

9. Remuneration Policy and Remuneration Report

9.1 Remuneration Policy

9.1.1 INTRODUCTION

This remuneration policy has been prepared by the Board on recommendation of the nomination and remuneration committee in accordance with article 7:89/1 of the BCCA and the Belgian Code on Corporate Governance and applies to the members of the Board and the executive management of the Company. This remuneration policy will be submitted for approval to the ordinary general shareholders' meeting of the Company to be held on 15 April 2022 in order to align the current remuneration policy of the Company with the requirements of article 7:89/1 BCAC. If a majority of the votes were to be cast against this revised remuneration policy, the Company will take the necessary steps to address the concerns of those voting against it, and will adapt its remuneration policy. The Board intends to apply the remuneration policy for a period of four years it being understood that the Company can deviate from the remuneration policy as provided for in article 7:89/1, §5 BCCA.

9.1.2 BACKGROUND AND OBJECTIVES

As an agricultural technology company focused on addressing food protection challenges with proprietary protein-based biocontrol solutions and aiming to provide alternatives to conventional chemical pesticides for a more sustainable and safer food supply, the Company's strategy involves researching, developing, testing and eventually (after obtaining the necessary regulatory and other approvals) commercializing solutions to address three core challenges facing global food production today: the 1.6 billion tons of global food wasted every year, the potential effects of conventional chemical pesticides on biodiversity and food safety, and the sustainable food production from farm to fork.

Therefore, it is important that the Company is able to attract and retain directors and members of the executive management with the talent, knowledge, ability, experience, skills, values and behaviour to deliver on the Company's long-term strategy and goals, to support the Company's purpose and to promote continuous improvement in the Company's business. The Company's remuneration policy covering members of the Board and the ExCom is designed with this in mind.

For members of the ExCom, the policy is designed to reward performance in order to motivate them to deliver increased shareholder value through superior business results. Levels of fixed and variable remuneration should be sufficient to attract, reward and retain members of the executive management who have the profile determined by the Board, to promote the achievements of strategic objectives in accordance with the Company's risk appetite and behavioural norms and to promote sustainable value creation. Finally, it is also important that the remuneration policy of the Company is competitive in the (employment) markets in which the Company operates. For members of the Board, remuneration is aimed at being in line with companies of similar size and complexity and comprises only fixed compensation". The Board determines the remuneration of the directors and the members of the executive management in accordance with the provisions of the BCCA and the Belgian Code on Corporate Governance, upon recommendation and proposal of the nomination and remuneration committee, while respecting the prerogatives of the general shareholders' meeting. The nomination and remuneration committee commissions an independent external advisor to benchmark the compensation of the members of the Board and the executive management against peer companies to ensure that it remains fair, competitive and in line with market practice. The remuneration of the members of the Board and the executive management is therefore market driven.

The specific powers and composition of the nomination and remuneration committee are set out in the corporate governance charter of the Company. In accordance with article 7:89/1, §5 of the BCCA, the Company may temporarily derogate from this remuneration policy in exceptional circumstances. These exceptional circumstances cover situations in which the derogation is necessary to serve the long term interests and sustainability of the Company as a whole or to assure its viability. Such derogation requires the approval of both the nomination and remuneration committee and the Board. The remuneration report relating to the relevant financial year will include information on any derogation, including its justification.

9.1.3 BOARD OF DIRECTORS

The level and structure of the remuneration of the members of the Board are determined based on their general and specific responsibilities and market practice.

9.1.3.1 Independent directors

The remuneration of independent directors consist of a fixed remuneration and is composed of a cash remuneration and a share based remuneration.

Cash remuneration: It includes a fixed cash remuneration which varies depending on whether the director also acts as chairperson of the Board or a committee. The remuneration of independent directors is determined based on their general and specific responsibilities and market practice.

neration can be reduced pro rata temporis depending on the duration of the mandate during a given year.

Currently the yearly fixed cash remuneration is as follow: 75,000 EUR for the chairperson of the Board and 55,000 EUR for other independent directors. Chairpersonship of a committee entitles the independent director to an additional 10,000 EUR.

Share based remuneration: As part of the remuneration policy, the Board decided to propose to the general shareholders meeting on April 15, 2022, the approval of an additional annual share component to the remuneration of independent directors. This will be in the form of newly issued shares in respect of which the relevant directors will have an obligation to subscribe at value i.e. 1 EUR per share (independent of the value of the share at that time) (“share units” where each share unit represents the obligation of the relevant director to subscribe to one new share of the Company) .

