

remuneration report

For the evaluation of the remuneration of the Management Board in 2021, the Supervisory Board takes into account the short-term company performance for 2021 and the long-term Aalberts non-financial objectives and financial objectives 2018-2022.



For further details of Aalberts' performance, reference is made to the report of the Management Board.

The Supervisory Board is satisfied that the Management Board has delivered solid short-term results and long-term value creation for Aalberts' stakeholders during 2021. Overall, Aalberts is well positioned to execute its updated strategy Aalberts 'accelerates unique positioning' and to drive long-term sustainable profitable growth.

amendment to the remuneration policy of the Management Board

In 2021, the Supervisory Board, upon recommendation of the Remuneration, Selection and Appointment Committee (**RemCo**), proposed to revise the remuneration policy of the Management Board. The General Meeting's advisory vote on the remuneration report 2019 and opinions of stakeholders were taken into account for the review of the remuneration policy as

adopted in 2020 and proposal to update it. Compared to the 2020 policy, the proposed amendment of the remuneration policy of the Management Board related to the long-term incentives (**LTI**); to make the vesting of the performance shares also subject to the achievement of the Return On Capital Employed percentage (**ROCE %**) over the performance period, besides the achievement of the company's average growth of earnings per share before amortisation (**EPS**).

voting results at the General Meeting

During the Annual General Meeting on 27 May 2021 (**AGM 2021**):

- the revised remuneration policy of the Management Board was adopted by a majority vote of 97.4%;
- the advisory vote on the remuneration report 2020, relating to the implementation of the remuneration policy 2020, was adopted with a majority vote of 52.4%.

Following the voting behaviour in the AGM 2021 regarding the advisory vote on the remuneration report 2020 (for 52.4%, against 47.6%), the company entered into an open dialogue with its stakeholders on the contents of the remuneration report. To address the most discussed topic in this dialogue, more insight and transparency on the performance criteria for the STI is provided in this remuneration report. The RemCo believes that a sound balance has been found between the request for transparency by shareholders and the company's hesitation to disclose commercially sensitive information, as disclosure of such information may not be in the interest of Aalberts and all its stakeholders.

remuneration policy of the Management Board

The remuneration policy of the Management Board supports the company's purpose, values, strategy and objectives. Aalberts is where technology matters and real progress can be made. Humanly, environmentally and financially. The remuneration policy encourages the

Management Board to relentlessly execute the Aalberts strategy and objectives by being entrepreneurial, taking ownership, going for excellence in everything they do, sharing knowledge to learn fast, continuously improving and innovating and acting with integrity. Aalberts strives for sustainable profitable growth and to continuously improve business results, while integrating sustainability in its strategy and taking responsibility for human and environment. Taking this into account, the remuneration structure for the Management Board is aimed at the best possible balance between the company's short-term results and its long-term objectives. The objective of the remuneration policy is to recruit, motivate and retain qualified and experienced directors with industry experience for the Management Board. The best qualified talent is necessary to continuously improve company performance and create long-term value with mission-critical technologies. Meanwhile the public context around remuneration is acknowledged and the interests of all Aalberts' stakeholders are recognised.

Annually, the RemCo reviews the total remuneration of the Management Board members, as well as each remuneration component of their package, such on behalf of the Supervisory Board. In doing so, the RemCo takes the remuneration objectives and principles as reflected in the remuneration policy into account.

The total remuneration of the Management Board members comprises the following components:

- a fixed base salary;
- a pension plan;
- variable remuneration in cash for achievements in the short-term (one year); and
- value remuneration in shares for achievements in the long-term (three years).

