Draft - 1 April 2022

SOFINA

Remuneration policy

[Approved by the Annual General Meeting of Shareholders of ~~6~~Sofina SA ("Sofina" or the "Company") on 5 May ~~2021~~2022]

This Remuneration ~~Policy~~policy is in line with the provisions of the Belgian Code of Corporate Governance 2020 (the "2020 CG Code") and Article 7:89/1 of the Code of Companies and Associations (the "Companies Code").

Sofina's mission is based on a growth and value creation strategy, characterised by providing patient capital to entrepreneurs and partners sharing the same values as Sofina. Sofina's investments are made through its shareholders' equity with a long-term vision and with the aim to create sustainable value. Moreover, as a signatory of the United Nations Principles for Responsible Investment (the "UNPRI"), Sofina intends to invest responsibly.

This Remuneration ~~Policy~~policy covers the remuneration of the members of the Board of Directors, the CEO and the other members of the Executive Committee. It aims to remunerate the various individuals involved in the management of the Company so as to attract and retain the best talents and share the value created over time. This ~~Policy~~Remuneration policy also tends to promote the fulfilment of Sofina's societal mission and takes account of its strategic objectives and specific characteristics.

1. Remuneration of the non-Executive Directors

1.1. Procedure

The remuneration of the non-Executive Directors of the Company, laid down in the articles of association of Sofina, is determined by the General Meeting of Shareholders, upon proposal of the Board of Directors and on the recommendation of the Remuneration Committee. In order to prevent any conflicts of interest, no Director takes part in the deliberations of the Board of Directors concerning its own remuneration. All decisions concerning the remuneration of members of the Board of Directors are subject to the provisions of the Companies Code on conflicts of interest.

1.2. Remuneration ~~Policy~~policy

In accordance with Article 36, §3 of the articles of association of Sofina and section 3 of the Internal rules of procedure of the Board of Directors, the statutory remuneration of the non-Executive Directors is ~~made up of director's fees deducted from~~determined as a lump-sum fee with reference to a percentage of the net dividends distributed for the period~~. An overall envelope for director's fees is therefore deducted from the annual profits of the Company allocated to the dividend. Since 2011, this has been~~, set ~~at 3% of the total amount of the net dividends granted, in accordance with~~ by the articles of association ~~of the Company~~at 3% since 2011. The remuneration of the non-Executive Directors is therefore not directly linked to the performance of the Company.

In accordance with section 3 of the Internal rules of procedure of the Board of Directors, each Director is entitled to an equal share of the director's fees, with the exception of the ~~CEO, who is not entitled to the payment of director's fees, and the~~ Chair and Vice-Chair who respectively receive a double fee and one-and-a-half times the fee and the CEO who is not entitled to a share in the director's fees. The honorary Directors are not remunerated unless otherwise decided by the Board of Directors on the recommendation of the Remuneration Committee.

The members of the Board of Directors' committees (except the CEO) are entitled to attendance fees amounting to EUR 3,500 per meeting for the chair of a committee and EUR 2,500 per meeting for the other members of the committee. ~~These~~The attendance fees allocated to the non-Executive Directors are deducted in advance from the overall envelope of director's fees intended for non-~~executive~~Executive Directors.

The non-Executive Directors do not receive any remuneration other than the ~~fixed~~lump sum of directors' fees provided for in the articles of association, with the exception of the Chair who receives an annual fixed remuneration of EUR 150,000. They may, however, be reimbursed for expenses incurred by their participation in the meetings of the Board of Directors and its committees. Non-Executive Directors do not receive stock options.

The Remuneration Committee relies on the knowledge and experience of its members, acquired in Belgium and internationally, to regularly examine the relevance of the Remuneration ~~Policy~~policy applied to the non-Executive Directors. The Remuneration Committee can, if it so wishes, call upon the services of a specialised external consultant. It is careful to maintain a level of remuneration for non-Executive Directors that is sufficiently competitive to attract candidates with the abilities required to achieve the growth ambitions of the Company and reflect its internationalisation. The appointment of new Directors in the past few years has provided opportunities to measure both the relevance of the Remuneration ~~Policy~~policy and the level of the statutory remunerations offered. Any substantial modification of this ~~Policy~~Remuneration policy requires a decision by the General Meeting of Shareholders and, as the case may be, an amendment of the articles of association of the Company.