The number of share units proposed to be granted for 2022 is 1,500 for the chairperson of the Board and 1,250 for other independent directors. As from 2023, the number of share units that will be granted yearly will be calculated as follows:

(i) for the chairperson of the Board : 10,500 divided by the average closing price of the Biotalys share on Euronext Brussels during the month of March of the relevant year and (ii) for other independent directors: 8750 divided by the average closing price of the Biotalys share on Euronext Brussels during the month of March of the relevant year. Fractions of shares will be disregarded.

The new shares will be issued under the authorised capital of the Company. If the Company does not have authorised capital available, the Company reserves the right to deliver existing shares (if it can proceed to purchase its own shares under company law) or to compensate them in cash (i.e. a cash amount equal to the closing stock price of the shares to be delivered under the share units at the time the shares should have been issued minus the subscription amount).

The basic characteristics of the share units are as follows:

- The share units are not shares (i.e. they do not grant voting rights, preferential subscription rights or other membership rights to the holder);
- They are not transferable;

- Share units only vest over a three-year period and as long as the director is still in office (1/3 each year after granting) except in the event of death or an exit (merger or other corporate law reorganisation, sale of substantially all assets of the Company, takeover bid with change of control) where immediate vesting applies.
- Share units that have not vested shall lapse.
- The vesting is not linked to any performance criteria and the remuneration in share units is therefore fixed remuneration. The share units also create an obligation for the director to subscribe i.e. it is not an option leaving discretion with the director whether or not to exercise.
- The underlying new shares will only be effectively issued after a period of three years from the grant of the share units.

The issue of share-units is designed to align the remuneration policy of the Company in respect of independent directors with provision 7.6 of the Belgian Code on Corporate Governance. It should be noted that the share-units are not entirely equivalent to a share (no voting rights, no preferential subscription rights or other membership rights), however, in the opinion of the Company, the share-units meet the objectives provided for in provision 7.6 of the Belgian Code on Corporate Governance. Pursuant to article 7:91 of the BCCA and provisions 7.6 and 7.11 of the Belgian Code on Corporate Governance, shares or options on Shares should not vest and be exercisable within three years as of the grant thereof. The Board has been explicitly authorized in the Articles of Association to deviate from this rule. This authorization is explained by the fact that this allows for more flexibility when structuring share-based awards. For example, it is customary for share incentive plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This is the case for the proposed share-units granted to the independent directors which vest on a yearly basis. The Company believes that such share incentive plans and other remuneration and other practices provide for sufficient orientation of the beneficiaries to the creation of long-term value for the Company.

Relative weighting of each remuneration component

Fixed Cash Amount	80-90%
Share Units	10-20%

9.1.3.2 Non-independent non-executive directors

Non-executive directors that are not independent directors are not entitled to a remuneration in cash. They also do not receive any share-based compensation. This is not in line with provision 7.6 of the Belgian Code on Corporate governance which requires that board members should receive a part of their remuneration in shares. The Company takes the view that as long as the non-independent non-executive directors are linked to important shareholders of the Company, their interest are sufficiently aligned without the requirement to give additional remuneration to these directors.

9.1.3.3 Non-executive directors

Apart from the above remunerations, the Company also reimburses reasonable out of pocket expenses of directors (including travel and accommodation expenses) incurred in performing the activity of director. Without prejudice to the powers granted by law to the general shareholders' meeting, the Board sets and revises the rules for reimbursement of directors' business-related out of pocket expenses.

Non-executive directors are not entitled to any pension or early retirement scheme provided by the Company.

9.1.3.4 Executive directors

The directors who are also a member of the executive management are remunerated for the executive management mandate (see section 9.1.4 - Executive Management), but not for their director mandate.

9.1.3.5 All directors

Directors are not entitled, in their capacity of director, to any kind of performance cash bonus or variable remuneration. Directors are also not entitled to any kind of compensation when their mandate ends.

Furthermore, the Company has implemented directors' and officers' insurance coverage in order to cover liability they may incur in the exercise of their functions.

9.1.4 EXECUTIVE MANAGEMENT

It is reminded that the Board is explicitly authorised in the articles of association to deviate from the principles set out in article 7:91 of the BCCA.