The aim is to achieve a good balance between fixed and non-fixed remuneration and short-term variable and long-term value remuneration.

fixed and variable remuneration of the Management Board

The aggregate fixed and variable remuneration of the members of the Management Board for 2021 amounted to EUR 2.6 million (2020: EUR 2.0 million) and is determined in accordance with the remuneration policy. The remuneration of the individual Management Board members split out by component is reflected in the table on page 3.

application remuneration policy

In accordance with the Articles of Association, the remuneration of the Management Board members has been set by the Supervisory Board. The remuneration of the individual Management Board members, including share-based remuneration, is in accordance with the remuneration policy. Scenario analyses have been performed in conformity with the Code and have been taken into account by setting the remuneration.

fixed remuneration

The fixed remuneration of the Management Board consists of a base salary and a pension plan.

base salary

Once a year, the Supervisory Board determines whether, and if so, to what extent the base salary will be adjusted, taking into account developments in the market, the reward structures of peer group companies, the results of Aalberts and the pay ratio within the Aalberts group. The RemCo uses various benchmarks to arrive at an informed position. Medium size and Dutch stock-listed companies included in the AEX and the AMX as well as Dutch and European peer group companies are considered most relevant. The Supervisory Board takes into consideration factors like the size and nature of the company, global presence, nature and complexity of the business and exposure of the Management Board.

pension plan

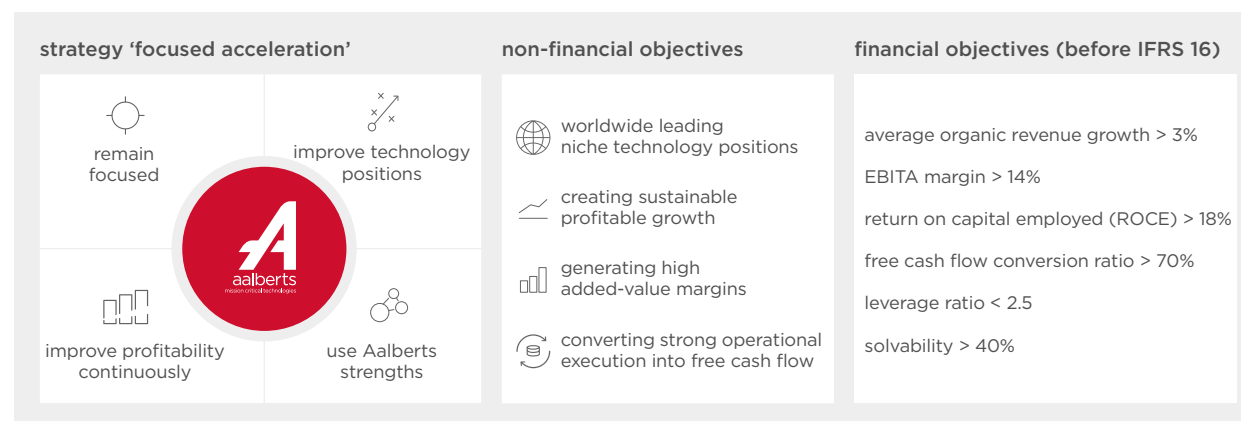
The Management Board members participate in a pension plan (average pay or defined contribution pension plan). The pension plan includes two contribution arrangements, dependent on annual pensionable salary levels:

- basic arrangements for that part of the annual pensionable salary up to EUR 112,189 (2021);
- net surplus arrangement for that part of the annual pensionable salary above EUR 112,189. The employer contributions to this arrangement are made to participants in the form of gross cash compensation subject to tax withholdings, which can be used to fund a voluntary net defined contribution plan. Management Board members pay one-third of the contribution for the basic arrangements.

non-fixed remuneration

The non-fixed remuneration consists of variable remuneration in the form of short-term incentives (STI) and value remuneration in the form of long-term incentives (LTI) and is an important component of the remuneration package. The distribution between the STI and the LTI aims to achieve an optimal balance between short-term result and long-term value creation. The non-fixed remuneration for 2021 relates to the 5-year business plan of Aalberts as reflected in the non-financial and financial objectives 2018-2022 under the strategy 'focused acceleration' 2018-2022. The Aalberts 5-year business plan is based on the plans of the business teams, which are discussed and evaluated each year with the Management Board during the forecast & strategy meetings.