As explained in the Corporate Governance Statement included in the ~~2020 Annual Report,~~Annual Report 2021, the Board of Directors has opted not to pay all or part of the remuneration of the non-Executive Directors in Company shares (provision 7.6 of 2020 CG Code). However, on the recommendation of the Remuneration Committee, the Board of Directors has invited the non-Executive Directors to acquire Sofina shares representing the equivalent of one year's gross director's fees as of 2021. These shares must be kept for a period of three years after their acquisition and for at least one year after the Director has left the Board. This invitation aims to contribute to the alignment between the interests of the non-Executive Directors and the shareholders.

The non-Executive Directors ~~exercise their mandate under a self-employed status. They~~are appointed by the General Meeting of Shareholders at simple majority of the votes and may be dismissed by the General Meeting of Shareholders at any time, with immediate effect and without reason.

2. Remuneration of the CEO and the other members of the Executive Committee

2.1. Procedure

The remuneration applicable to the members of the Executive Committee is adopted by the Board of Directors upon proposal of the Remuneration Committee. In order to prevent any conflicts of interest in determining, reviewing and implementing the Remuneration ~~Policy~~policy, neither the CEO nor any other member of the Executive Committee takes part in the deliberations of the Remuneration Committee concerning ~~its~~his/her own remuneration. The Remuneration Committee may hold sessions without any member of the Executive Committee whenever it deems this appropriate. All decisions concerning the remuneration of members of the Executive Committee are, moreover, subject to the provisions of the Companies Code on conflicts of interest.

The Remuneration Committee regularly reviews the Remuneration ~~Policy~~policy applicable to the members of the Executive Committee and ~~checks~~assesses whether there is any need to adapt it in order to attract new talents, to retain the existing members and to share the value created, bearing in mind the strategic ambitions, size and characteristics of the Company. This review may take place with the assistance of a specialised consultant and, if necessary, be accompanied by a benchmarking of remunerations applicable to CEOs and members of ~~the Executive Committee~~executive committees of other comparable companies. Such a comparative study undertaken with an external consultant is usually carried out every three years and was last done in 2020.

2.2. Remuneration ~~Policy~~policy

The remuneration of the CEO and that of the other members of the Executive Committee includes a fixed amount, a variable amount, group insurance and other components described in more details below.

This Remuneration ~~Policy~~policy is in line with the general framework of remunerations of the Sofina group since many ~~employees~~members of the personnel may be included in the Long-Term Incentive Plan ("LTIP") described below or benefit from ~~the Stock Option Plan~~stock options[1]. They can also benefit from the group insurance and other remuneration components. The most important difference between the remuneration of members of the Executive Committee and the other members of the personnel included in the LTIP and benefitting from stock options is the ~~more important portion~~higher weight of the ~~Long Term Incentive Plan~~LTIP and of ~~Stock Options~~stock options compared to the fixed remuneration. This is justified by their more important autonomy, decision power and responsibility.

As indicated in the Corporate Governance Statement included in the ~~Annual Report 2020,~~Annual Report 2021, the Board of Directors has decided that the CEO and the other members of the Executive Committee do not have to hold a minimum level of shares in the Company (provision 7.9 of 2020 CG Code), since they are sufficiently exposed to fluctuations in the Company's share market price through the number of Sofina stock options that they are granted annually and that they are not permitted by contract to exercise within the first three years of being granted, whereas for Belgian residents, tax is payable on these options upon acceptance.

2.2.1. Fixed remuneration

The fixed remuneration of the CEO and of the other members of the Executive Committee is decided by the Board of Directors upon proposal of the Remuneration Committee which reviews this regularly, as indicated above.

The former is indexed annually on the basis of the consumer prices index and the latter on the basis of the smoothed health index. They take into account ~~of~~ the collegial performances of the Executive Committee, as discussed with the CEO. They are adjusted periodically in line with the results of the benchmarking exercise referred to above and the level of seniority in the position.

2.2.2. Variable remuneration

The variable remuneration of the CEO and of the other members of the Executive Committee includes two main separate components which are not linked to one another in terms of the conditions under which they are granted and/or exercised: the Long-Term Incentive Plan and the ~~Stock Option Plan~~stock options.

These two components of the variable remuneration are based on the long term, allow the long-~~-~~term vision and the sustainable value creation and ensure consistency between the Sofina strategy and its Remuneration ~~Policy~~policy. They increase the alignment between the beneficiaries and the Company's shareholders.

