





Remuneration Report 2022

Letter from the Chair of the Remuneration Committee

On behalf of the Remuneration Committee, I am pleased to present the 2022 Remuneration Report, which provides a summary of the remuneration policies for the Board of Management and the Supervisory Board. The following pages explain how these policies were applied in 2022.

In the sections below, I will reflect on the company performance in 2022 and the resulting pay outcomes, as well as the Remuneration Committee's key activities in 2022 and the outlook for 2023.

2022 company performance and remuneration outcomes

Looking back, 2022 was a transformative year for Avantium in its journey from being solely an R&D company to one that will have large-scale commercial operations:

Strategic progress

- Having received the support of Avantium's shareholders at an Extraordinary General Meeting in January 2022, Avantium reached Financial Close on 31 March 2022, paving the way for construction of the FDCA Flagship Plant. On Financial Close, Avantium entered into a €90 million Debt Facilities Agreement with a consortium of Dutch banks, comprising ABN AMRO Bank, ASN Bank, ING Bank and Rabobank, as well as with the Dutch government-backed impact investment fund Invest-NL. Each bank has committed €15 million, and Invest-NL has committed €30 million under the Debt Facilities Agreement. In November 2022, the first drawdown of €15 million from the Debt Facilities Agreement took place, and a further €15 million drawdown occurred in January 2023.
- In February 2023, Avantium entered into a partnership with Origin Materials to accelerate the mass production of FDCA and PEF. The partnership includes a non-exclusive industrial technology license agreement, providing Origin Materials access to relevant parts of Avantium's YXY® Technology to enable the conversion of Origin-produced CMF (chloromethylfurfural) derivatives into FDCA at a 100 kilotonnes per annum scale facility. This will accelerate the mass production of FDCA and PEF and enable the use of second generation, renewable feedstocks for the production of FDCA and PEF. In support of the industrial technology license agreement, Origin Materials and Avantium have also entered into a conditional offtake agreement for FDCA and PEF. Under the terms of this overall transaction, Avantium received an upfront payment of €5 million in 2022.

- In the second quarter of 2022, Avantium restarted the Ray demonstration plant. With the plant running successfully throughout the rest of the year, key data were gathered which help inform engineering plans for the design of a Ray Technology™ Flagship Plant. This commercial plant is envisaged to be constructed as part of a joint venture with sugar beet processor (and Ray Technology™ feedstock supplier) Cosun Beet Company. The spike in prices of sugar, energy and hydrogen in 2022 caused Avantium and Cosun Beet Company to closely re-examine the long-term Ray business case, and the outcome is that both parties remain fully committed to moving forward.
- For the Volta Technology, Avantium successfully operated two demonstration units in real-world conditions and used a third to explore opportunities for producing carbon-negative plastic from CO₂.
- Avantium successfully raised €45 million from equity in April – an exceptional achievement given the state of the financial markets.

Commercial progress

- In 2022 and early 2023, Avantium Renewable Polymers signed eight new FDCA and PEF offtake agreements with major brand owners for a range of applications.
- Avantium Catalysis not only saw its revenues return to growth, but also underwent a transformation of its own: now called Avantium R&D Solutions, this business unit adopted a new growth strategy in 2022, focusing on sustainable chemistry solutions for customers.

Operational progress

- For Avantium Renewable Polymers, the start of the construction of the FDCA Flagship Plant has been a significant milestone, providing the platform for the commercial launch of the plant-based, recyclable and high-performance polymer PEF to customers worldwide and for the sale of technology licenses for global deployment and monetisation. Despite the challenges posed by global supply chain disruption and inflation during the year, the construction of the FDCA Flagship Plant is progressing well. By the end of 2022, more than 700 piles had been driven into the ground, and Avantium had completed civil works by installing the foundations, floors, piping, roads and walls. In addition, a significant portion of the steel construction and storage tanks have already been erected. After a thorough review of the project execution plans and the expected delivery and installation of equipment, mechanical completion of the FDCA Flagship Plant is now expected in the first quarter of 2024.



ESG

- Avantium received the results of life-cycle assessments (LCAs) on Avantium's plant-based mono-ethylene glycol (plantMEG™) and plant-based mono-propylene glycol (plantMPG™), demonstrating their significant sustainability benefits versus incumbents. Already in 2021, a LCA for single-layer PEF and multilayer PET/PEF bottles showed a significant reduction in greenhouse gas (GHG) emissions over the life cycle of the bottles compared to bottles made just from PET.
- Avantium started to report on Scope 1 (direct emissions from owned or controlled sources) and Scope 2 emissions (indirect emissions from the generation of purchased electricity, steam, heating and cooling). Avantium has established systems to track and report on Scope 3 emissions (indirect emissions, occurring in the company's value chain) in the future.
- Avantium has set diversity, equality and inclusion targets for the next two years, against the 2021 baseline.
- In 2022, a product stewardship strategy was developed and launched, which sets out Avantium's responsibility for minimising its products' environmental impact throughout their entire life cycle, including end-of-life management. In 2022, Avantium also developed and launched a new Sustainable Supplier Code.
- In 2022, Avantium began implementing various ISO (International Organization for Standardization) and NTA (Nederlandse Technische Afspraak – Dutch Technical Agreement) standards to align the occupational health & safety (OHS) policies and processes for our laboratories and plants and thus create a single, company-wide OHS system. No work-related fatalities or serious injuries were recorded in 2022.

The Remuneration Committee has carefully weighed all aspects of events in 2022, and has taken care to ensure that their impact was reflected in a fair application of the remuneration policy and the assessment of this year's achievement of targets. The fact that Avantium made significant strategic, commercial and operational progress in the delivery of its business plan, and was able to meet important ESG targets, is reflected in the remuneration to be paid to the Management Board.

After careful consideration and following the assessment made by the Remuneration Committee on the level of achievement for each of the goals for 2022, the Supervisory Board made the following decisions:

- There was an average total company achievement of 83% of the 2022 targets.
- The 83% achievement assessment of the company's 2022 targets will form the basis for the cash incentive bonus payment to all staff, and will be used to determine the Management Board and senior management's annual performance related cash bonus component (Short-Term Incentive) and the non-cash long term annual variable incentive component (Long-Term Incentive).
- The timing of the (cash) pay-out of the Bonus will be Q2 2023.

2022 Remuneration Committee focus areas

In 2022, the Remuneration Committee met three times. In addition to detailed discussions on the corporate targets, and then assessment of their level of subsequent achievement, special attention was paid to:

- Further refining the target-setting for non-financial key performance indicators (KPIs)
As per the remuneration policy, the performance measures represent a balanced mix of strategic, commercial and operational performance targets, which together ensure a focus on both the performance of the company in the short-term and on the attainment of its long-term strategic objectives. For 2022, the Remuneration Committee added environmental, social and governance (ESG) targets to the mix of performance measures.
- The Remuneration Committee has selected and determined the 2023 targets based on financial performance (55%) and non-financial performance (45%). These targets are set taking into account Avantium's strategy and five-year business plan. As an important element thereof, these goals aim to drive the company's performance on ESG criteria. As a technology leader in sustainable and circular chemicals and plastics, Avantium aims to meet ESG standards and report in a transparent way on its progress in implementing its sustainability plan [Chain Reaction 2030](#).
- Increasing level of disclosure
The Remuneration Committee also considered the extent to which the targets could be more transparently communicated externally, without releasing commercially sensitive information.
- Dialogue with shareholders
In 2022, the company and the Remuneration Committee had an extensive dialogue with its major shareholders and shareholder representative bodies to discuss Avantium's remuneration policy and Remuneration Report. We have carefully considered this feedback, as reflected in this 2022 Remuneration Report.