The Aalberts non-financial objectives and financial objectives 2018-2022 (the Aalberts Strategic Objectives) are the following:

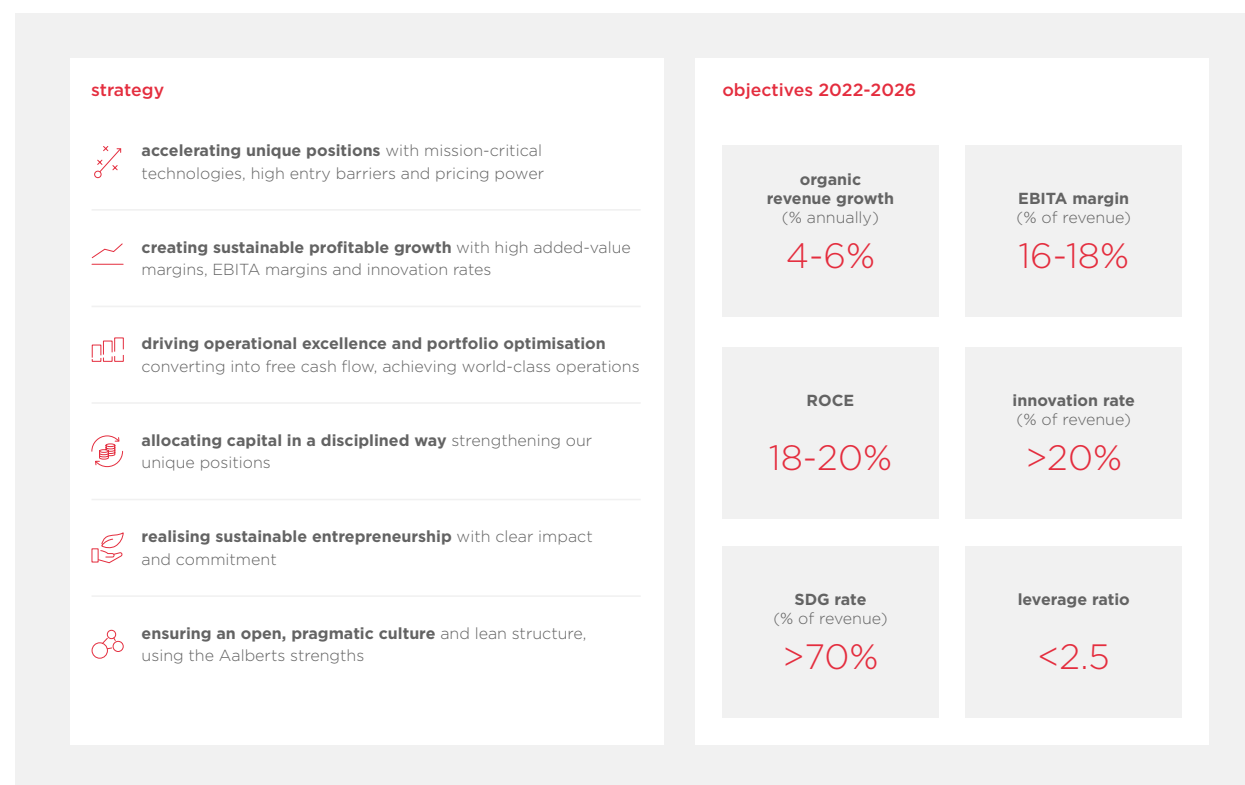


name and position	fixed remuneration	variable remuneration	total fixed and variable remuneration	value remuneration	proportion of variable remuneration (in %)	
	base salary* (in EUR 1,000)	pension plan (in EUR 1,000)	STI* (in EUR 1,000)	LTl** (in number of shares)		
Wim Pelsma (CEO)	820	150	615	1,585	0	38.8
Arno Monincx (CFO)	520	79	390	989	0	39.4
total	1,340	229	1,005	2,574	0	39.0

* The STI is reflected in this table as the STI awarded over the financial year 2021.