Article 25 of the articles of association states the following:

“The time requirements as stipulated in article 7:91 of the Belgian Code of Companies and Associations regarding the vesting or exercise of shares, share options or any other rights to acquire shares by directors are not applicable and the board of directors may, by way of remuneration, grant to directors shares, share options and any other rights to acquire shares that are vested or can be exercised earlier than three years after their grant. This does not require the express authorisation of the general meeting. The provisions of article 7:91 of the Belgian Code of Companies and Associations relating to linking ¼ of the variable remuneration of executive directors to predetermined and objectively measurable performance criteria over a period of two years and ¼ over a period of three years, are not applicable and the board of directors may deviate from them without the prior express approval of the general meeting”

The remuneration of the members of the ExCom consist of (i) a fixed remuneration, (ii) as short term incentive, a variable remuneration in the form of a cash bonus determined depending on the overall Company's performance and individual performance (apart from the CEO whose variable remuneration is solely based on the Company's performance as a whole), (iii) as long term incentive, stock options under the long term incentive plans of the company, (iv) group/hospital insurances and other benefits.

- Fixed remuneration: the fixed remuneration is determined by the Board on recommendation of the nomination and remuneration committee and is reviewed on a yearly basis. The review takes into account the market in which the Company is operating and the Board regularly involves external consultants to perform a benchmark review.
- Variable cash bonus: as a short term incentive, each of the members of the ExCom is eligible to obtain a cash bonus depending on the performance of the Company and his or her individual performance. The goals towards which the performance of the Company are measured are set at the beginning of each year by the Board on recommendation of the nomination and remuneration committee. The goals are reviewed each year and are set in such a way that they cover a number of key areas for the Company i.e. finance, operational progress, business development and human capital. The individual performance of each member of the ExCom is decided upon by the Board upon recommendation of the nomination and remuneration committee. The latter takes into account the manner in which the ExCom member has contributed towards the achievement of the corporate

goals, the engagement and taking of responsibility of the ExCom member and the development of relevant competences and skills. Bonusses may also be linked to special projects. As stated above, the performance level of the CEO is set at the performance of the Company overall.

- Stock Options under the Company's long term incentive plans: the purpose of the stock option plan is to remunerate the beneficiaries for their contribution to the long-term value creation. The Board decides on the granting of stock options to members of the executive committee based on the recommendation of the nomination and remuneration committee and may link the grant or the vesting to performance criteria which will be confirmed in accordance with article 7:90 BCCA.
- Insurances and other benefits: Each member of the executive management who is a salaried employee may be entitled to a number of fringe benefits, which may include participating in a defined contribution pension or retirement scheme, disability insurance, a company car, a mobile telephone, internet access and/or a laptop computer according to general Company policy, and other collective benefits (such as hospitalisation insurance and meal vouchers). Executive members who are engaged on the basis of a services contract do not receive fringe benefits, except that they may be provided with a mobile phone and laptop computer and they qualify for reimbursement of expenses incurred while carrying out their professional responsibilities.

Relative weighting of each remuneration component	
Fixed base salary	45-55%
Cash bonus	20-35%
Stock Options	10-20%
Insurance	7-10%
Other benefits	1%

9.1.5 CONSIDERATION OF PAY AND EMPLOYMENT CONDITIONS OF EMPLOYEES

The Company wants to attract talented employees who combine expertise and passion for its business and strive to make the business grow, taking into account the governance and working procedures the Company has put in place.

The standards that are used to determine the remuneration policy of the members of the executive committee are also applied to the other staff members. Similarly as for members of the executive committee, the remuneration for staff members is composed of a (i) a fixed remuneration, (ii) variable remuneration in the form of a cash bonus determined depending on the overall Company's performance and individual performance, (iii) stock options under the long term incentive plans of the company, (iv) group/hospital insurances and other benefits.

A yearly target setting and appraisal cycle, defines the targets for each employee. A formal year end appraisal process assesses the targets and actual results for all employees, which may lead to a variable remuneration, based on this process. The nomination and remuneration committee takes into account the compensation of the employees when preparing the remuneration policy applicable to the directors and the members of the executive management. Particularly, the nomination and remuneration committee discusses and assesses key areas of remuneration policy for the wider workforce throughout the year, the annual bonus pool and resulting pay outcomes for employees across the workforce and any material changes to the structure of workforce compensation.

9.1.6 CRITERIA FOR THE AWARD OF VARIABLE REMUNERATION

The criteria for the award of variable remuneration are, to the extent possible, of a quantitative nature. Each year the Board, upon recommendation and proposal of the nomination and remuneration committee, determines the criteria and parameters to be applied on the variable remuneration.