Looking forward

The Remuneration Committee had previously intended to propose a revision of Avantium's remuneration policy in 2023. After careful consideration, the Remuneration Committee concluded not to endorse any revisions this year but take more time to complete a more thorough review during 2023. This will include any updates to address further developments in remuneration practices, and take into consideration any adjustments resulting from remuneration benchmark assessments and feedback received from shareholders. A revised remuneration policy will be submitted for approval at the 2024 Annual General Meeting of Shareholders. We remain committed to remuneration practices and policies that allow us to attract, retain and motivate high-performing employees while paying close attention to appropriate alignment with all stakeholders.



I look forward to discussing the policy and actual remuneration practices in the 2023 Annual General Meeting of Shareholders, and will be happy to answer any questions you may have.

Edwin Moses
Chair of the Remuneration Committee



Introduction

This Remuneration Report provides a summary of the remuneration policies of Avantium's Management Board and Supervisory Board, as well as an overview of the remuneration of the members of the Management Board and the Supervisory Board paid in the financial year 2022. This Remuneration Report is prepared in accordance with the relevant parts of Section 135, Book 2 of the Dutch Civil Code, in line with the EU guidelines based on the EU Shareholders' Rights Directive. The remuneration is furthermore determined in accordance with the remuneration policy adopted at the Annual General Meeting on 14 May 2020, with an effective date of 1 January 2020. After approval by the Supervisory Board, the Remuneration Report will be submitted to the General Meeting on 10 May 2023 for an advisory vote of our shareholders, in line with Section 135b subsection 2, Book 2 of the Dutch Civil Code.

The Remuneration Report for the financial year 2021 was submitted to the Annual General Meeting of 2022 for an advisory vote and received a positive advisory vote. As part of our efforts to further improve transparency, we have added the ex-post the ex-ante disclosure of the 2023 targets. We have also provided further disclosure on the actual achievement levels. An exception is made in the case of sensitive information where disclosure is not in the interests of the company or our shareholders.

Remuneration Policy

Introduction and Governance of the Remuneration Policy

The last update of the remuneration policy was adopted by the General Meeting on 14 May 2020 and became effective as per 1 January 2020.

The remuneration policy supports the purpose, long-term development and strategy of the company, while aiming to respect all stakeholders' requirements and maintaining an acceptable risk profile. The Supervisory Board ensures that the policy and its implementation are linked to Avantium's strategic goals and objectives. The remuneration structure is aimed at achieving a balance between short-term and long-term results and objectives, and is designed to encourage behaviour that is focused on long-term value creation for all stakeholders, while ensuring that the highest standards of integrity and good corporate governance are maintained. It is aimed at motivating the accomplishment of outstanding achievements, using a combination of financial and non-financial performance measures. At Avantium, sustainability is at the heart of the company's strategy. Avantium's vision of a fossil-free world sits at the heart of all Avantium does, and Avantium's technologies and products are designed to revolutionise the chemical

industry and reshape a broad range of high-value markets. Avantium's long-term and short-term sustainability objectives are increasingly linked to the company's remuneration structure.

The Remuneration Committee previously intended to propose a revision of Avantium's remuneration policy in 2023. After careful consideration, the Remuneration Committee concluded not to endorse any revisions this year but take more time to complete a thorough review during 2023 and submit a revised remuneration policy for approval at the 2024 Annual General Meeting of Shareholders. Revisions this year would have primarily comprised adjustments resulting from the Committee's due consideration of the feedback received from shareholders on the Remuneration Report 2021 and the remuneration policy for the members of the Management Board and the Supervisory Board. The Remuneration Committee concluded that the adjusted approach in reporting, including its level of reporting transparency on target setting and achievement, both retroactively for 2022 and in advance for 2023, would be addressed in the Remuneration Report 2022. It furthermore concluded that during 2023, the company would continue to work on linking variable remuneration more directly to its sustainability objectives. As a technology leader in sustainable and circular chemicals and plastics, Avantium has to meet environmental, social and governance (ESG) standards and report in a transparent way on its progress in implementing its sustainability plan Chain Reaction 2030.

The Remuneration Committee additionally concluded that given that the Management Board's and senior management's remuneration continues to fall within a competitive range of approximately 20% around the median market levels payable within the reference groups of industrial companies in our sector, it is also not necessary to propose any adjustments at this time.

Based on feedback from shareholders on the remuneration policy and the Remuneration Report 2021, as discussed during and after the 2022 Annual General Meeting, the Remuneration Committee continued to assess Avantium's need to be restrictive in the disclosure of the Management Board's exact actual targets, both in advance and retrospectively. The Committee maintains its view that these are strategically and commercially sensitive information. It however understands that more transparency towards its external stakeholders is strongly desired and continues to give this due consideration. This Remuneration Report includes the Remuneration Committee's assessment of the goal achievement level for 2022.

The 2023 targets represent a list of long- and short-term goals that are aligned with the company's business strategy. As an important element thereof, these goals should reflect the company's ESG criteria. In anticipation of a revised Remuneration Policy, the Remuneration Committee has selected and determined the 2023 targets based on financial performance (55%) and non-financial performance (45%). These targets are set taking into account Avantium's strategy and five-year business plan.



The Remuneration Committee maintains its view on the one-off fixed award of share options to members of the Supervisory Board upon their appointment. The remuneration package for its Supervisory Board members should enable Avantium to attract and retain diverse members with a broad international background and the right balance of personal skills, competences and experience required to oversee Avantium's (execution of its) long-term strategy and performance. The one-off fixed award of share options contributes to Avantium's long-term value creation and serves as a long-term investment in Avantium, aiming to align the members' respective interests with those of the other shareholders. In order to assess more explicitly the shareholders' perspective on this remuneration element for Supervisory Board members, any such one-off fixed awards of share options to new member of the Supervisory Board upon their appointment will be submitted for approval by the General Meeting as a separate remuneration element from the annual fee.

The Supervisory Board is responsible for the execution of the remuneration policy. The Remuneration Committee will continue to regularly assess the remuneration policy and advise the Supervisory Board on the need for any changes.

The Remuneration Committee intends to submit an updated version of Avantium's remuneration policy for the Management Board and the Supervisory Board for approval during the 2024 Annual General Meeting of Shareholders. This will include any updates to address further developments in remuneration practices and take into consideration any adjustments resulting from remuneration benchmark assessments and feedback received from shareholders during and prior to the General Meeting.

External Perspective: Reference Group and Market Positioning

As with the remuneration philosophy for all Avantium employees, the remuneration of the Management Board should be competitive compared with a relevant reference market. To define this market, a reference group has been approved by the Supervisory Board, consisting of companies that are selected on criteria such as geography, governance framework, scope and type of industry. In principle, a benchmark is conducted at least once every four years. In the years without a new benchmarking exercise, the Supervisory Board considers the appropriateness of any change of base salary based on the market environment, as is also the case concerning salary adjustments for other Avantium employees.