Long-Term Incentive Plan

A Long-Term Incentive Plan ~~or LTIP~~ has been set up for the benefit of the CEO and of the other members of the Executive Committee. The rules applicable to the Performance Share Units ("PSU") issued in the framework of this incentive plan and set out below are laid down in Terms and Conditions on the Performance Share Units (the "PSU Terms and Conditions") made available to the beneficiaries. These PSU Terms and Conditions can be reviewed by the Board of Directors upon recommendation of the Remuneration Committee to take into account ~~of~~ certain evolutions in the Sofina group or regulatory developments.

In the framework of this plan, a stable ~~number of~~share in the available PSU is offered every year to the CEO and the other members of the Executive Committee. PSU can also be offered to members of the Management Group[2] and to certain other employees in accordance with criteria relating to the responsibilities and the positions held.

The Board of Directors, on the recommendation of the Remuneration Committee, determines every year the total number of PSU ~~offered~~available for a four-~~-~~year cohort. The number of PSU ~~offered~~made available to the CEO and the other members of the Executive Committee for a given cohort represents about 60% of the total PSU ~~offered~~made available for a given cohort.

The total number of PSU offered under the LTIP is determined so that the cash amount paid pursuant to these PSU is equal to about 5% of the value created at the level of the net asset value of the Company that exceeds the increase in the net asset value reflecting the performance of the benchmark index, the MSCI ACWI (as defined below) over a four-year period, and this provided that the performance test referred to below results

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[1] The proportion of the variable remuneration allocated under the LTIP compared with the fixed remuneration and the number of stock options granted are determined on the basis of the level of responsibility.

[2] The Management Group refers to the members the investment teams, Tax & Legal, Human Resources and Corporate Services, who qualify as executives in the Sofina group.

in the vesting of 100% of the PSU offered[3].

The ~~percentages~~share of 60% of the number of PSU ~~offered~~made available to the CEO and other members of the Executive Committee for a given cohort out of the total number of PSU ~~offered~~available for a four-year cohort as well as the 5% figure of amount of the value created at the level of the net asset value of the Company could vary slightly depending on the evolution within the ~~organization~~organisation, without this entailing a change to the present Remuneration ~~Policy~~policy.

The number of PSU accepted which will vest and will give the right to payment of a cash amount depends on the result of a performance test.

The performance test is carried out by comparing the performance of the ANAVPS, (i.e. the Company's adjusted net asset value per share as further defined in the Glossary of the ~~Annual Report 2020),~~Annual Report 2021, gross dividends reinvested, with the MSCI ACWI Net Total Return EUR Index (the "MSCI ACWI") over the four-year period prior to the date of the performance test.

The MSCI ACWI has been chosen as the Company's benchmark index ~~as~~since it is a World Index (WI) that includes All Countries (AC), in line with the Sofina world investment strategy. It was therefore the obvious choice as a comparison index in the context of the LTIP.

The performance test provides that if the performance of the ANAVPS, gross dividends reinvested, over the four-year reference period:

- exceeds the performance of the MSCI ACWI by 4% over this same period, 100% of the PSU allocated to a beneficiary (the "Maximum Number of PSU") shall vest~~ for the latter~~;
- exceeds the performance of the MSCI ACWI over this same period by between 0% and 4%, the number of ~~vested~~ PSU ~~of~~allocated to a beneficiary and that shall vest will vary on a linear basis between approximately 20% of the Maximum Number of PSU allocated to this beneficiary (the "Target Number of PSU") and the Maximum Number of PSU allocated to this beneficiary;
- is equal to the performance of the MSCI ACWI over this same period, the Target Number of PSU allocated to a beneficiary shall vest~~ for the latter~~;
- is lower than the performance of the MSCI ACWI over this period, no PSU allocated shall vest.

If the performance of the ANAVPS is higher than the performance of the MSCI ACWI, then the amount paid in cash is equal to the number of PSU vested, multiplied by the sum of:

(i) the NAVPS (i.e. the Company's net asset value per share as further defined in the Glossary of the ~~Annual Report 2020~~Annual Report 2021), as indicated in the consolidated accounts audited at the end of the last year of the four-year reference period; and

(ii) the sum of the gross dividends per share paid by the Company over the same period.

Consequently, if the performance of the ANAVPS is lower than that of the benchmark index over the four-year period, the CEO and the other members of the Executive Committee will not be able to claim any variable remuneration under the LTIP. During the previous financial years, this amount in cash represented between zero and four times the amount of the fixed gross remuneration, depending on the result of the performance test and the value of the NAVPS.

In the event of departure of the CEO or other members of the Executive Committee in "Bad Leaver" circumstances (such as serious negligence, wilful misconduct or serious misconduct), the PSU held by these individuals will be null and void and will not give rise to any payment.