** No shares vested in 2021 under the current PSPs.

These Aalberts Strategic Objectives are updated for 2022-2026 in the updated strategy Aalberts 'accelerates unique positioning' as follows:



short-term incentives (STI)

The STI is an important component of the remuneration package to reward short-term performance in line with the long-term Aalberts Strategic Objectives, combined with additional individual non-financial performance objectives. The Supervisory Board sets the yearly financial and non-financial targets, based on the Aalberts strategy & objectives and the yearly updated Aalberts 5-year business plan, at the beginning of each financial year and these are evaluated in a personal conversation after the end of each financial year.

Depending on the level of achievement of the targets, the STI can add from a minimum of 0% up to a maximum of 75% to the base salary. The on-target bonus percentage for the Management Board members is 75% of base salary and will not exceed that percentage in case of above-target performance of some or all of the criteria, except in exceptional circumstances as determined by Supervisory Board. Above-target and under-target performance can be compensated with each other, where 90% is the minimum for under-target performance of the objectives. If all objectives are achieved for a percentage under 90%, the STI will be 0, which endorses the pay for performance principle.

The targets are based on three financial objectives, earnings per share before amortisation (**EPS**), free cash flow (**FCF**) and revenue (**revenue**) and on

non-financial objectives. The non-financial objectives are not specifically disclosed yet, Aalberts is in the process making its overall non-financial objectives more specific and measurable via KPIs.

STI

performance criteria	weighting	target achievement
EPS	32%	above target
FCF	32%	below target
revenue	16%	above target
non-financial objectives	20%	on-target

The Supervisory Board has established the extent to which the STI targets set for 2021 have been achieved by the members of the Management Board as set out above. The achievement of the non-financial objectives is based on personal defined targets and visits of the Supervisory Board to locations in 2021. During these visits, meetings and conversations took place with the business teams and head office leadership on topics relating to the non-financial objectives for 2021. The non-financial objectives for 2021 have been achieved on-target.

The average overall achievement of the financial and non-financial objectives is 100.8%. In accordance, the STI awarded over the financial year 2021 is 75% of the base salary (100.8% multiplied by 75% with a maximum of 75%) and amounts to EUR 1,005k.

long-term incentives (LTI)

The value remuneration in the long-term for performance of Management Board members is in the form of a conditional awarding of shares. Under the Performance Share Plan (**PSP**), shares will conditionally be granted to Management Board members. Vesting of these shares is conditional on the achievement of certain predetermined performance targets at the end of a three-year period. The long-term performance criteria attached to the granting of the performance shares relate to the implementation of the Aalberts Strategic

Objectives over a three-year period (the performance period). The Supervisory Board determines upfront how many shares will be conditionally awarded to the Management Board members.

Under the PSP 2019-2021 the vesting of the performance shares is subject to the achievement of the company's average growth of the EPS over the performance period, in accordance with the vesting schedule as included in the PSP. The vesting schedule reflects that the actual number of performance shares to be released after the performance period can be a number between 0% and 125% of the shares that have been conditionally awarded. The percentage of the conditionally awarded shares that will be released is ten times the percentage of the average annual growth of EPS in the performance period. If for example the average annual growth of EPS in the performance period equals 10%, then 100% of the performance shares will vest and will be released. If the average annual growth of EPS in the period equals 7.5% then 75% of the performance shares will vest and will be released.

Under the PSP 2021-2023 the vesting of the performance shares is subject to the achievement of the company's average growth of the EPS and the ROCE % over the performance period, in accordance with the vesting schedule as included in the PSP. The vesting schedule reflects that the actual number of performance shares to be released after the performance period can be a number between 0% and 125% of the shares that have been conditionally awarded. If the average annual growth of EPS in the performance period equals 10% and the average ROCE % in the performance period equals 17%, then 100% of the performance shares will vest and will be released.

During the financial year 2021, no performance shares vested under a PSP.

Shares awarded conditionally must be held for at least five years (three years vesting period plus two years holding period) or until the end of the employment

contract, if this is sooner. Given this five-year period Management Board members are driven and motivated to contribute to the realisation of the Aalberts Strategic Objectives, creating long-term value creation for the stakeholders of Aalberts. Upon the release of the performance shares, personal tax and social contribution obligations arise for the Management Board members. The holding period of five years does not apply if the shares are sold to pay these tax and social contribution obligations.