As a guiding principle, the total direct remuneration of the Management Board is set at or around the median of the reference market.

In 2021, in line with the remuneration policy, the Supervisory Board conducted a remuneration benchmark assessment of the market competitiveness of the current compensation package of the members of the Management Board. The Supervisory Board carefully reviewed the reference group for the benchmark assessment and amended it according to the above-mentioned criteria. Geographically, the amended reference group consists primarily of listed western European companies and, exceptionally, some non-European companies that are highly relevant from a talent market perspective or industry perspective. Furthermore, the weighting of UK, US and Swiss companies does not exceed 50% of the reference group. From a scope and type-of-industry point of view, the reference group includes companies of comparable size that are primarily active in the (specialty) chemicals and materials, and biotechnology industries.

The companies in the reference group for the Management Board remuneration benchmark assessment performed in 2021 were:

- Accsys Technologies PLC (UK)
- Amyris Inc (US)
- BRAIN Biotechnology Research and Information Network AG (DE)
- Carbios SA (FR)
- Evolva Holding SA (CH)
- Global Bioenergies SA (FR)
- Holland Colours NV (NL)
- IBU-tec advanced materials AG (DE)
- Iofina PLC (UK)
- Isagro SpA (IT)
- Metabolic Explorer SA (FR)
- Nabaltec AG (DE)
- SICIT Group SpA (IT)
- Treatt PLC (UK)
- Versarien PLC (UK)
- Zotefoams PLC (UK)

The remuneration benchmark assessment was performed on the following compensation elements:

- Base salary
- Target short-term incentive (STI)
- Total cash compensation (TCC) – base salary plus STI
- Annualised expected value of the long-term incentive (LTI)
- Total direct compensation (TDC) – TCC plus LTI



The outcome of the 2021 benchmark resulted in the conclusion that for all of the compensation elements, the Management Board remuneration for 2022 falls within a competitive range of +/-20% around the median market levels payable within the reference group, which is in line with our remuneration policy. During 2023, the Supervisory Board intends to conduct a remuneration benchmark assessment of the market competitiveness of the current compensation package of the members of the Management Board, in preparation for submitting the remuneration policy to the Annual General Meeting for approval in 2024. As part thereof, the Supervisory Board will also review the reference group for the benchmark assessment and will amend where necessary according to the previously mentioned criteria.

Management Board Remuneration 2022

The remuneration paid to the members of the Management Board in 2022 was based on Avantium's remuneration policy.

The remuneration of the members of the Management Board consists of the following components:

- i) fixed annual base salary;
- ii) short-term annual variable remuneration (in cash);
- iii) long-term annual variable remuneration in the form of shares (LTIP) and options (employee stock option plan, or ESOP); and
- iv) allowance for pension and fringe benefits.

Avantium does not grant any personal loans, guarantees or advance payments to members of the Management Board.

i) Fixed Annual Base Salary

The objective of the fixed annual base salary is to compensate for the performance of day-to-day activities. The fixed annual base salary of the members of the Management Board is based on the level of responsibility and performance and is set at or around the median of the remuneration levels payable within the reference group.

In line with the remuneration policy, in 2022 the full year base salary of the CEO, Tom van Aken, increased by 2.0% to an annual base salary of €273,179. The full year base salary for the CFO, Bart Welten, increased by 2.1% to an annual base salary of €239,969.

ii) Short-Term Annual Variable Remuneration

The objective of the short-term annual variable remuneration is to ensure that the members of the Management Board focus on realising their short-term operational objectives, leading to longer-term value creation.

The bonus refers to the annual performance-related cash and non-cash incentive that is applicable to the members of the Management Board and comprises (i) a cash component consisting of no more than 50% of the aggregate bonus, if any, and (ii) a non-cash component equivalent to the cash component which must be invested in Investment Shares (see under iii.a Long-Term Investment Plan in the Form of Matching Shares).

The Supervisory Board has the discretionary power to adjust the incentive pay-out up- or downwards if it feels that the outcome is unreasonable due to exceptional circumstances during the performance period, such as by taking into account the long-term interests and sustainability of the company as a whole. Scenario analyses of the possible outcomes of the variable remuneration components and their effect on the remuneration of the Management Board are conducted. This power was not used for adjustments of the incentive pay-out over 2022, nor was any remuneration recovered from present or former Management Board members.

Performance Measures

The performance measures form a balanced mix of ESG, strategic, commercial and operational performance targets, which together ensure a focus on both the performance of the company in the short-term and the company's long-term strategic objectives. For each of the performance measures, the Supervisory Board sets challenging, but realistic, targets and target levels.

The performance targets are specific and measurable and are formulated and communicated at the beginning of each financial year (except for circumstances where the Supervisory Board considers semi-annual target-setting more appropriate), although the Supervisory Board may adjust the targets and their relative weighting if required by significantly changed strategic priorities in any given year. Following a presentation by the Management Board, the Supervisory Board sets the targets, based on progress on sustainability targets, commercial performance and operational performance, in relation to Avantium's strategy and long-term objectives, as set out in the remuneration policy (www.avantium.com/corporate-governance/#remuneration). When the performance criteria are set, the interests of all stakeholders are considered.

In order to achieve alignment in the remuneration structure of the Management Board and other Avantium employees, a subset of the bonus performance measures, target-setting and pay-out schemes as set out in the remuneration policy is applicable to Avantium employees.



The strategic progress targets are based on value-creation for shareholders and realising strategic focus, including securing financing and strategic partnerships and achieving strategic milestones. The targets for commercial performance are based on securing strategic partnerships for the commercialisation of technology programmes and reaching the commercialisation phase of the different technology programmes (path from laboratory scale to demonstration scale and finally commercialisation scale). The operational performance targets are based on and reaching the operational milestones of the different technology programmes (path from laboratory scale to demonstration scale and finally commercialisation scale). The ESG targets are based on the company's roadmap for execution of its sustainability plan [Chain Reaction 2030](#).

Although Avantium maintains its view that detailed targets qualify as strategically and commercially sensitive information, it understands that more transparency towards its external stakeholders is strongly desired, both in advance of target setting and retrospectively, and will continue to give this matter careful consideration.

For the annual bonus 2022, the on-target bonus, i.e. the bonus in case of on-target performance, is equal to 100% of (i) 70% of base salary for the CEO and (ii) 50% of base salary for the CFO. The maximum bonus, i.e. the bonus in case of above-target performance, is equal to 150% of the on-target bonus. If performance is below a pre-defined threshold level, no bonus will be paid out. The members of the Management Board are, together with senior management, obligated to invest the total non-cash component of their (net) bonus in Investment Shares. The non-cash component percentage of the bonus is 50%. The cash component of the bonus may, at the discretion of the relevant member of the Management Board, also be invested in investment shares.

The bonus pay-out levels are prorated upon the level of achievement of the aforementioned performance targets.

For the annual bonus 2022, the performance targets and their relative weighting were set as follows:

Name	Weight factor	Target
T.B. van Aken	60%	Strategic
	15%	Commercial
	15%	Operational
	10%	ESG
B.J.J.V. Welten	40%	Strategic
	15%	Commercial
	35%	Operational
	10%	ESG

The Remuneration Committee has carefully weighed all aspects of this year's events to ensure a fair application of the remuneration policy and assessment of the 2022 goals. The fact that Avantium made significant strategic, commercial and operational progress on the delivery of its business plan, and was able to meet important ESG targets, is reflected in the remuneration to be paid to the Management Board.