Stock ~~option plan~~options

~~A~~ Stock option ~~plan has been~~plans are set up ~~namely~~notably for the benefit of the Executive Committee in

[3] As PSU are offered annually for a four-year "rolling" period, the total number of PSU offered for a given cohort is determined so that the cash amount paid pursuant to these PSU will represent approximately 5% of a quarter of the amount that exceeds the increase in the net asset value of the Company reflecting the performance of the MSCI ACWI over a four-year period, provided that the performance of the ANAVPS, gross dividend reinvested, exceeds the performance of MSCI ACWI by 4% over the same period.

application of the law of 26 March 1999 on the Belgian action plan for employment 1998 comprising various provisions. The stock ~~options~~option allocation policy was reviewed and adapted by the Remuneration Committee in 2018.

Every year, the Board of Directors decides on the allocation of a number of ~~Sofina~~ stock options under a stock option plan (a "Stock Option Plan") on the recommendation of the Remuneration Committee and as part of an overall envelope set by the latter. As with the LTIP, stock options can also be offered to the Management Group and to other members of the personnel. ~~The Board of Directors may also, in special circumstances, issue a number of stock options on a discretionary basis to a member of the Executive Committee or Management Group for recruitment, retention or special remuneration purposes.~~

The number of options offered under the Stock Option Plans remains stable from one year to the other and the number of stock options offered to the members of the Executive Committee, the Management Group or other members of the personnel depends on their level of responsibility. The terms and conditions under which options are exercised are laid down in the Stock Options Allocation ~~Regulation~~Regulations made available to the stock option beneficiaries. This ~~plan is~~terms and conditions of the Stock Option Plans are reviewed at regular intervals ~~in order~~ to take account of internal developments within the Sofina group or of changes in applicable regulations.

Each option accepted allows its holder to acquire a share in the Company which will give the holder the same rights and obligations, on the exercise date, as the other shares issued by Sofina.

The strike price of stock options corresponds to the lowest of the amount equal to (i) the average of the closing prices on the 30 calendar days prior to the day of the offer and (ii) the closing price of the share on the eve of the offer, in accordance with the requirements of the law of 26 March 1999 referred to above.

~~The~~Under these Stock Option Plans, the options can be exercised as of 1 January of the fourth calendar year after the year of the offer (the "First Exercise Date") and the eve of the 5th anniversary of the day of the offer, with a possible extension until the eve of the 10th anniversary of the day of the offer, depending on the choice expressed by each beneficiary.

Option holders will lose their right to exercise the ~~option~~options at the end of their contractual relationship with the Company or with one of its subsidiaries, save in the event of retirement or other ~~exceptions laid down in the Stock Options Allocation Regulation. If the Company has terminated the contractual relationship with the beneficiaries without serious misconduct on the part of the latter or in case of voluntary departure of a beneficiary in good terms ("Intermediate Leaver"), the options will have to be exercised within thirty days of the end of the contractual relationship. However, if this date is earlier than the First Exercise Date, the options will have to be exercised within 30 days of the First Exercise Date.~~circumstances laid down in the Stock Options Allocation Regulations.

Options which have not been exercised before their final maturity date will have no legal force and may therefore no longer be exercised after this date.

~~Finally, in~~In accordance with the Stock Option Allocation ~~Regulation~~Regulations, the Board of Directors reserves the right to authorise, on a discretionary basis, derogations from the provisions governing the conditions of the Stock Option Plans under which options are exercised, individually or collectively, but without restricting the rights of the beneficiaries or extending the period during which the options can be exercised beyond their normal maturity date.

Finally, the Board of Directors may also, on a discretionary basis and upon recommendation of the Remuneration Committee, issue an additional number of stock options under an existing Stock Option Plan or under an ad-hoc stock option plan it would set up, to member(s) of the Executive Committee or Management Group for recruitment, retention, rotation or special remuneration purposes. The conditions under which such stock options are exercised will be laid down in the relevant Stock Options Allocation Regulation made available to the stock option beneficiaries.

By way of example, the following historic ad hoc Stock Option Plan is currently in place:

- 2021 Stock Option Plan: Options can be granted to the members of the Executive Committee and of the Management Group. Each option gives the beneficiary the right to purchase one existing share of the Company. The exercise price is set at EUR 385.40. The options have a duration of maximum ten years (depending on the choice of the beneficiary) and vest and become exercisable after three years.

Upon recommendation of the Remuneration Committee, the Board of Directors can implement similar ad hoc stock option plans.

