



Corbion 2021 Annual Report





Remuneration report

Remuneration Board of Management

Remuneration policy and its implementation in 2021

To ensure Corbion's development as a successful sustainable ingredient solutions company, the objective of the remuneration policy for the Board of Management is to create internationally competitive remuneration packages and employment conditions, which align the interests of the Board of Management with the strategic direction and horizon of the company, with a strong emphasis on performance-related pay and long-term value creation. The policy is in place since 2020 following approval by the annual General Meeting of Shareholders in that same year. The full remuneration policy is available on [our website](#). This section describes how the remuneration policy has been implemented in 2021.

The implementation of the remuneration policy contributes to long-term value creation, as the long-term incentive for the Board of Management is aimed at longer-term value creation in line with stakeholder interests, measured over a performance period of three calendar years. To ensure that short-term performance also leads to sustainable long-term value creation, the short-term and long-term incentive performance metrics are aligned (with the long-term incentive having two additional metrics). The reward for long-term performance is deliberately set higher than the short-term award to emphasize the priority of value creation and sustainability for the long term. In implementing the remuneration policy scenario analyses have been taken into consideration.

Remuneration reference levels

The total remuneration levels – base salary, benefits allowance, short-term incentive, and long-term incentive – are based on a combined international reference group of more than twenty companies, selected based on size, all within the international guidelines as set by leading shareholder advisors (ISS). Included are nine European biotechnology companies that are active in the same or comparable industries as the company. In addition, eleven Dutch general industry companies have been selected that operate within the same governance system and societal context. Every two years a reference check is performed to independently benchmark the total compensation levels against market levels.

Base salary

Members of the Board of Management are entitled to a base salary. Based on median market data the base salary for the CEO will be set between € 525,000 and € 625,000. For the CFO base pay is set between € 325,000 and € 425,000. The Supervisory Board will review these ranges every two years and adjust them if the median market data of the reference group justifies any such adjustment. The individual pay of the Board members will be determined by the Supervisory Board within the boundaries of the above ranges (from time to time), based on personal performance delivery. There are no automatic annual increases in the base salary levels.

As per 1 April 2021, the annual base salary for Olivier Rigaud (CEO) amounted to € 575,000 and that for Eddy van Rhede van der Kloot (CFO) amounted to € 415,000.



Benefits allowance

Corbion does not provide (social) benefits such as a company car, individual retirement, medical or life insurance to members of the Board of Management. Therefore, and in accordance with the management services agreements, each member of the Board of Management is provided with a benefits allowance. This is a fixed annual amount of € 200,000 for the CEO and € 150,000 for the CFO to cover the cost of these types of expenses.

Short-Term Incentive Plan (STIP)

Entitlements and performance measures

Members of the Board of Management are eligible for a short-term incentive. The STIP rewards operational execution and is aimed at strengthening and growing the Corbion business. The short-term incentive is paid out in cash. In case of additional overperformance the STIP part related to that is paid out in Corbion shares which are subject to a three-year lock-up period. The STIP pay-out at-target level is set at 60% of base salary for the CEO, and 50% for the CFO.

The performance measures are organic net sales growth, adjusted EBITDA (both as defined in the remuneration policy), and sustainability. Organic net sales growth and adjusted EBITDA each account for a weight of 40%. The remaining 20% is determined by sustainability targets which are in line with Corbion's focus areas, being safety performance and sustainability performance (verified responsibly sourced cane sugar, reduction of Scope I and II emissions, Product Social Metrics assessment for products contributing to Preserving food and/or health, and Total Recordable Injury Rate).

Performance targets and pay-out levels

Annually, at the beginning of the year, the Supervisory Board sets a target level for each performance measure, based on previous-year performance, the annual budget, and the longer-term strategic plan. A threshold performance level is determined below which no pay-out is granted and a maximum performance level where maximum pay-out is reached.



The performance levels and performance bandwidths are as follows.

Metric	Performance level	Performance bandwidth*
Adjusted EBITDA	Threshold – maximum	Linear between 90% - 110% of at-target performance
	Overperformance	Linear between 110% - 120% of at-target performance
Organic net sales growth	Threshold – maximum	Linear with a range of 600 bps around at-target performance (equally divided below and above at-target)
	Overperformance	Linear up to 300 bps above maximum performance level
Sustainability	Threshold	1 out of the 4 targets is met
	Target	2 out of the 4 targets are met
	Maximum	3 out of the 4 targets are met
	Overperformance	All 4 targets are met

* The Supervisory Board may determine narrower percentage ranges.