After careful consideration and following the proposal made by the Remuneration Committee on the target achievements for each of the goals identified for 2022, the Supervisory Board made the following decisions:

- There was an average total company achievement of 83% of the 2022 targets.
- The 83% achievement assessment of the company's 2022 targets will form the basis for the cash incentive bonus payment to all staff, and will be used to determine the Management Board and senior management's annual performance related cash bonus component (Short-Term Incentive) and the non-cash long term annual variable incentive component (Long-Term Incentive).
- The timing of the (cash) pay-out of the Bonus will be Q2 2023.

In line with Avantium's performance in 2022, as set out in the section 'The Value We Created in 2022', it was concluded that Strategic Differentiator targets were partially achieved, Commercial targets were partially achieved and Operational Performance targets were partially achieved. This resulted in the conclusion of the Supervisory Board that the average total company performance was 83%. The total company performance represents an average achievement score, as members of Avantium's employees are paid 50% on basis of company achievements and 50% on the achievements of their respective business unit, being more granular financial, commercial, operational and organisational targets relevant for the specific business unit.



For 2022, the scores of certain business units were lower than the company targets, given that certain, specific goals in these business units were not achieved. For that reason the average total company score of Avantium employees for 2022 was slightly lower than for the members of the Management Board.

The table below sets out the performance per target. The Supervisory Board used upwards discretion with respect to the operational target related to delivery of the EPC milestones for the FDCA Flagship Plant (on target and on budget), which it deemed partially achieved, taking into account the challenging conditions such as high inflation rates and the supply change challenges under which the team performed.

With respect to the ESG target Chain Reaction 2030 implementation (Operations): calculate direct GHG emissions from our Avantium Renewable Polymers FDCA Flagship Plant, Pilot Plants and laboratory activities, and improve on the baseline: the partial achievement is a result of the completion of the baseline calculations for the Pilot Plants and laboratories having been completed and improvements were realised (please refer to the Avantium Annual Report on page 41). The calculations for the FDCA Flagship Plant have not been completed yet.

The Management Board members are paid a bonus on the basis of achievements of the company on ESG, strategic, operational and commercial goals. The targets for the CEO furthermore included additional specific strategic targets, related to the strengthening of the Management Team for the next phase of commercialisation. The overall average achievement of the CEO and CFO for performance year 2022 amounts to 86.24% and 84.38% respectively of the maximum achievable bonus. Reference is made to the table below.

The maximum achievable bonus for Tom van Aken is 70% (therefore resulting in a variable remuneration for 2022 of 60% of his annual base salary). The maximum achievable bonus for Bart Welten is 50% (therefore resulting in a variable remuneration for 2022 of 21% of his annual base salary).

Name	Weight factor	Target	Measured performance	Total performance in 2022
T.B. van Aken	60%	Strategic	58%	86%
	15%	Commercial	8%	
	15%	Operational	13%	
	10%	ESG	8%	
B.J.J.V. Welten	40%	Strategic	38%	84%
	15%	Commercial	8%	
	35%	Operational	31%	
	10%	ESG	8%	



Performance measure	Objective	Target	Performance
Strategic	Secure financing and partnerships	<ol style="list-style-type: none"> 1. Ensure that the group's business operations are timely, prudently and sufficiently funded, on the basis of obtaining the mandate from its shareholders to raise €45 million in equity capital and against satisfactory conditions. 2. Secure sustainable progress in the area of partnerships. 	<ol style="list-style-type: none"> 1. Achieved 2. Achieved
Strategic	Achieve strategic milestones	<ol style="list-style-type: none"> 1. Timely execute Financial Close following Renewable Polymers' positive FID. 2. Meet strategic milestones in relation to the Cosun Beet Company joint venture partnering. 	<ol style="list-style-type: none"> 1. Achieved 2. Not achieved
Strategic	Business & Technology Planning	<ol style="list-style-type: none"> 1. Meet strategic milestones in relation to Avantium's earlier-stage technologies. 	<ol style="list-style-type: none"> 1. Achieved
Commercial	Drive commercial performance	<ol style="list-style-type: none"> 1. Meet strategic milestones on Renewable Polymers offtake commitments. 2. Meet Catalysis business performance parameters. 	<ol style="list-style-type: none"> 1. Achieved 2. Not achieved
Operational	Drive operational performance	<ol style="list-style-type: none"> 1. Meet FDCA Flagship Plant EPC milestones and financials. 2. Meet Ray Technology™ operational milestones. 	<ol style="list-style-type: none"> 1. Partially achieved 2. Achieved
ESG	Chain Reaction 2030 implementation	<ol style="list-style-type: none"> 1. Ecological: complete certified LCAs for YXY Technology (PEF) and Ray Technology™ (plantMEG™, plantMPG™). 2. Operations: calculate direct GHG emissions from our FDCA Flagship Plant, Pilot Plants and laboratory activities and improve on the baseline. 3. Supply chain: develop and initiate a supplier code of conduct and product stewardship plan. 4. People: establish a diversity and inclusion plan (including KPIs) and improve on the baseline. 	<ol style="list-style-type: none"> 1. Achieved 2. Partially achieved 3. Achieved 4. Achieved
ESG	Safety and health	<ol style="list-style-type: none"> 1. Safety #1 organisation: 0 accidents using OSHA LTI classification. 2. Engage staff and minimise staff turnover <10% (FY). 	<ol style="list-style-type: none"> 1. Achieved 2. Achieved

iii) Long-Term Variable Remuneration in the Form of Shares (LTIP) and Options (ESOP)

On 5 October 2016, Avantium adopted the ESOP for all key employees, senior management and members of the Management Board and the LTIP for the members of the Management Board and the management team (collectively, the Incentive Plans). The ESOP furthermore allows for participation by members of the Supervisory Board. The Incentive Plans encourage a long-term focus and alignment with Avantium's strategy.

iii.a) Long-Term Investment Plan in the Form of Matching Shares

The members of the Management Board are obligated to invest the total non-cash component of their (net) bonus in shares to be delivered by the company (Investment Shares). The non-cash component percentage is 50%. The cash component of the bonus may, at the discretion of the relevant member of the Management Board, also be invested in Investment Shares. The Investment Shares are subject to a retention period of five years following the investment date. After the end of the retention period, Avantium will match the Investment Shares in a 1:1 ratio (Matching Shares); that is, one Matching Share is granted for each Investment Share. These Matching Shares are delivered by the company at the end of the five-year retention (lock-up) period of the Investment Shares. Only in the event that the member of the Management Board is no longer engaged by the company at the end of the retention period will the number of Matching Shares be decreased as provided for in the LTIP (depending on the employment termination date and cause of leave, the number of Matching Shares will be decreased pro rata parte, based on the number of full months of the Management Board member not being engaged).

The objective of the plan is that Management Board members build an equity position in the company, creating long-term value for, and so aligning their interests with, the company's stakeholders.