As mentioned, the applied criteria to determine the variable remuneration of the members of the executive management are set in such a way that they cover a number of key areas for the Company i.e. finance, operational progress, business development and human capital. Within each of these areas, specific goals will be set by the Board upon recommendation of the nomination and remuneration committee taking into account the long term strategy of the Company. This will include the board-approved annual budget, as well as measurable operational targets, such as showing entrepreneurship and leadership, respecting the Company's governance and agreed processes and procedures, business development (e.g. entering into value creating partnerships),

feeding the pipeline of projects, field trial progression, implementation of the go-to-market strategy, obtaining external visibility (via peer reviewed and corporate publications, within the media, at conferences, ...), employee wellbeing, delivering projects on time, implementing quality plans on defined topics, improving business, financial, control or support processes, managing and improving sustainability aspects of the business (being it environmental, social or governance wise) as well as ensuring long term financial viability of the organization.

The aforementioned criteria may change on a year-to-year basis. The metrics and the relative weight attributed to each of them are set by the Board annually, taking into account the Company's strategic priorities. In setting out the metrics and the relative weight attributed to each of them, the Board will base itself on audited figures or other objective measurable elements. The variable cash bonus paid out to the members of the executive management is awarded unconditionally and is not subject to any vesting mechanisms. Each year, upon recommendation and proposal of the nomination and remuneration committee, the Board decides on the objectives of the executive management for the coming financial year and evaluates their performance for the period ending, in conformity with the procedure currently in place. This performance evaluation is also used to determine the variable part of their annual remuneration.

In accordance with provision 7.12 of the 2020 Code, the Board should include provisions that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. The Company believes that this provision of the 2020 Code is not appropriate and adapted to take into account the realities of companies in the AgTech industry. The ESOP warrant plans set up by the Company do however contain bad leaver provisions that can result in the share options, whether vested or not, automatically and immediately becoming null and void. Notwithstanding the Company's position that ESOP Warrants are not to be qualified as variable remuneration (when not depending on performance criteria), the Board is of the opinion that such bad leaver provisions sufficiently protect the Company's interests and that it is therefore currently not necessary to provide for additional contractual provisions that give the Company a contractual right to reclaim any (variable) remuneration from the members of the executive management. For that reason, there are no contractual provisions in place between the Company and the members of the executive management that give the Company a contractual right to reclaim from said executives any variable remuneration that would be awarded.

9.1.7 SHARE-BASED REMUNERATION

The Company may from time-to-time award share options (in the form of subscription rights) to the executive management, at the discretion of the Board. On the date of this remuneration policy, the Company has the following outstanding plans:

- (i) ESOP warrants that were granted to employees, consultants and directors of the Company pursuant to the ESOP 2017 plan (the "ESOP 2017 Warrants").
- (ii) ESOP warrants that were granted to employees, consultants and directors of the Company or an affiliated company pursuant to the ESOP 2020 plan (the "ESOP 2020 Warrants").
- (iii) ESOP warrants that were granted to employees, consultants and directors of the Company or an affiliated company pursuant to the ESOP 2021 plan (the "ESOP 2021 Warrants").

The ESOP 2017 and 2020 Warrants are subscription rights to profit certificates that convert into shares of the Company upon exercise at a ratio of 2:1. The ESOP 2021 Warrants are subscription rights to shares of the Company at a ratio of 1:1.

The number of ESOP Warrants offered to each of the beneficiaries is freely determined by the Board, acting upon the recommendation of the nomination and remuneration committee.

The granting or vesting of share options may depend on variable objectives or performance criteria in line with the criteria that apply for the variable cash bonus.

The Company may launch new long term incentive plans in the future for the grant of stock options to its employees, directors and consultants. Such new long term incentive plans will be similar in all material respect to the ESOP 2021 plan.

The Company believes that the granting of stock options is an important element to attract and retain key personnel to implement its strategy. Furthermore, equity-based compensation creates an incentive for the staff to pursue long-term value creation which is key for the strategy of the Company.

9.1.8 AGREEMENTS WITH THE MEMBERS OF THE BOARD AND THE EXECUTIVE COMMITTEE

9.1.8.1 Non-executive directors

Each non-executive director exercises its mandates as self-employed workers vis-à-vis the Company. The relationship is based on the appointment of the non-executive director by the general meeting and is confirmed in an appointment letter that is accepted by the director.

According to the articles of association of the Company, the term of a directors' mandate cannot exceed four (4) years, but may be renewed. The directors' mandates may be terminated "ad nutum" (at any time) without any form of compensation.

There is no specific agreement between the Company and non-executive directors which waives or restrains this right of the Company to terminate "ad nutum" (at any time) the mandates of the non-executive directors.