Collective bonus

The Company also reserves the possibility of paying all members of personnel (with the exception of the CEO who is self-employed) a bonus if ~~the~~certain collective goals are achieved~~, in application of collective agreements 90 and 90*bis*~~. The collective goals, set by the Executive Committee, vary from one year to another and usually concern a reduction in the Sofina group's carbon footprint or the well-being or training of its employees.

2.2.3. Group insurance: pension commitment, death benefit and disability allowance

Since 2019, the CEO, the other members of the Executive Committee and the Management Group as well as most of the Sofina personnel ~~have benefited~~benefit from a "cash balance" pension plan[4]. This pension plan aims to provide a better response to the context of international mobility that currently applies within the Sofina group. This pension commitment is funded by a branch 23 collective capitalisation group insurance chosen by an investment committee made up of internal and external experts.

In addition to this basic pension plan, Sofina has also taken out a "defined contribution" plan which has been in place for many years. The savings built up under this plan are vested in the event of death or retirement.

In the event of the death of a member of personnel, ~~its~~his/her beneficiaries are entitled to capital amounting to the ~~savings~~ built up savings, with a minimum of four times the benchmark gross fixed annual remuneration of the deceased through the cash balance plan. The group insurance also covers the risk of disability.

2.2.4. Other components of the remuneration

Sofina incurs annual costs for hospitalisation and ~~health care~~healthcare and Directors' and Officers' liability for the members of the Executive Committee. In addition, the Company provides a company car for the latter and reimburses all their business expenses (including representation and travel expenses) incurred when performing their duties~~.~~ as well as their trainings. Sofina also contributes to the expenses of expatriates. The members of the Executive Committee also ~~have~~benefit from a laptop and contributions towards communication tools.

If a member of the Executive Committee were to relocate, the Company may intervene in the relocation costs.

These other components of the remuneration can also be granted to other members of personnel of the group.

2.3. Contractual conditions of the CEO and the other members of the Executive Committee

The CEO is bound by a services ~~contract~~agreement of ~~undetermined~~indefinite duration with the Company and has a self-employed social status. The ~~provision~~provisions of the services ~~contract~~agreement does not provide for a severance allowance at the end of the term of office, whether the departure is voluntary, forced, premature or scheduled.

The other members of the Executive Committee are bound by an employment ~~contract~~agreement of ~~undetermined~~indefinite duration with the Company. They have the social status of employee. As for the CEO, these employment ~~contracts~~agreements do not provide for any severance allowance, whether the departure is voluntary, forced, premature or scheduled. The appropriate legal provisions will therefore apply if appropriate.

The Board of Directors, upon proposal of the Remuneration Committee, may provide a fixed term to the mandate of members of the Executive Committee as it deems appropriate, depending on the circumstances of their appointment and/or rotation purposes and take this fixed term into account when determining their

[4] The plan in force prior to this change was a 'defined benefit' plan. The CEO, the other members of the Executive Committee and most of the personnel have opted for this cash balance plan, as described in the Remuneration report on the ~~2019~~2021 financial year. This plan guarantees the capitalisation of the employer's contributions at the benchmark interest rate, set at 3%. If the return obtained on the investments managed by the plan exceeds this rate structurally, the excess return is ~~divided~~shared between Sofina and the beneficiaries.

remuneration.

Contrary to what is recommended in provision 7.12 of the 2020 CG Code, the Company does not have the right to recover variable remuneration. However, as indicated above, both the PSU Terms and Conditions ~~governing the PSU~~ and the Stock Options Allocation Regulations provide for the loss of future economic benefits in certain circumstances such as serious negligence or wilful or serious misconduct.

These contractual conditions are in line with the contractual conditions applicable for the other members of personnel of the Sofina group.

3. Remuneration policy for the next four years

Subject to the approval of the Annual General Meeting of Shareholders to be held on ~~6~~5 May ~~2021~~2022, this Remuneration ~~Policy~~policy applies as of ~~1 January 2021~~5 May 2022 and will, in principle, remain in force until the ~~end~~Annual General Meeting of ~~the financial year closing~~Shareholders to be held in ~~2025~~May 2026. The Remuneration ~~Policy~~policy will, however, be submitted to the Annual General Meeting of Shareholders for approval in a separate vote whenever a major modification is made and in any case at least every four years.

The Company reserves the right to deviate temporarily from this Remuneration ~~Policy~~policy provided that the conditions laid down in Article 7:89, §1 are satisfied and the deviations have been approved by the Board of Directors, on the recommendation of the Remuneration Committee.

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