Based on the feedback from shareholders on the remuneration policy and the Remuneration Report 2021, the Remuneration Committee considers to adjust the 1:1 ratio for Matching Shares, to arrive at a mechanism in which Matching Shares are awarded conditionally subject to the achievement of the company's long-term strategic objectives upon which the Matching Shares will be released, including the ability for the Supervisory Board to determine an upward adjustment of the 1:1 ratio when such achievement exceeds the pre-determined objectives. Such will be reviewed in the context of the Remuneration Policy to be submitted for approval to the General Meeting in 2024. The LTIP plan rules will in such case need to be amended accordingly.

iii.b) Long-Term Variable Remuneration in the Form of Share Options (under the ESOP)

On an annual basis, share options under the ESOP (Options) may be awarded to members of the Management Board in accordance with the performance parameters pre-determined by the Supervisory Board. These parameters are consistent with the performance measures applied for the senior management and key employees of Avantium, to ensure optimal alignment with the employees of Avantium who receive Options. Options are awarded within a pre-determined range, as stated in the remuneration policy (Section 4.6), where the actual annual award is set by the Supervisory Board. Based on the feedback from shareholders, the Remuneration Committee wishes to clarify that the pre-determined performance parameters consist of a combination of (i) the company short-term and long-term targets, (ii) the performance targets that are determined for each of Avantium's technologies and (iii) individual targets for the members of the Members of the Management Board.

The Options are fully vesting on the third anniversary following the date of the award. The exercise period of the Options will be up to five years after the date of vesting. The Options vest at the end of a three-year vesting term and not on an annual pro rata basis during this three-year vesting period. Only in the event that the member of the Management Board is no longer employed by the company at the date of vesting will the number of options be decreased as provided for in the ESOP (depending on the employment termination date and cause of leave, the number of share options will be decreased pro rata parte, based on the number of full months of the Management Board member not being engaged during the three-year vesting period). Any required clarifications to the ESOP plan rules will be reviewed in the context of the Remuneration Policy to be submitted for approval to the General Meeting in 2024, and the ESOP plan rules will need to be amended accordingly.

iii.c) Adjustments to Variable Remuneration

In line with Dutch law, the variable remuneration of the members of the Management Board may be reduced, or Management Board members may be obliged to repay (part of) their remuneration to the company, if one of the circumstances as described in Section 5 (Management Board Remuneration: Adjustments to Variable Remuneration) of the remuneration policy apply. In 2022, no adjustments based upon this section of the remuneration policy were made.



iv) Allowance for Pension and Fringe Benefits

The members of the Management Board are allowed to participate in Avantium's pension plan, available to all Avantium employees, whereby Avantium carries the employer's contribution of the pension contributions. The pension plan is based on a defined contribution system.

Legislation in 2015 reduced the maximum pension accrued to 1.875% (from 2.15%) of the full pensionable salary. The members of the Management Board can choose to build up the part of the pensionable salary above €110,111 (2020) in a separate defined contribution plan. There are no arrangements for early retirement.

The members of the Management Board are entitled to additional remuneration elements, such as company car costs, travel expenses, social security costs and a contribution to health and disability insurance, all in line with Avantium policies, plans and arrangements as applicable to Avantium's employees. The table hereafter provides a breakdown of the aggregate remuneration of the members of the Management Board in 2022.

Employment Agreements and Severance Payments

The members of the Management Board continued their current employment agreements with Avantium Support B.V., a subsidiary of the company. These agreements are for an indefinite period of time and do not contain severance payment provisions. On 30 November 2022, the General Meeting appointed Boudewijn van Schaik as CFO with an effective date of 1 January 2023, pursuant to a management services agreement (the Agreement), being a services agreement (overeenkomst van opdracht) within the meaning of Article 7:400 of the Dutch Civil Code. This follows Article 2:132(3) of the Dutch Civil Code, which stipulates that agreements concluded between a Dutch listed company and a member of its management board cannot be qualified as an employment agreement.

The Supervisory Board may determine that a member of the Management Board is entitled to a severance payment for the loss of income resulting from a non-voluntary termination as Management Board member. In line with the Dutch Corporate Governance Code, any severance payment is limited to one year's base salary.

Total Remuneration Received by Members of the Management Board

(In €1,000)	Fixed remuneration		Variable			Total remuneration	% of fixed remuneration	% of variable remuneration
	Salary	Other benefits ¹⁵	Short-term bonus ¹⁶	Long-term award ¹⁷	Post-employee benefits			
Management Board member								
T.B. van Aken								
2022	273	24	165	71	20	553	57%	43%
2021	268	25	157	119	20	589	53%	47%
B.J.J.V. Welten								
2022	240	24	51	21	28	364	80%	20%
2021	235	27	98	25	27	411	70%	30%
Total - 2022	513	48	215	92	48	917	66%	34%
Total - 2021	503	52	255	144	46	1,000	60%	40%

The total remuneration based on IFRS in 2022 for Tom van Aken amounted to €597,000 (2021: €584,000) due to the share-based payment expenses of €115,000 recognised during the year (2021: €114,000). The total remuneration based on IFRS in 2022 for Bart Welten amounted to €374,000 (2021: €439,000) due to the share-based payment expenses of €31,000 recognised during the year (2021: €52,000).

Internal Pay Ratio

In setting the remuneration policy for the members of the Management Board, the Supervisory Board also takes into account the internal pay ratio. The internal pay ratio between the average pay of Avantium employees vis-à-vis the average pay of the CEO is calculated based on the average 2022 remuneration of all Avantium employees vis-à-vis the 2022 remuneration of the CEO. Since 2020, we have also included pension contributions and long-term incentive components.

The 2022 pay ratio is 6:1 (2021: 6:1) for the CEO. The pay ratio 2022 and 2021 is based on the specific guidance provided by the Monitoring Commissie Corporate Governance Code in December 2020 on the calculation methodology of the pay ratio.¹⁸

The following table provides an overview of the remuneration of the members of the Management Board compared with the average total remuneration of an Avantium employee (defined as gross wages, holiday allowance, other benefits, pension, Bonus and long-term awards) and company performance since the listing of the company's shares in 2017.

¹⁵ Other benefits mainly include contributions to social security plans and benefits in kind such as company cars, medical expenses and legal expenses.

¹⁶ Including the cash and non-cash part of the awarded bonus for the specific performance year.

¹⁷ Including the value of the various performance share-based plans that vested during the year. The value of the LTIP reward is calculated based on the number of matching shares that have vested and of the share price at the date of vesting. The value of the ESOP reward is calculated based on the number of share options that have vested during the year and the net of the share price at vesting date less the exercise price.

¹⁸ Starting as of 1 January 2021, the value of the share-based component of the remuneration is determined at the time of assignment in accordance with the applicable rules under IFRS. Before 1 January 2021, the value of the share-based component of the remuneration was determined based on the value of the options that vested during the year and the net of the share price at vesting date less the exercise price.



(In €1,000)	2022	% change	2021	% change	2020	% change	2019	% change	2018	% change	2017
Management Board member											
T.B. van Aken	553	-6%	589	34%	440	2%	432	41%	306	-17%	368
B.J.J.V. Welten	364	-12%	411	35%	304	0%	—	0%	—	0%	—
F.C.H. Roerink (former CFO)	—	0%	—	0%	—	-100%	616	120%	280	-13%	321
Average employee salary	96	6%	91	12%	81	15%	70	0%	70	7%	66

	2022	% change	2021	% change	2020 ¹⁹	% change	2019	% change	2018	% change	2017
Total company performance	83%	-1%	84%	100%	0%	-100%	65%	122%	29%	-66%	86%

The tables includes information on a five-year period as of 2017, the year Avantium became a publicly traded company.