9.1.8.2 Executive managers

In accordance with provision 7.12 of the Belgian Code on Corporate Governance, the Board approves, upon recommendation and proposal of the nomination and remuneration committee, the main terms and conditions of the contracts of the chief executive officer and the other members of the executive management.

Currently, all the members of the executive management are engaged on the basis of an employment agreement or consultancy agreement.

The employment agreements are for an indefinite term.

The employment agreements and consultancy agreements include, where appropriate, non-competition undertakings, as well as confidentiality and IP transfer undertakings that will try to seek maximum protection of the Company's interests, under applicable laws.

The Company hired Mr. Patrice Sellès, acting in the role of Chief Executive Officer, effective as of 1 July 2019. The executive employment agreement with Mr. Patrice Sellès provides that if the Company terminates the employment agreement without cause or if Mr. Patrice Sellès resigns for good reason, Mr. Patrice Sellès shall be eligible to receive as severance an amount equal to six months of base salary in effect at the time of the separation. In addition, the Company has the right, exercisable at any time, to terminate

the executive employment agreement with immediate effect for cause (as defined in the employment agreement) by providing written notice.

The Company hired Mr. Luc Maertens, acting in the role of Chief Operations Officer, effective as of 6 November 2019. The executive employment agreement with Mr. Luc Maertens provides that each party may terminate the agreement with a notice period of 6 months without having to provide any reason for such termination. If the Company gives notice, it may decide that it does not require Mr. Luc Maertens to perform his duties during the entire notice period. In such a case, compensation will be due to Mr. Luc Maertens related to the non-performed notice period. In addition, each Party has the right to terminate the executive employment agreement with immediate effect for cause (as defined in the employment agreement).

The Company hired Mr. Wim Ottevaere (acting through Wiot BV), in the role of Chief Financial Officer, effective as of 1 July 2020 for a period of two years. The consultancy agreement provides that each party may terminate the agreement with a notice period of 6 months without having to provide any reason for such termination. If the Company gives notice, it may decide that it does not require Wim Ottevaere (acting through Wiot BV) to perform his duties during the entire notice period. In such a case, compensation will be due related to the non-performed notice period. In addition, each Party has the right to terminate the executive employment agreement with immediate effect for cause (as defined in the consultancy agreement).

Biotalys Inc., hired Mr. Patrick McDonnell in the role of Chief Business Officer, effective as of 4 October 2021. The executive employment agreement with Mr. Patrick McDonnell provides that each party may terminate the agreement with a notice period of 60 days without having to provide any reason for such termination. If the Company gives notice, it may decide that it does not require Mr. Patrick McDonnell to perform his duties during the entire notice period. In such a case, compensation will be due to Mr. Patrick McDonnell related to the non-performed notice period. In addition, each Party has the right to terminate the executive employment agreement with immediate effect for cause (as defined in the employment agreement).

9.1.9 PENSION AND EARLY RETIREMENT SCHEME

Members of the ExCom are entitled to participate in a retirement scheme in the form of an individual pension commitment with a defined contribution system. The Board may deviate from this and not grant any pension or early retirement scheme in respect of members of the ExCom that work through a consultancy agreement. For Mr. Wim Ottevaere (acting through Wiot BV) as consultant no pension and early retirement scheme is provided.

9.1.10 DECISION MAKING PROCESS

The Board, upon recommendation and proposal of the nomination and remuneration committee, validates the remuneration policy and proposes the remuneration policy to the ordinary general shareholders' meeting for approval.

The Board assesses, on a yearly basis, if the remuneration policy needs to be adapted. The nomination and remuneration committee assesses on a yearly basis if all elements of the remuneration policy are in line with the strategic objectives of the Company and proposes improvements to the Board, where deemed appropriate. As mentioned in the Company's Corporate Governance Charter, the directors (thus members of the nomination and remuneration committee, or of any other concerned advisory committee) should act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. Each board member should, in particular, be attentive to conflicts of interests that may arise between the Company, its board members, its significant or controlling shareholder(s) and other shareholders. The board members who are proposed by significant or controlling shareholder(s) should also ensure that the interests and intentions of these shareholder(s) are sufficiently clear and communicated to the Board in a timely manner.

9.2 Remuneration Report

9.2.1 INTRODUCTION

This remuneration report was prepared in accordance with Article 3:6, §3 of the BCCA ("Remuneration Report").