Pay-out for STIP 2021

For 2021, the Supervisory Board applied the performance bandwidth as stated above. An actual pay-out level of 200% has been achieved for organic net sales growth, 59.8% for adjusted EBITDA, and 200% for sustainability. This has led to a total pay-out of 143.9% of the at-target STIP for both Olivier Rigaud and Eddy van Rhede van der Kloot. This resulted in (i) a payment in cash of € 392,955 for Olivier Rigaud and of € 236,342 for Eddy van Rhede van der Kloot, and (ii) a payment in shares of 2959 shares for Olivier Rigaud (representing a value of € 103,500 at the time of vesting (based on a vesting price of € 34.98)) and 1780 shares for Eddy van Rhede van der Kloot (representing a value of € 62,250 at the time of vesting (based on a vesting price of € 34.98)).

Long-Term Incentive Plan (LTIP)

Entitlements and performance measures

Members of the Board of Management are eligible for a long-term incentive. The LTIP is aimed at long-term value creation in line with the interests of all stakeholders of Corbion, measured over a performance period of three calendar years. The long-term incentive is paid out in Corbion shares which are subject to a shareholding requirement. Each year, members of the Board of Management are entitled to a conditional grant of shares. The value of the conditional grant is 120% of base salary for the CEO, and 100% for the CFO.

The performance measures are relative total shareholder return (TSR) (30%), organic net sales growth (25%), adjusted EBITDA (20%), sustainability (12.5%), and return on capital employed (ROCE) (12.5%).

Performance targets and pay-out levels

Prior to each conditional grant the Supervisory Board sets target levels for the performance measures TSR, organic net sales growth, adjusted EBITDA, ROCE, and sustainability (for the 2021-2023 series: verified responsibly sourced cane sugar, reduction of Scope I, II, and III emissions, Product Social Metrics assessment for products contributing to Preserving food and/or health, and Total Recordable Injury Rate). A threshold performance level is determined below which no pay-out is granted and a maximum performance level where maximum pay-out is reached.



The performance levels and performance bandwidths are as follows.

Metric	Performance level	Performance bandwidth*
TSR	Threshold – maximum	See below
Adjusted EBITDA	Threshold – maximum	Linear between 75% - 125% of at-target performance
Organic net sales growth**	Threshold – maximum	Linear with a range of 600 bps around at-target performance (equally divided below and above at-target)
ROCE***	Threshold – maximum	Linear between 75% - 125% of at-target performance, whereby the threshold level will be set at the weighted average of the pre-tax WACC(s) as reported in the Annual Report
Sustainability	Threshold	1 out of the 4 targets is met
	Target	2 or 3 out of the 4 targets are met
	Maximum	All 4 targets are met

* The Supervisory Board may determine narrower percentage ranges.

** The performance over a 3-year period will be calculated as the average of the annual organic net sales growth rates as reported in the respective annual reports for those 3 years.

*** The performance over a 3-year period will be calculated as the average of the annual ROCE results as reported in the respective annual reports for those 3 years.

The Supervisory Board may determine narrower percentage ranges.

The performance over a 3-year period will be calculated as the average of the annual organic net sales growth rates as reported in the respective annual reports for those 3 years.

The performance over a 3-year period will be calculated as the average of the annual ROCE results as reported in the respective annual reports for those 3 years.



For relative TSR performance, threshold pay-out is set at meeting the eighth position in the peer group. Target pay-out is achieved at the fourth and fifth position in the peer group and maximum pay-out is achieved at reaching the first and second position in the peer group. The following table illustrates the ranking and the corresponding vesting percentage.

Ranking	1	2	3	4	5	6	7	8	9-16
Percentage of TSR-metric-linked performance shares vesting	150%	150%	125%	100%	100%	75%	50%	50%	0%

At the end of the three-year performance period, relative TSR performance of the company versus the TSR peer group will be independently assessed by a leading bank in the Netherlands.

Pay-out for the LTIP 2018-2020 series and granted shares for the LTIP 2021-2023 series

The number of conditionally granted but not yet vested shares as per 1 January 2021 for each of the members of the Board of Management is as follows.