Wim Pelsma (CEO) held a total number of 148,125 (2020: 145,125) ordinary shares in Aalberts at year-end. Of this number 29,050 are subject to a holding period of 2 years pursuant to the vesting and release of shares in 2020 under the PSP 2017-2019. The number of conditional performance shares awards that were granted in 2021 (PSP 2021-2023) amounted to 35,000 shares for which EUR 336k was charged to the income statement. It is expected that 125% of the 35,000 shares that were granted in 2019 (PSP 2019-2021) will vest in May 2022 as the average annual growth of the EPS was >12.5%. For those shares EUR 565k (2020: EUR 341k) was charged to the income statement.

Arno Monincx (CFO) held a total number of 18,000 (2020: 18,000) ordinary shares in Aalberts at year-end. Of this number 12,450 are subject to a holding period of 2 years pursuant to the vesting and release of shares in 2020 under the PSP 2017-2019. The number of conditional performance shares awards that were granted in 2021 (PSP 2021-2023) amounted to 20,000 shares for which EUR 192k was charged to the income statement. It is expected that 125% of the 15,000 shares that were granted in 2019 (PSP 2019-2021), will vest in May 2022 as the average annual growth of the EPS was >12.5%. For those shares EUR 242k (2020: EUR 146k) was charged to the income statement.

The total remuneration of the members of the Management Board for 2021, including the amounts charged to the income statement for the LTI, amounted to EUR 3.9 million (2020: EUR 2.7 million).

sustainable profitable growth

The Supervisory Board took note of the individual Management Board members' views with regard to the amount and structure of their own remuneration. Within the framework of the Code and the best practice principles contained therein, the Supervisory Board has implemented the remuneration policy in line with the strategy, long-term value creation objectives, risks and (non-)financial objectives of Aalberts.

The Supervisory Board believes that the total remuneration package is a sound balance to realise the Aalberts Strategic Objectives. The remuneration package encourages the Management Board members to deliver solid results every year and to relentlessly execute the updated strategy 2022-2026 Aalberts 'accelerates unique positioning'.

pay ratio

The average annual employee compensation is calculated by dividing the total Aalberts' personnel expenses specified in note 21 of the financial statements – excluding the LTI of all employees, termination benefits and the total remuneration of the members of the Management Board - by the average number of employees minus the average number of Management Board members.

The average annual Management Board members' compensation is calculated by adding up the amounts of salary, pension contribution and STI of the Management Board members and dividing this aggregate amount by the number of Management Board members.

The pay ratio is defined as the ratio between the average annual employee compensation and the average annual Management Board members' compensation. The pay ratio in 2021 was 23.7 (2020: 20.3).

comparative information

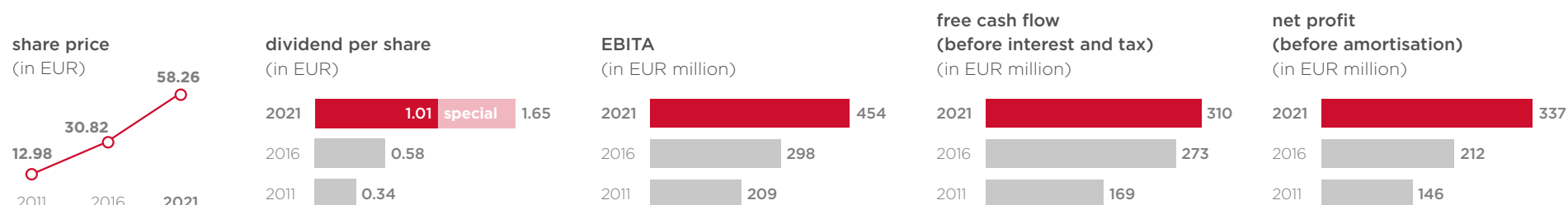
The table below provides information on the annual change of remuneration of each individual member of the Management Board, of the performance of the company and of average remuneration on a full-time equivalent basis of employees of the company other than Management Board members over the five most recent financial years.