In accordance with Article 7:89/1 of the BCCA, the remuneration committee also applied itself to the preparation of the remuneration policy, which will be submitted for approval to the general meeting of April 15, 2022. The remuneration policy, which is included in its entirety in the annual report (see section 9.1 - Remuneration Policy), will apply to the financial years 2022 through 2025. The Remuneration Report gives an overview of the remuneration as applied in the financial year 2021.

On March 10, 2022, the remuneration committee discussed the draft remuneration report, which constitutes a specific part of the Corporate Governance Statement in the annual report, and ensured that the draft report contains all the information required by law. It should be noted that, as the Company only became a listed Company on 2 July 2021, no remuneration policy in the sense of article 7:89/1 was available with respect to the remuneration granted in 2021.

In the absence of a remuneration policy, this Remuneration Report does not contain any information regarding deviations from the remuneration policy.

9.2.2 BOARD OF DIRECTORS

During the financial year 2021 the remuneration of the current independent directors consisted exclusively of a fixed remuneration in cash. Since this remuneration is not linked to the Company's or the director's performance, this remuneration needs to be considered as fixed remuneration. Non-independent non-executive directors did not receive a remuneration. Also the executive director, did not receive a remuneration on the basis of his directorship.

The remuneration of the directors in 2021 was as follows:

Name	Remuneration				Total
	Chairperson	Director	Chairperson Audit Committee	Chairperson Nomination and Remuneration Committee	
Simon E. Moroney	53,024	-	-	7,070	60,094
Johan Cardoen(*)	-	-	-	-	-
Markus Heldt	-	26,909	-	-	26,909
Catherine Moukheibir	-	29,486	5,361	-	34,847
Pieter Bevernage	Not remunerated				
Patrick Van Beneden	Not remunerated				
Patrice Sellès	Not remunerated as a director				

(*) The Board proposes to the general meeting of 15 April 2022, that Johan Cardoen will receive a cash remuneration for its role as independent director in 2021, equivalent to the remuneration applied for other independent directors.

Each non-executive director is entitled to reimbursement of costs incurred in connection with the performance of his or her duties as a director subject to appropriate substantiation thereof.

With respect to the directors that resigned in 2021, the following applied:

Inno Tune BV (permanently represented by Mr. Lieven De Smedt), as chairperson of the Board until 16 April 2021 received a fixed remuneration of 35,150 EUR and a special bonus payment of 50,000 EUR. Nomad Technology Consulting LLC (permanently represented by Mr. Adrian Percy), received a fixed remuneration of 12,500 EUR.

Mr. Koen Quaghebeur, Sofinnova Partners SAS (permanently represented by Mr. Denis Lucquin) and Mr. Luc Bastanie did not receive any remuneration.

9.2.3 EXECUTIVE COMMITTEE

9.2.3.1 Overview

The remuneration of the members of the ExCom consist of (i) a fixed remuneration, (ii) variable remuneration in the form of a cash bonus determined depending on the overall Company's performance and individual performance, (iii) stock options under the long term incentive plans of the company, (iv) group/hospital insurances and other benefits. Furthermore, as a result of the completion of the IPO, a special IPO bonus was granted to certain members of the ExCom.

The table below shows the remuneration received by Mr. Patrice Sellès (individually) and the other members of the ExCom (in aggregate) in respect of their mandates in 2021. It is reminded that only Mr. Patrice Sellès is entrusted with the day-to-day management of the Company.

Patrick McDonnell was appointed as of 4 October 2021 and his remuneration is paid by Biotalys Inc other than ESOP Warrants which are granted by Biotalys NV. Wim Ottevaere is acting through Wiot BV. In accordance with the consultancy agreement with Wiot BV, 150,000 ESOP 2020 Warrants vested as a result of the completion of the IPO in July 2021. The amounts include remuneration for Hilde Revets for the period until she left the Company on 17 September 2021 and her severance agreement.

	Chief executive officer (€)	Other members of the Executive Committee (€)
Fixed Remuneration	225,000	529,682
One-year variable remuneration	82,917	88,554
IPO	150,000	135,000
Pension plan	19,454	35,374
ESOP Warrants (*)	293,452	281,204
Insurances	5,162	9,455
Severance(**)	-	51,613
Other	-	25,760
Total Remuneration	775,985	1,156,643
Proportion of fixed remuneration in total remuneration (***)	70%	81%

(*) The ESOP Warrants that vested in 2021 were valued based on the Black & Scholes value as of the grant date.

(**) Of the total Severance amount, €25,000 has been paid in 2021 and €26,613 will be paid in 2022.

(***) Taking into account the ESOP Warrants vested in 2021 as fixed remuneration (as none are linked to performance criteria).