It is noted that Frank Roerink's severance payment is included in his total remuneration for the year 2019.

The average total company performance over 2022 was 83%. The total company performance represents an average achievement score, as members of Avantium's employees are paid 50% on basis of company achievements (Strategic, Commercial, Operational and ESG target achievement) and 50% on the achievements of their respective business unit, being more granular financial, commercial, operational and organisational targets relevant for the specific business unit.

¹⁹ The company's performance and achievement of the performance measures for 2020 was set to zero percent herein; as the Management Board and senior management decided to forfeit their respective annual cash bonus, the company elected not to disclose the realised achievement of the 2020 performance targets.

Number of Investment Shares and Matching Shares Outstanding and Awarded to the Management Board

Management Board member	Specification of plan	The main conditions of share plans				Information regarding the reported financial year							
		Performance period	Award date	Vesting date	End of retention period	Number of awards outstanding 1 January	Shares allocated during the year	Shares forfeited during the year	Shares vested during the year	Value of matching shares vested during the year in EUR ²⁰	Matching shares unvested as at 31 December	Shares subject to retention period as at 31 December	Matching shares vested as at 31 December
T.B. van Aken, CEO	LTIP- Investment shares	2017-2018	16/3/2018	16/3/2018	16/3/2023	7,441	—	—	—	—	—	7,441	—
		2019-2020	14/5/2020	14/5/2023	14/5/2025	15,365	—	—	—	—	—	15,365	—
		2021-2022	18/5/2022	18/5/2025	18/5/2025	—	20,630	—	—	—	—	20,630	—
	LTIP- Matching shares	n/a	16/3/2018	16/3/2021	16/3/2023	7,441	—	—	—	—	—	—	7,441
		n/a	14/5/2020	14/5/2023	14/5/2025	15,365	—	—	5,122	15,493	5,122	—	10,243
	n/a	18/5/2022	18/5/2025	18/5/2025	—	20,630	—	4,584	14,051	16,046	—	4,584	
B.J.J.V. Welten, CFO	LTIP- Investment shares	2021-2022	18/5/2022	18/5/2025	18/5/2025	—	9,947	—	—	—	—	9,947	—
	LTIP- Matching shares	n/a	18/5/2022	18/5/2025	18/5/2025	—	9,947	(7,737)	2,210	6,775	—	—	2,210
F.C.H. Roerink, former CFO	LTIP- Investment shares	2017-2018	16/3/2018	16/3/2018	16/3/2023	5,789	—	—	—	—	—	5,789	—
	LTIP- Matching shares	n/a	16/3/2018	16/3/2021	16/3/2023	1,930	—	—	—	—	—	1,930	1,930
Total Management Board members						45,612	61,154	(7,737)	11,917	36,319	21,167	53,383	24,478
Total former Management Board members						7,719	—	—	—	—	—	7,719	1,930

²⁰ The value of matching shares vested during the year is expressed in EUR and is determined by the share price at vesting date.

Number of Options Outstanding and Awarded to the Management Board

Management Board member	Specification of plan	The main conditions of share option plans				Information regarding the reported financial year						
		Award date	Vesting date	Exercise period	Exercise price of the option in EUR	Number of options outstanding as at 1 January	Share options granted during the year	Share options forfeited during the year	Share options vested during the year	Value of share options vested during the year ²¹	Share options unvested as at 31 December	Share options vested as at 31 December
T.B. van Aken, CEO	ESOP	19/10/2006	19/10/2009	10 years	7.60	20,230	—	—	—	—	—	20,230
		1/10/2008	1/10/2011	10 years	0.10	20,657	—	—	—	—	—	20,657
		1/5/2009	1/5/2012	10 years	0.10	35,000	—	—	—	—	—	35,000
		1/5/2010	1/5/2013	10 years	0.10	29,770	—	—	—	—	—	29,770
		4/11/2010	4/11/2013	10 years	0.10	28,000	—	—	—	—	—	28,000
		30/11/2011	30/11/2014	10 years	0.10	135,000	—	—	—	—	—	135,000
		1/10/2015	15/3/2017	10 years	0.10	22,000	—	—	—	—	—	22,000
		1/10/2015	15/3/2017	10 years	9.80	7,500	—	—	—	—	—	7,500
		2/3/2017	15/3/2017	10 years	0.10	13,000	—	—	—	—	—	13,000
		2/3/2017	15/3/2017	10 years	9.80	18,000	—	—	—	—	—	18,000
		17/5/2017	17/5/2020	8 years	10.58	50,000	—	—	—	—	—	50,000
		28/3/2018	28/3/2021	8 years	5.34	50,000	—	—	—	—	—	50,000
		16/5/2019	16/5/2022	8 years	2.60	100,000	—	—	11,111	19,165	—	100,000
		14/5/2020	14/5/2023	8 years	3.59	50,000	—	—	16,667	19,237	5,556	44,444
19/5/2021	19/5/2024	8 years	4.56	50,000	—	—	16,667	—	22,222	27,778		
18/5/2022	19/5/2025	8 years	3.07	—	50,000	—	11,111	3,111	38,889	11,111		
B.J.J.V. Welten, CFO	ESOP	14/5/2020	14/5/2023	8 years	3.59	50,000	—	(5,556)	16,667	19,237	—	44,444
		19/5/2021	19/5/2024	8 years	4.56	30,000	—	(13,333)	10,000	—	—	16,667
		18/5/2022	19/5/2025	8 years	3.07	—	30,000	(23,333)	6,667	1,867	—	6,667
Total Management Board members						709,157	80,000	(42,222)	88,889	62,617	66,667	680,268

In 2022, 80,000 additional share options were granted to the Management Board. Boudewijn van Schaik (appointed by the General meeting on 30 November 2022, with an effective date of 1 January 2023) was awarded 50,000 share options on 30 December 2022 at an exercise price of €3.68 per option. The amount of share options that vested during the year amounted to 33 options.

The share-based payment expenses of the Management Board of €146,000 comprise the part of the share-based compensation (note 13) attributable to the share options granted in previous years.

²¹ The value of share options vested during the year is expressed in EUR and is determined by the share price at vesting date less the exercise price.



Number of Options Outstanding and Awarded to Former Management Board Member

Management Board member	Specification of plan	The main conditions of share option plans				Information regarding the reported financial year						
		Award date	Vesting date	Exercise period	Exercise price of the option in EUR	Number of options outstanding as at 1 January	Share options exercised during the year	Share options forfeited during the year	Share options vested during the year	Value of share options exercised during the year ²²	Share options unvested as at 31 December	Share options vested as at 31 December
F.C.H. Roerink, former CFO	ESOP	16/5/2019	16/5/2022	8 years	2.60	13,333	—	—	—	—	—	13,333
Total former Management Board members						13,333	—	—	—	—	—	13,333

²² The value of share options exercised during the year is expressed in EUR and is determined by the share price at exercise date less the exercise price.



