

Remuneration policy smartphoto group

The remuneration policy of smartphoto group has been drawn up in accordance with the Belgian Companies and Associations Code and the 2020 Belgian Corporate Governance Code (“2020 Code”). The remuneration policy will be submitted for approval to the General Meeting of Shareholders of May 12, 2021. Thereafter, for every material change and at least every four years, the remuneration policy will be submitted for approval to the Annual General Meeting of the Company.

This remuneration policy is applicable as of January 1, 2020, and is subject to the approval of the Annual General Meeting of Shareholders, which will take place on May 12, 2021.

Remuneration of the non-executive directors

The remuneration of the non-executive directors consists of a fixed annual amount. This remuneration is increased by 100% for the Chairman of the Board of Directors.

The non-executive directors do not receive variable remunerations, such as bonuses and stock options, and do not receive benefits in kind, nor do they receive benefits linked to pensions.

The Company does not grant shares to the non-executive directors, which is a deviation from principle 7.6 of the 2020 Code. The Board of Directors is of the opinion that the shareholders’ non-current perspective is reasonably represented by: (i) the Chairman is the main shareholder of the companies that have united in the Midelco Consortium, which is holder of 701,195 shares of smartphoto group NV; (ii) three of the non-executive directors are connected to the main shareholders; (iii) the Nomination Committee is composed of the non-executive directors connected to the main shareholders.

No separate remunerations are provided for the members of the committees, except for the members of the Audit Committee. In addition to their general annual remuneration as a member of the Board of Directors, they each receive a supplementary and fixed annual remuneration.

There is no agreement between the Company or its affiliated companies and the non-executive members of the Board of Directors, which provides for any benefit upon termination of their mandate as directors.

The non-executive directors do not receive a performance-related remuneration.

Members of the executive management, which are also members of the Board of Directors, do not receive a remuneration for their membership of the Board of Directors.

Remuneration of the executive director

The remuneration of the executive director is determined by the Board of Directors at the recommendation of the Remuneration Committee. The managing director of smartphoto group NV, who is the only executive director of smartphoto group NV, holds the position of Chief Executive Officer (CEO).

This position can be exercised both by an individual or by a permanent representative of a legal entity.

From the moment the Remuneration Committee deliberates on the remuneration of the executive director, he does not attend the meeting. In addition, the legal stipulations according to conflicts of interest are applicable.

The remuneration consists of a fixed remuneration and a variable remuneration. In determining the remunerations, the remunerations of the executives in Belgian multinationals and medium-sized companies are taken into account, together with internal factors.

Fixed remuneration

The fixed remuneration is intended as a remuneration for the responsibility related to the position and for certain competencies and experience in that position. This base salary is compared to remunerations of comparable positions and is evaluated annually.

The Board of Directors, on recommendation of the Remuneration Committee, regularly evaluates the amount of the fixed remuneration to determine if this amount should be adjusted and, if this is the case, to what extent it should be adjusted. Where appropriate, the new amount is paid as from January 1 the next year as fixed remuneration.

Variable remuneration

Part of the remuneration of the current executive director is performance-related as an incentive to support the short and long term performance of the group. The variable remuneration is directly linked to the achievement of the objectives of smartphoto group, as a consolidated whole.

In principle, this variable remuneration amounts to one quarter or less of the total annual remuneration. It is possible to deviate from this. If the variable remuneration granted exceeds one quarter, it should, according to article 7:91 of the Belgian Companies and Associations Code, be spread over two, or even three years, or it will be explicitly submitted to the General Meeting for approval.

The variable remuneration is determined by the Remuneration Committee based on the financial performance and the success of the strategic initiatives.

The variable remuneration consists of a cash bonus which depends on the realised performance of the Company against the objectives pursued.

The targets are divided into two categories:

- financial targets, including EBITDA, and
- non-financial targets.

The combination of these targets ensures a balanced package, creating value for the shareholder, based on cash flow and growth. The Board of Directors, on recommendation of the Remuneration Committee, assigns a weight to the financial targets and the non-financial targets.

In case a variable remuneration is granted based on incorrect financial data, there is no specific contractual clawback clause in favour of the Company.

Termination benefits

There is an agreement between Mr Stef De corte and the Company that - only upon termination at the request of the Company - provides for a financial compensation of twelve months.

Publication of the remuneration policy on the website

Based on article 7:89/1, §4 of the Belgian Companies and Association Code, this remuneration policy will be disclosed without delay on the Company's website, www.smartphotogroup.com, after voting by the Annual General Meeting of Shareholders, together with the date and the conclusions of the voting. This information will remain public, free of charge, as long as the remuneration policy is applicable.