member of the Executive Board or Supervisory Board.

## Early retirement arrangements

The Executive Board has no arrangements for early retirement.

## No deviations in the decision-making process

During 2021, no deviations from the decision-making process in relation to the execution of said Remuneration Policy were noted.

## Supervisory Board remuneration 2021

The General Meeting of Shareholders sets the remuneration of the members of the Supervisory Board. Members of the Supervisory Board are entitled to a fixed remuneration as well as a reimbursement for travel expenses incurred. The remuneration of the members of the Supervisory Board remained unchanged in 2021.

### Supervisory Board remuneration

(€ x 1,000)

	Position	2021
Georg Werner	Chairman	20
Gerdy Hartevelde-Smeets	Member	10
Per Nordling	Member	10
<b>Total remuneration</b>		<b>40</b>
Travel expenses reimbursed		7
<b>Total expenses</b>		<b>47</b>

On behalf of the Supervisory Board,

G. Werger

Chairman of the Supervisory Board, TIE Kinetix N.V.

## 6 Contact and other information

TIE KINETIX N.V. ~ REMUNERATION REPORT 2021

For further information, please contact:

- » TIE Kinetix N.V.
- » Mr. Michiel Wolfswinkel (CFO)
- » Phone no.: +31 (0) 88 369 80 60
- » E-mail: [Michiel.Wolfswinkel@TIEKinetix.com](mailto:Michiel.Wolfswinkel@TIEKinetix.com)

### About TIE Kinetix

At TIE Kinetix, we help companies of all sizes achieve their digitalization goals. From 1% to 100% or anywhere in between, our cloud-native FLOW Partner Automation platform is designed to completely eliminate paper from the supply chain, enabling our customers to focus on three corporate initiatives that drive true organizational change: business process efficiency, compliance, and corporate social responsibility (CSR).

We believe that digitalization (not digitization) is the future. We believe in conscious development, and we believe in moving ourselves and our customers forward. More than 2,500 companies have chosen TIE Kinetix to support their EDI, e-invoicing, and general digitalization projects, and we proudly facilitate the exchange of over 1 billion documents through FLOW each year—the equivalent of 100,000 trees saved.

Founded in 1987, TIE Kinetix is a public company (Euronext: TIE) with offices in the Netherlands (HQ), France, Germany, Australia, and the United States. For more information, please visit [www.TIEKinetix.com](http://www.TIEKinetix.com), and follow us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [YouTube](#).