9.2.3.2 ESOP Warrants

9.2.3.2.1 Overview

In accordance with the remuneration policy that is proposed for approval to the general meeting on 15 April 2022, stock options may be granted on a yearly basis to the members of the ExCom and vesting thereof may be dependent on performance criteria.

The table below provides an overview of the total number of ESOP Warrants for each member of the Executive Committee for the year ending 31 December 2021.

Name	Main Conditions of the Plan						Number of Share Options Granted and Vesting Status				
	Plan	Award Date	End of Vesting Period	Exercise Period	Exercise Price of the Option	Cummulative Share Options Granted	Vested prior to 2021	Vested during 2021	Unvested at year end		
Patrice Sellès	ESOP 2020	(**)	9/03/2020	31/03/2024	1/01/2024	15/10/2027	€ 1.2854	750,000	-	328,125	421,875
Luc Maertens	ESOP 2017	(**)	29/06/2017	30/06/2021	1/01/2021	15/04/2027	€ 0.820134	420,000	367,500	52,500	-
	ESOP 2017	(**)	21/06/2018	30/06/2022	1/01/2022	15/04/2027	€ 0.820134	100,000	62,500	25,000	12,500
	Subtotal							520,000	430,000	77,500	12,500
Wim Ottevaere (*)	ESOP 2020	(**)	23/07/2020	30/06/2022	1/01/2024	15/10/2027	€ 1.2854	300,000	37,500	225,000 (***)	37,500
	ESOP 2021		13/10/2021	31/10/2025	1/01/2025	15/04/2031	€ 6.6200	15,000	-	-	15,000
	Subtotal							315,000	37,500	225,000	52,500
Patrick McDonnell	ESOP 2021		13/10/2021	31/10/2025	1/01/2025	15/04/2031	€ 6.6200	125,000	-	-	125,000
Hilde Revets	ESOP 2017	(**)	21/06/2018	17/09/2021	1/01/2022	15/01/2022	€ 0.820134	39,583	31,250	8,333	-
	ESOP 2020	(**)	9/03/2020	17/09/2021	1/01/2024	15/01/2024	€ 1.2854	35,417	-	35,417	-
	ESOP 2020	(**)	5/10/2020	16/03/2022	1/01/2024	15/01/2024	€ 1.2854	25,000	-	-	25,000
	Subtotal							100,000	31,250	43,750	25,000
	Total							1,810,000	498,750	674,375	636,875

(*) Acting through Wiot BV

(**) Share options held/granted/vested under the ESOP 2017 and ESOP 2020 plans each convert into shares of the Company at a 2:1 ratio upon exercise.

(***) In accordance with the consultancy agreement with Wiot BV, 150,000 ESOP 2020 Warrants vested as a result of the completion of the IPO in July 2021.

Inno Tune BV (permanently represented by Lieven De Smedt) held 144,444 ESOP 2017 Warrants that had fully vested in 2020. All Warrants held by Inno Tune BV were exercised during 2021 resulting in the issuance of 72,222 ordinary shares after the 2:1 conversion ratio was applied. Nomad Technology Consulting LLC (permanently represented by Adrian Percy) was granted 50,000 ESOP 2017 Warrants. As of 31 December 2021, 38,542 Warrants have vested and no Warrants have been exercised.

9.2.3.2.2 Key features of the ESOP Warrants

The key features of the various share option plans are largely the same, and can be summarized as follows:

Grant:

- ESOP 2017: Warrants could be granted to an employee, consultant or director of the Company.
- ESOP 2020/ESOP 2021: Warrants could be granted to an employee, consultant or director of the Company or an affiliated company (including, as the case may be, persons acting as representatives of a company with which the Company (or an affiliated company) has entered into a consultancy agreement or which assumes a directorship in the Company (or an affiliated company)).

Form of share options:

Registered form.

Transfer of share options:

Unless under certain specific conditions (including transfer by the participant-legal entity to its manager), the Warrants are not transferable inter vivos once they have been granted.

Number of shares to be issued upon exercise of share option:

- ESOP 2017/ESOP 2020: Each Warrant can be exercised for one new profit certificate which convert into new shares of the Company at a 2:1 ratio.
- ESOP 2021: Each Warrant can be exercised for one new share of the Company.

Consideration:

Each Warrant is granted for free, i.e. no consideration is due upon the grant of the Warrants.

Expiration:

- The ESOP 2017 Warrants expire and cannot be exercised after ten years after the issue of the ESOP 2017 Warrants.
- The ESOP 2020 Warrants expire and cannot be exercised after 31 December 2027.
- The ESOP 2021 Warrants expire and cannot be exercised after ten years following their issuance or such shorter term as the Board may determine at the time of grant.