Management Board Remuneration 2023

The Remuneration Committee intended to propose a revision of Avantium’s remuneration policy in 2023. After careful consideration, the Remuneration Committee concluded not to endorse any revisions this year but take more time to complete a more thorough review during 2023 and submit a revised remuneration policy for approval at the Annual General Meeting of 2024. Revisions this year would have primarily comprised adjustments resulting from the Committee’s due consideration to the feedback received from shareholders on the Remuneration Report 2021 and the remuneration policy for the members of the Management Board and the Supervisory Board. The Remuneration Committee concluded that the adjusted approach in reporting, including its level of reporting transparency on target setting and achievement, both retroactively for 2022 and in advance for 2023, may be addressed in the Remuneration Report 2022. It furthermore concluded that during 2023, the company is setting its next step in its journey to linking variable remuneration more directly to its sustainability objectives. As a technology leader in sustainable and circular chemicals and plastics, Avantium has to meet environmental, social and governance (ESG) standards and reports in a transparent way its progress of implementing its Sustainability Plan Chain Reaction 2030.

The Remuneration Committee furthermore concluded that given that the Management Board’s and senior management’s remuneration continues to fall within a competitive range of approximately 20% around the median market levels payable within the reference groups of industrial companies in our sector, it is also not required to propose any adjustments to the Remuneration Policy at this time.

For 2023, salary increases for the Management Board and senior management have not yet been considered; such may be addressed in due course. Any such adjustment should not result in significantly exceeding the median of the reference group, whereby the Supervisory Board is allowed to apply a purchasing power adjustment during the applicable tenures (as opposed to applying those only at the start of such tenures). During the years in which a benchmarking exercise is not performed, the Supervisory Board continues to be informed on any executive remuneration developments and receives market survey reports generally made available for the relevant industry and similarly situated companies.

These targets are only being disclosed to the extent they are not share-price or competition sensitive. For this reason, some of these targets are reflected with a generic description.

The maximum achievable bonus for Tom van Aken is 70% of his annual base salary.
The maximum achievable bonus for Boudewijn van Schaik is 50% of his annual base salary.

Performance measure	CEO	CFO
Strategic	30%	30%
Commercial	23%	23%
Operational	38%	38%
ESG	10%	10%
Total performance	100%	100%



Performance measure	Objective	Target	Weight Management Board	Financial	Non-Financial
ESG	Safety & Health	<ol style="list-style-type: none"> Zero accidents and Zero loss of containments as per Avantium's newly approved incident classification. Achieve Ecological, Operations, Suppliers and People targets (smart ESG targets have been defined) 	5.0%	0.0%	5.0%
ESG	Chain Reaction 2030 implementation	<ol style="list-style-type: none"> Define and plan how technologies impact carbon emission reduction, calculate and report reductions achieved Map scope 1, 2 and 3 emissions and implement ISO certified management systems (ISO 45001) Commitment of key suppliers for Code of Conduct Implement organization code of business conduct; implement KPI for diversity and improve on baseline 	5.0%	0.0%	5.0%
Strategic	Portfolio & Team	<ol style="list-style-type: none"> Reach engineering stage gate decision as next step of Ray Technology™ commercialisation Determine and execute technology portfolio changes in line with company strategy Strengthening of executive team to prepare company for next phase of commercialisation 	30.0%	0.0%	30.0%
Commercial	Drive commercial performance	<ol style="list-style-type: none"> Ensure full capacity loading for FDCA Flagship Plant Avantium Renewable Polymers: enter into licensing deal in line with company strategy Avantium R&D Solutions: execution of growth strategy (to be measured in revenues) Avantium Renewable Chemistries: enter into Ray Technology™ licensing deal in line with company strategy Attract industrial partners for commercialisation of Volta technology 	22.5%	22.5%	0.0%
Operational	Drive financial performance	<ol style="list-style-type: none"> Keep the FDCA Flagship Plant construction on track in terms of costs and schedule Realise significant increase of topline compared to 2022 Ensure the company is sufficiently funded for execution of strategy Control of expenses and company cash flows 	32.5%	32.5%	0.0%
Operational	Drive organizational performance	<ol style="list-style-type: none"> Staff retention: ensure staff turnover below 10% Recruitment: hiring of staff for FDCA Flagship Plant and Avantium R&D Solutions growth strategy 	5.0%	0.0%	5.0%
Total			100.0%	55.0%	45.0%

Lower threshold: for 2023, the Supervisory Board has set the lower performance threshold, at which the award of short-term annual variable remuneration (and subsequent ability to become eligible for participation in the long term variable remuneration (in the form of shares (LTIP) and share options (ESOP)) as follows: if (i) performance score of financial targets is below 20%; and (ii) the performance score on non-financial targets is below 15%, there will be no variable remuneration pay-out to the Management Board.



Supervisory Board Remuneration 2022

Remuneration Policy for the Supervisory Board

The remuneration of the members of the Supervisory Board consists of the following components:

- i. annual fee;
- ii. travel expenses and other expenses; and
- iii. one-off fixed awards of share options ("Options", pursuant to ESOP) related to the member's appointment.

i) Annual Fee

The remuneration policy determines the annual (gross) fees for each position of the Supervisory Board, separated into membership and chairpersonship of the Supervisory Board and membership and chairpersonship of a committee.

In line with the remuneration policy, the members of the Supervisory Board received the following annual (gross) fees:

- Membership of the Supervisory Board: €40,000;
- Chairpersonship of the Supervisory Board: €35,000 (additional);
- Membership of a committee of the Supervisory Board: €5,000 (per committee); and
- Chairpersonship of the Audit Committee of the Supervisory Board: €5,000 (additional).

The table hereafter provides a breakdown of the Supervisory Board members' remuneration in 2022.

Avantium does not grant any personal loans, guarantees or advance payments to members of the Supervisory Board.

ii) Travel Expenses and Other Expenses

Supervisory Board members are reimbursed for all reasonable costs incurred in connection with their attendance of meetings. Travel costs are reimbursed in line with Avantium's travel policy. Any other expenses are only reimbursed, either in whole or in part, if incurred with the prior consent of the Chair of the Supervisory Board.

iii) One-Off Fixed Awards of Options (ESOP) Related to the Member's Appointment

The ESOP allows for participation by members of the Supervisory Board. A member is, upon such member's appointment entitled to thirty thousand (30,000) Options. The Chair of the Supervisory Board is entitled to eighty five thousand (85,000) Options. A member may choose not to receive the award.

Based on the feedback by shareholders and in order to assess more explicitly the shareholders' perspective [view] on this remuneration element for Supervisory Board members, any such one-off fixed awards of share options to new member of the Supervisory Board upon their appointment will be submitted for approval by the General Meeting as a separate remuneration element from the annual fee. The Options vest at the end of a three-year vesting term and not on an annual pro rata basis during this three-year vesting period. Only if the membership of a member of the Supervisory Board is terminated or has ended prior to the date of vesting will the number of options be decreased as provided for in the ESOP (depending on the reasons for such earlier termination, on a monthly pro rata basis during a period of three years). A lock-up period of four (4) years applies from the date of the award, with the exception of a limited right of sale for sell to cover purpose. The exercise period of the Options will be up to four (4) years after the date that the awarded Options have fully vested.

Based on the General Meeting's perspective and shareholders' feedback following the 2023 General Meeting, the Remuneration Policy and ESOP plan rules (which may then need to be amended accordingly) will be reconsidered and to the extent required be reviewed prior to submission of the Supervisory Board Remuneration Policy for approval to the General Meeting in 2024.

