



This remuneration policy (**Remuneration Policy**) as proposed by the supervisory board (**Supervisory Board**) of Avantium Holding B.V. (**Company**), to be converted into Avantium N.V. prior to settlement of the initial public offering (**IPO**) of shares in the capital of the Company (**Shares**) and admission to listing and trading of the Shares on the regulated market of Euronext Amsterdam N.V. and Euronext Brussels NV/SA (**Listing**), is adopted by the Company's general meeting (**General Meeting**) on [5] October 2016.

Pursuant to the articles of association of the Company, effective (ultimately) as of settlement of the IPO, the Supervisory Board has the authority to determine the remuneration of the individual members of the management board of the Company (**Management Board**), with due observance of the Remuneration Policy. The Remuneration Policy applies to the members of the Management Board, including in their capacity as employee of a subsidiary of the Company (together, the **Group**).

The objectives of the Remuneration Policy are: attracting, motivating and retaining highly qualified executives and rewarding members of the Management Board with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with the Company's long-term strategy.

As of settlement of the IPO the Company will introduce a share option plan (**ESOP**) for all employees, members of the Management Board and senior management (together, **Management Team**) and members of the Supervisory Board to the extent permitted under the Dutch Corporate Governance Code (**Code**), which will replace the "AVANTIUM Option Plan" as adopted by the Supervisory Board on 19 September 2006 (as amended), and a long-term investment plan (**LTIP**) for members of the Management Team.

1 Remuneration framework

Pursuant to the Remuneration Policy, the remuneration of the members of the Management Board will consist of the following components which are discussed in more detail below:

- fixed annual base salary;
- short-term variable pay in cash;
- long-term variable pay in the form of Shares (ESOP and LTIP);
- allowance for pension and fringe benefits; and
- severance payments.

The Company's remuneration committee (**Remuneration Committee**) shall annually develop proposals for the remuneration of individual members of the Management Board for consideration by the Supervisory Board.

Avantium shall not grant any personal loans or guarantees to members of the Management Board.

1.1 Fixed annual base salary

The base salary of the members of the Management Board is set around the median of remuneration levels payable within relevant comparable markets and companies. In this respect, after the after settlement of the IPO the annual base salary of Mr. T.B. van Aken shall amount to €250,500 and the annual base salary of Mr. F.C.H. Roerink shall amount to €224,900.

The annual base salary of the members of the Management Board shall be fixed for a period of one year after settlement of the IPO. The Remuneration Committee shall take note of the views of individual members of the Management Board with regard to the amount and structure of their own remuneration. In this regard, the Management Board members shall pay attention to the objectives of the Remuneration Policy.

1.2 Annual variable remuneration

The objective of the annual variable remuneration (**Bonus**) is to ensure that the members of the Management Board will be focused on realising their short-term operational objectives leading to longer term value creation. The Bonus will be rewarded when predefined targets are realised, while the maximum Bonus may be rewarded in case of outperformance of the predefined targets. If realised performance is below a certain threshold level, no Bonus will be rewarded.

On an annual basis, performance conditions will be set by the Supervisory Board at or prior to the beginning of the relevant financial year. These performance conditions include the Company's financial performance and may also include qualitative criteria related to the Company's and/or individual performance.

The Bonus, if any, will have (i) a cash component of no more than 40% of a Management Board member's annual base salary and (ii) a non-cash component amounting to a percentage equivalent to the cash component which has to be invested in Investment Shares (as defined below).

1.3 Long-term variable remuneration

The objective of the long-term variable remuneration in the form of Shares is to encourage the long-term commitment and retention of (*inter alia*) members of the Management Board. It further drives and rewards sound business decisions for the Company's long-term health, and aligns the Management Board and shareholder interests.

1.3.1 LTIP

The members of the Management Board are obligated to invest the total non-cash component of their (netto) Bonus in (depository receipts for) Shares to be delivered by the Company (**Investment Shares**). 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 5 years. After the end of the retention

period, the Company will match the Investment Shares in a 1:1 ratio, i.e. one matching Share is granted for each Investment Share. According to the plan rules, matching entitlements will be forfeited upon the termination of the employment or service agreement for an urgent reason within the meaning of the law (*'dringende reden'*) or in case of dismissal for cause (*'gegronde reden'*) whereby the cause for dismissal concerns unsatisfactory functioning of the Management Board member and matching entitlements will be decreased in accordance with the plan rules in case of any other reason for termination of employment.

1.3.2 ESOP

On an annual basis and on certain other occasions set out in the plan rules, options under the ESOP (**Options**) may be conditionally granted to members of the Management Board in accordance with criteria determined by the Supervisory Board. The Options will vest on the third anniversary following the grant as approved by the General Meeting. If the Management Board member is no longer employed by the Group at the date of vesting, the number of Options will be decreased as provided for in the plan rules. The exercise period of the Options will be up to 5 years after the date of vesting.

1.4 Allowance for pension and fringe benefits

The members of the Management Board are allowed to participate in the pension plan of the Group. The pension plan is based on a defined contribution system.

The members of the Management Board will be entitled to customary fringe benefits, such as car allowances and reimbursement of business expenses.

1.5 Severance payments

The Management Board members will continue their current employment agreements with a subsidiary of the Company. These agreements are contracts for an indefinite period of time and do not contain severance payment provisions.

The Supervisory Board may determine that a member of the Management Board is entitled to compensation for the loss of income resulting from a non-voluntary termination as Management Board member in line with the best practice provision in the Code.

2 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 relevant Group company if certain circumstances apply, which are summarised below:

- (a) Test of reasonableness - any variable remuneration awarded to a member of the Management Board may be adjusted by the Supervisory Board to an appropriate

- level if payment of the variable remuneration were to be unacceptable according to the criteria of reasonableness and fairness;
- (b) Claw back - the Supervisory Board will have the authority to recover from a member of the Management Board any variable remuneration awarded on the basis of incorrect financial data in respect of underlying targets or other circumstances of which the variable remuneration is dependent;
 - (c) Deduction of value increase of shares - in case the value of the Shares (including rights to subscribe for Shares) granted by the Company to the respective members of the Management Board as part of their remuneration increases during a period in which a public offer is made on the Shares, the remuneration of that respective Management Board member will be reduced by the amount by which the value of the Shares granted by the Company to such member has increased. Similar provisions apply in the situation of an intended legal merger or demerger of the Company, or if the Company intends to enter into certain transactions that are of such significance to the Company that the Management Board requires the approval of the General Meeting pursuant to Dutch law.