Vesting:

Warrants shall vest over a period of four years, whereby (i) 25% of the Warrants granted to and accepted by a participant shall be deemed definitively vested after one year of the date of the offer, (ii) the balance as from the end of the first month following the first anniversary of the offer, vest in equal monthly installments.

ESOP 2020/ESOP 2021: The basic vesting scheme of the Warrants can be modified by the Board in a fully discretionary manner and it may also decide, at its sole discretion, to accelerate or otherwise modify a previously determined vesting schedule.

Exercise:

On the condition that the ESOP Warrants are vested, the ESOP Warrants can be exercised during the first fifteen days of each quarter and this at the earliest as from the beginning of the fourth calendar year following the calendar year in which the offer of the ESOP Warrants has taken place until the last quarter within the term of the ESOP Warrants, unless the Board decides otherwise in certain circumstances.

Termination:

As further set forth in the Warrant plan, in case of a termination of the relationship between the participant and the Company, the exercise period and/or vesting period of the Warrants and the validity of vested Warrants may vary depending on the circumstances under which the relationship between the participant and the Company is terminated (e.g. due to serious cause, breach of contract or bankruptcy or serious default, death, retirement, invalidity).

Terms and conditions:

The terms and conditions can be amended or supplemented per participant and are governed by the laws of Belgium.

9.2.4 SEVERANCE PAYMENT

Mrs. Hilde Revets, Chief Scientific Officer, left the Company on 17 September 2021. The Board on recommendation of the nomination and remuneration committee decided to apply the existing employment agreement between the Company and Mrs. Revets entitling Mrs. Revets to a severance payment of six months.

The Board further agreed that 25,000 of the previously granted 100,000 ESOP 2020 Warrants would vest as of the end of the notice period, subject to certain conditions.

9.2.5 USE OF RIGHT TO RECLAIM

The Company does not have any right to reclaim variable remuneration, hence the Company did not use such right in 2021.

9.2.6 DEROGATIONS FROM THE REMUNERATION POLICY

As set out in the above in this remuneration report, the Company did not yet have a remuneration policy as provided for in 7:89/1 of the BCCA . The Company applied its existing guidelines (as a non-listed company) on remuneration. The remuneration of the Board members and the members of the ExCom have been described in the prospectus dated 22 June 2021. With respect to the remuneration of independent directors, the Board proposes to the general meeting to allocate share-units as part of the fixed remuneration. The Board also proposes to the general meeting to grant a yearly cash remuneration to Mr. Johan Cardoen (as independent director) similar as to the other independent directors. The cash remuneration will apply since 5 July 2021, the date of nomination of Mr. Johan Cardoen as independent director.

9.2.7 EVOLUTION OF THE REMUNERATION AND THE PERFORMANCE OF THE COMPANY

As the Company only became a listed company in 2021, the Company was not under an obligation to provide a Remuneration Report for the period prior to 2021. The Company does not have readily available the information related to previous financial years that is required to allow a comparison with previous financial years. Therefore, this remuneration report includes the information related to 2021 only. As from next year, the remuneration report will start to include information relating to years prior to the reported year (with the year 2021 being the earliest year in the comparison).

9.2.8 YEARLY PERFORMANCE OF THE COMPANY

With respect to 2021, the Company used a number of performance criteria that determined the variable cash bonus of the members of the executive committee. These

performance criteria included: the conclusion of a distribution deal for Evoca™, the reduction of production costs for Evoca™, the conclusion of an R&D agreement with a major player in the agrotech field, the Company being recognized as a 'great place to work', demonstrate commercial potential of pipeline products, strengthening of IP portfolio, R&D efficiency increase and progress on the regulatory process of Evoca™ as well as the long term financing of the Company through a successful IPO. Each of these performance criteria obtained a weighting going from 20% to 5% and the (partial or over) achievement of the performance criteria was decided upon by the Board on proposal of the nomination and remuneration committee.

9.2.9 YEARLY AVERAGE REMUNERATION OF THE EMPLOYEES OF THE COMPANY

Average remuneration of employees on a full-time equivalent basis 2021 is € 108,259.

9.2.10 RATIO HIGHEST AND LOWEST REMUNERATION

Highest remuneration to members of the ExCom	€ 775,985
Lowest remuneration (in full time equivalent) of the employees	€ 34,062
Ratio highest remuneration/lowest remuneration	22.78