Name, position	Specification of the plan	Shares awarded, not vested per 1 January 2021
O. Rigaud, CEO	LTIP 2018-2020	0
E. van Rhede van der Kloot, CFO		12,259
O. Rigaud, CEO	LTIP 2019-2021	20,865
E. van Rhede van der Kloot, CFO		12,140
O. Rigaud, CEO	LTIP 2020-2022	22,260
E. van Rhede van der Kloot, CFO		13,491

The LTIP 2018-2020 series was based on the following performance measures: EBITDA (60%), Earnings per Share (EPS) (20%), and TSR (20%). For the LTIP shares conditionally granted under this plan to Eddy van Rhede van der Kloot, an actual pay-out level of 112.9% has been achieved for the EBITDA target, 101.6% for EPS, and 150% for TSR as Corbion ranked 1st in the peer group. This has led to a total pay-out of 118.1% of the at-target LTIP for Eddy van Rhede van der Kloot. The number of vested shares received by Eddy van Rhede van der Kloot is 14,478 representing a value of € 688,284 at the time of vesting (based on a vesting price of € 47.54). Eddy van Rhede van der Kloot used the option of selling shares to finance the income tax due on the vested shares.

The number of performance shares conditionally granted to Olivier Rigaud in 2021 (possible vesting in 2024) is 14,722 representing a value of € 690,020 at the time of the grant (based on a grant price of € 46.87). The number of performance shares conditionally granted to Eddy van Rhede van der Kloot in 2021 (possible vesting in 2024) amounts to 8,854 representing a value of € 414,987 at the time of the grant (based on a grant price of € 46.87).

The overview below shows the number of conditionally granted but not yet vested shares as per 31 December 2021 for each of the members of the Board of Management, the grant price of the granted shares, and the remaining vesting period.



Name, position	Specification of the plan	Grant price	Shares awarded, not vested as per 31 December 2021	Vesting date
O. Rigaud, CEO E. van Rhede van der Kloot, CFO	LTIP 2019-2021	26.36	20,865 12,140	May 2022
O. Rigaud, CEO E. van Rhede van der Kloot, CFO	LTIP 2020-2022	29.65	22,260 13,491	May 2023
O. Rigaud, CEO E. van Rhede van der Kloot, CFO	LTIP 2021-2023	46.87	14,722 8,854	May 2024

Overview remuneration

The total annual remuneration for the Board of Management in 2021 amounted to € 2.8 million including STIP over 2021 (2020: € 2.4 million). The table below shows the amounts the respective member of the Board of Management (i) received/was entitled to in 2021 (base salary, STIP, benefits allowance) and (ii) received/was entitled to in 2021 by way of vesting (LTIP).

Thousands of euros	Year	Base salary	STIP	Benefits allowance	Other compensation	Relocation	Total
O. Rigaud*, CEO	2021	569	496	200			1,265
	2020	550	501	200			1,251
E. van Rhede van der Kloot, CFO	2021	411	299	688	150		1,548
	2020	400	303	318	150		1,171
Total	2021	980	795	688	350		2,813
Total	2020	950	804	318	350		2,422

* Olivier Rigaud as of 1 July 2019

The ratio of the fixed remuneration (base salary and benefits allowance) versus the variable remuneration (STIP, LTIP, and other compensation) is for Olivier Rigaud 61% versus 39%, and for Eddy van Rhede van der Kloot 36% versus 64%.

The table below shows the remuneration costs based on the applicable IFRS standard and does not necessarily reflect the actual amounts paid.



	IAS 24.17 category	Short-term employee benefits	Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
<i>Thousands of euros</i>	2021	Base salary*	STIP	LTIP	Pension benefits	Other benefits	Termination benefits
O. Rigaud		779	496	542			1,817
E. van Rhede van der Kloot		572	299	391			1,262
Total Board of Management		1,351	795	933			3,079

	IAS 24.17 category	Short-term employee benefits	Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
<i>Thousands of euros</i>	2020	Base salary*	STIP	LTIP	Pension benefits	Other benefits	Termination benefits
O. Rigaud **		760	501	369			1,630
E. van Rhede van der Kloot		560	303	363			1,226
Total Board of Management		1,320	804	732			2,856
T. de Ruiter		323	171	279	13		786
Total former Board of Management		323	171	279	13		786

* Base salary also includes social security contributions and compensation, mainly allowances for expenses

The total remuneration for each (former) member of the Board of Management complies with the remuneration policy for the Board of Management, as it stays within the boundaries of this policy paid by Corbion nv; they did not receive any remuneration from a subsidiary or other company whose financials are consolidated by Corbion nv. Corbion does not grant loans, advances, or guarantees to members of the Board of Management. Corbion did not revise or claw back any variable remuneration. No severance payment has been made to members of the Board of Management.