	2017		2018		2019		2020		2021	
	fixed and STI (in EUR 1,000)	LTI** (in number of shares)	fixed and STI (in EUR 1,000)	LTI** (in number of shares)	fixed and STI (in EUR 1,000)	LTI** (in number of shares)	fixed and STI (in EUR 1,000)	LTI** (in number of shares)	fixed and STI (in EUR 1,000)	LTI** (in number of shares)
annual change										
W.A. Pelsma (CEO)	1,371	0	1,441	37,500	1,441	0	1,286	29,050	1,585	0
A.R. Monincx (CFO) (as from 1 May 2017)	455	0	794	12,500	815	0	754	12,450	989	0
company performance										
organic revenue growth %	5.5		4.6		1.1		(7.0)		16.0	
EBITA	336		366		363		283*		454*	
EPS	2.15		2.49		2.42		1.81*		3.05*	
FCF	310		312		312		360*		310*	
average remuneration on a full-time equivalent basis of employees										
employees of the group	48.1		49.2		51.4		50.3		54.4	

* before exceptionals.

** LTI is reflected in this table as number of shares vested under a PSP in the relevant financial year.

The KPI and share price development over a 10-years period is as follows:



all figures before exceptionals

miscellaneous

In the context of the Dutch Claw Back Act, the Supervisory Board saw no reason to revise an incentive prior to payment nor to claw back an incentive. There are no specific arrangements for early termination of employment and resignation of the members of the Management Board. Aalberts did not provide any loans to Management Board members.

update

Each year, the Supervisory Board reviews the Management Board remuneration policy and assesses its alignment with the market in more detail.

remuneration policy Supervisory Board

The remuneration policy of the Supervisory Board supports the company's purpose, values, strategy and objectives. The remuneration policy of the Supervisory Board aims to recruit and retain Supervisory Board members with the right expertise and experience. The remuneration policy of the Supervisory Board supports the Supervisory Board to duly execute its duties and responsibilities independently, and, hence, contribute as best as possible to the realisation of the company's strategic objectives, including long term value creation

for the company and its stakeholders. It achieves these objectives by providing remuneration that consists of fixed elements only, with remuneration levels that are sustainable within the level playing field in the Netherlands.

The remuneration policy of the Supervisory Board was updated in 2020 to be in accordance with the Shareholders Rights Directive II. Limited amendments were made and the amounts did not change. The remuneration policy of the Supervisory Board was approved by the General Meeting on 25 June 2020.

The total remuneration of the Supervisory Board members comprises of the following components:

	EUR 1,000
general membership fee	45
committee membership/chairmanship fee	5/10
chairmanship fee	15

remuneration Supervisory Board

The following fixed individual remuneration were paid members of the Supervisory Board in accordance with the remuneration policy. The table also reflects the annual change of remuneration of each individual member of the Supervisory Board over the five most recent financial years. Information on performance of the company and average remuneration of employees is provided on page 5.

The current amounts of the general fee, the committee fees and the chairmanship fee are approved by the General Meeting on 18 April 2017 and effective as per 1 April 2017.

No loans, advances or guarantees have been granted to the members of the Supervisory Board. No options have been granted to members of the Supervisory Board. At year-end there are no members of the Supervisory Board that hold shares in the company.

amounts in EUR 1,000	2021	2020	2019	2018	2017
M.C.J. van Pernis	65	65	65	65	58
J. van der Zouw	55	55	55	55	49
P. Veenema	50	50	50	50	46
A.H. Rinck ¹	45	23			
L. Declercq ²	34	–			
P.A.M. van Bommel ³	12	–			
M.J. Oudeman ⁴	23	55	55	55	39
total	284	248	225	225	

1. appointed AGM 2020

2. appointed AGM 2021

3. appointed EGM 2021

4. till AGM 2021