Total Overview of Supervisory Board Remuneration 2022

(In €1,000)	Fixed remuneration		Variable remuneration		Total remuneration	% of fixed remuneration	% of variable remuneration
	Membership	Committees	Other compensation ²³	Long-term award ²⁴			
E. Moses	75	15	—	33	123	73%	27%
M.B.B. Jou	40	15	—	12	67	82%	18%
C.A. Arnold	10	4	3	—	17	82%	18%
M.G. Kleinsman	40	10	—	—	50	100%	—%
G.E. Schoolenberg	20	5	—	—	25	100%	—%
N. Björkman	40	15	—	2	57	96%	4%
Total - 2022	225	64	4	46	339	85%	15%

²³ Other compensation includes expenditures related to travel.

²⁴ Long-term award includes the value of the ESOP plan. The value of the ESOP reward is calculated based on the number of share options that have vested during the year and the net of the share price at vesting date less the exercise price.

The following table provides detail on the total remuneration received by each Supervisory Board member in accordance with the period the company's shares are traded on Euronext:

(In €1,000)	2022	2021	2020	2019	2018	2017
E. Moses	123	121	133	3	—	—
M.G. Kleinsman	50	50	50	50	50	27
M.B.B. Jou	67	70	47	—	—	—
N. Björkman	57	—	—	—	—	—
Total Supervisory Board members	297	241	230	53	50	27
Remuneration of former Supervisory Board members						
C.A. Arnold (member until 31 March 2022)	17	53	14	—	—	—
G.E. Schoolenberg (member until 1 September 2022)	25	44	13	—	—	—
D.J. Lucquin (member until 30 September 2020)	—	—	44	50	50	53
R.W. van Leen (member until 31 December 2019)	—	—	—	30	—	—
K. Verhaar (member until 20 December 2019)	—	—	—	90	80	6
G.E.A. Rijnen (member until 15 May 2019)	—	—	—	21	55	50
J.S. Wolfson (member until 15 May 2019)	—	—	—	18	50	45
Total former Supervisory Board members	42	97	71	209	235	154
Total remuneration	339	338	301	262	285	181

The total remuneration based on IFRS in 2022 for Edwin Moses amounted to €112,000 (2021: €130,000) due to the share-based payment expenses of €22,000 recognised during the year (2021: €51,000).

The total remuneration based on IFRS in 2022 for Michelle Jou amounted to €63,000 (2021: €73,000) due to the share-based payment expenses of €8,000 recognised during the year (2021: €18,000).

The total remuneration based on IFRS in 2022 for Nils Björkman amounted to €78,000 (2021: €14,000) due to the share-based payment expenses of €22,000 recognised during the year (2021: €nil).

The total remuneration based on IFRS in 2022 for Cynthia Arnold amounted to €26,000 (2021: €93,000) due to the share-based payment expenses of €9,000 recognised during the year (2021: €40,000).

Number of Options Supervisory Board

	The main conditions of share option plans					
	Specification of plan	Award date	Vesting date	Exercise period	Exercise price of the option in EUR	
E. Moses	ESOP	14/5/2020	14/5/2023	8 years	3.59	
M.B.B. Jou	ESOP	14/5/2020	14/5/2023	8 years	3.59	
N. Björkman	ESOP	18/5/2022	19/5/2025	8 years	3.07	
C.A. Arnold (former member)	ESOP	30/9/2020	30/9/2023	8 years	5.78	
J.S. Wolfson (former member)	ESOP	2/3/2017	2/3/2020	10 years	9.80	
J.M. van der Eijk (former member)	ESOP	2/3/2017	2/3/2020	10 years	9.80	

	Information regarding the reported financial year									
	Specification of plan	Number of options outstanding 1 January	Share options granted during the year	Share options exercised during the year	Share options forfeited during the year	Share options vested during the year	Value of share options vested during the year ²⁵	Value of share options exercised during the year ²⁶	Share options unvested as at 31 December	Share options vested as at 31 December
E. Moses	ESOP	85,000	—	—	—	28,333	32,703	—	9,444	75,556
M.B.B. Jou	ESOP	30,000	—	—	—	10,000	11,542	—	3,333	26,667
N. Björkman	ESOP	—	30,000	—	—	6,667	1,867	—	23,333	6,667
C.A. Arnold (former member)	ESOP	30,000	—	—	(15,000)	1,667	—	—	15,000	—
J.S. Wolfson (former member)	ESOP	4,000	—	—	—	—	—	—	—	4,000
J.M. van der Eijk (former member)	ESOP	4,000	—	—	—	—	—	—	—	4,000
Total Supervisory Board members		115,000	30,000	—	—	45,000	46,112	—	36,111	108,889
Total former Supervisory Board members		38,000	—	—	(15,000)	1,667	—	—	15,000	8,000

²⁵ The value of share options vested during the year is expressed in EUR and is determined by the share price at vesting date less the exercise price.

²⁶ The value of share options exercised during the year is expressed in EUR and is determined by the share price at exercise date less the exercise price.

As per 31 December 2022, the following Supervisory Board members held Options:

- Edwin Moses, Chair of the Supervisory Board: eighty-five thousand (85,000) options;
- Michelle Jou, member of the Supervisory Board: thirty thousand (30,000) options; and
- Nils Björkman, member of the Supervisory Board: thirty thousand (30,000) options.

Margret Kleinsman chose not to receive the Options award.



Deviation from the Dutch Corporate Governance Code Best Practice Provision 3.3.2: Remuneration of Supervisory Board Members

Best Practice Provision 3.3.2 states that Supervisory Board members may not be awarded remuneration in the form of shares and/or rights to shares. To continue to attract and retain top talent in a competitive global environment, and to help the Supervisory Board create sustainable added value, Avantium included in its Remuneration Policy, as adopted by Avantium's General Meeting of Shareholders on 14 May 2020, the option for Supervisory Board members to receive upon appointment a on-off fixed award of share options. Avantium's Employee Stock Option Plan, as adopted on 5 October 2016, allows for such award.

Based on the feedback from shareholders on the remuneration policy, the company, in particular the Remuneration Committee, understands that this deviation from the Dutch Corporate Governance Code Best Practice Provision 3.3.2 continues to be a controversial remuneration topic. The company would like to continue the dialogue on this topic in view of an updated remuneration policy. In order to assess more explicitly the shareholders' perspective [view] on this remuneration element for Supervisory Board members, any such one-off fixed awards of share options to new member of the Supervisory Board upon their appointment will be submitted for approval by the General Meeting as a separate remuneration element from the annual fee.

Deviation from the Dutch Corporate Governance Code Best Practice Provision 2.3.4: Composition of the Committees

Under this provision, the role of Chair of the Audit Committee or the Remuneration Committee may not be filled by the Chair of the Supervisory Board, nor by a former member of the Management Board of the company. Due to the size of Avantium's Supervisory Board, the chairmanship of the Remuneration Committee was filled by the Chair of the Supervisory Board in 2022. The Chair of the Supervisory Board has significant subject matter expertise on remuneration topics and is assisted in the Remuneration Committee by two Supervisory Board members with similar subject matter expertise. Where necessary, the Remuneration Committee is assisted by external advisors on relevant topics. The Supervisory Board will reconsider the composition of the Remuneration Committee in 2023, when the Supervisory Board will again consist of more than four people.



If you have any questions or remarks regarding this report, we invite you to contact us.

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