Internal pay ratios and five-year performance overview

In line with good corporate governance practices regarding remuneration policies, Corbion measures the internal pay ratios within the company on a yearly basis. More specifically, Corbion has calculated the pay ratio of the Board of Management relative to the average company employee. For the Board of Management, the total remuneration cost (based on IFRS) is used. The average remuneration of all Corbion employees is calculated as the total remuneration of all Corbion employees on IFRS basis (see Note 6 to the consolidated financial statements) divided by the average number of Corbion employees on an FTE basis. The average number of FTEs is calculated on a monthly basis. The average remuneration of all Corbion employees in 2021 amounted to € 85,981 (2020: € 87,415).

For the CEO, the pay ratio to the average employee is 21.1 (2020: 18.6) and for the CFO it is 14.7 (2020: 14.0).

The overview below shows, for the last five financial years, the total remuneration (based on IFRS) of the current and former CEO (as the current CEO started in July 2019), the CFO, the average remuneration of all Corbion employees, the internal pay ratios, and the adjusted EBITDA and EPS of Corbion.



Name, position	2017	2018	2019	2020	2021
O. Rigaud, CEO (A)*				1,629 (20%***)	1,817 (12%)
E. van Rhede van der Kloot, CFO (B)	989 (10%)	788 (-20%)	1,146 (45%)	1,226 (7%)	1,262 (3%)
T. de Ruiten, (former) CEO (C)**	2,273 (0%)	1,805 (-21%)	2,470 (37%)		
Average salary employees (D)	82 (-3%)	77 (-6%)	82 (6%)	87 (7%)	86 (-1%)
Internal pay ratio (A/D)			16.6***	18.6	21.1
Internal pay ratio (B/D)	12.0	10.2	14.0	14.0	14.7
Internal pay ratio (C/D)	27.6	23.4	30.1		
Adjusted EBITDA	164.1 (-4%)	131.6 (-20%)	145.9 (11%)	158.8 (9%)	135.8 (-14%)
EPS	1.46 (-16%)	0.93 (-36%)	0.44 (-53%)	1.24 (182%)	1.33 (7%)

* Olivier Rigaud as of 1 July 2019

** Tjerk de Ruiten until 8 August 2019

*** On an annualized basis as Olivier Rigaud started on 1 July 2019

Shares in the capital of the company

As at 31 December 2021, Corbion had a capital interest of 0.49%, amounting to 292,523 shares. In 2021, Corbion has neither issued new shares nor repurchased shares for the LTIP programs for the Board of Management and (senior) management and there are no intentions to that effect in 2022.

Share plans for employees

Corbion has an LTIP program for (senior) management, composed of around 77 employees, and an LTIP program for the Executive Committee members (not being members of the Board of Management). The long-term incentive covers a performance period of three calendar years. The LTIP performance measures are the same as for the Board of Management: TSR (30%), organic net sales growth (25%), adjusted EBITDA (20%), sustainability (12.5%), and ROCE (12.5%). For a certain categories of (senior) management, part of the LTIP is not performance related and is only restricted to continued employment for three years.

The total number of conditionally granted but not yet vested shares as per 1 January 2021 for (senior) management and Executive Committee members (not being members of the Board of Management) is as follows.

Specification of the plan	Shares awarded, not vested as 1 January 2021
LTIP 2018-2020	72,236
LTIP 2019-2021	74,291
LTIP 2020-2022	84,726

The LTIP 2018-2020 series was based on the following performance measures: EBITDA (60%), Earnings per Share (EPS) (20%), and TSR (20%). For the LTIP shares conditionally granted under this plan to the employees jointly, an actual pay-out level of 85% has been achieved for the EBITDA target, 101.6% for EPS, and 150% for TSR as Corbion ranked 1st in the peer group. This has led to a total pay-out of 118.1% of the at-target LTIP for the Executive Committee members (not being members of the Board of Management). As 30% of the total LTIP is not performance related and is only restricted to continued employment for three years, the actual pay-out for (senior) management is 100.9%. The total number of vested shares received by (senior) management and Executive Committee members (not being members of the Board of Management) is 79,970 representing a value of € 3,801,774 at the time of vesting (based on a vesting price of € 47.54).



The total number of performance shares conditionally granted to (senior) management and Executive Committee members (not being members of the Board of Management) in 2021 (possible vesting in 2024) is 70,410 representing a value of € 3,347,291 at the time of the grant (based on a grant price of € 47.54).

The table below shows the number of conditionally granted but not yet vested shares as at 31 December 2021 for (senior) management and Executive Committee members (not being members of the Board of Management) jointly, the grant price of the granted shares, and the remaining vesting period.

<i>Specification of the plan</i>	Grant price	Shares awarded, not vested as per 31 December 2021	Vesting date
LTIP 2019-2021	26.36	68,606	May 2022
LTIP 2020-2022	29.65	78,054	May 2023
LTIP 2021-2023	47.54	67,570	May 2024

Remuneration for the Supervisory Board

Total remuneration for the members of the Supervisory Board in 2021 amounted to € 0.4 million (2020: € 0.4 million).

Each member of the Supervisory Board receives an annual base fee of € 50,000; the Vice-Chair receives € 60,000 and the Chair € 70,000.

For membership of the Audit Committee an additional fee of € 10,000 applies and for the Chair € 15,000. Members of the Appointment and Governance Committee, Remuneration Committee, or Science and Technology Committee receive an additional € 7,000 in fee; the fee for the Chair of these committees amounts to € 9,000. In addition, members receive reimbursement of expenses.



Breakdown remuneration Supervisory Board

	IAS 24.17	Short-term	Total	
	category	employee benefits ¹⁾		
<i>Thousands of euros</i>	Year	Base fee	Committee fee	
Mathieu Vrijsen, Chair (Chair Appointment & Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2021	70	23	93
	2020	70	23	93
Rudy Markham, Vice-Chair (Chair Remuneration Committee / member Appointment and Governance Committee)	2021	60	16	76
	2020	60	16	76
Liz Doherty (member Audit Committee until May 2021 / Chair Audit Committee as of May 2021)	2021	50	15	65
	2020	50	10	60
Ilona Haaijer (member Audit Committee / member Science and Technology Committee)	2021	50	17	67
	2020	25	4	29
Jack de Kreij (Chair Audit Committee until May 2021)	2021	19	6	25
	2020	50	15	65
Steen Riisgaard (Chair Science and Technology Committee / member Remuneration Committee / member Appointment and Governance Committee)	2021	50	23	73
	2020	50	23	73
Stefanie Schmitz (member Audit Committee from June until September 2020)	2020	15		15
Dessi Temperley (Member Audit Committee as of May 2021)	2021	31	6	37
	2020			
	Total 2021	330	106	436
	Total 2020	320	91	411

* Excluding expenses

Members of the Supervisory Board are neither entitled to variable remuneration nor to shares in the company or any option rights relating thereto. The total remuneration for each (former) member of the Supervisory Board complies with the remuneration policy for the Supervisory Board, as it stays within the boundaries of this policy and no deviations from this policy have been applied. Members of the Supervisory Board are paid by Corbion nv; they did not receive remuneration from a subsidiary or another company whose financials are consolidated by Corbion nv. Corbion does not grant loans, advances, or guarantees to members of the Supervisory Board.



Remuneration former member of the Board of Management

Mr. Tjerk de Ruiter stepped down as CEO and Chair of the Board of Management as at 8 August 2019. The contract of assignment with Mr. De Ruiter expired on 12 May 2020.

The LTIP 2018-2020 series was based on the following performance measures: EBITDA (60%), Earnings per Share (EPS) (20%), and TSR (20%). For the LTIP shares conditionally granted under this plan to Tjerk de Ruiter, an actual pay-out level of 112.9% has been achieved for the EBITDA target, 101.6% for EPS, and 150% for TSR as Corbion ranked 1th in the peer group. This has led to a total pay-out of 118.1% of the at-target LTIP for Tjerk de Ruiter. The number of vested shares received by Tjerk de Ruiter is 20,109 (based on a pro-rata entitlement until 12 May 2020). Tjerk de Ruiter used the option of selling shares to finance the income tax due on the vested shares.

The table below shows the amounts Tjerk de Ruiter (i) received/was entitled to in 2021 (base salary, STIP, benefits allowance) and (ii) received/was entitled to in 2021 by way of vesting (LTIP).

<i>Thousands of euros</i>	Year	Base salary	STIP	LTIP	Benefits allowance	Special share award	Other compensation	Relocation	Total
T. de Ruiter (former CEO)	2021			956					956
	2020*	225	171	591	75			40	1,102

* Until 12 May 2020



Concept and design

TD Cascade

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