

REMUNERATION REPORT 2020

The Remuneration Committee of the Supervisory Board is responsible for assessing and preparing the remuneration policy and remuneration proposals concerning the members of the Management Board and the Supervisory Board. The Supervisory Board assesses the proposals and submits, in the event of proposed policy changes, the remuneration policy to the General Meeting for adoption.

This remuneration report provides an overview of the remuneration policy for IMCD's Management Board and the application thereof in 2020.

Key highlights – 2020 performance

As many companies will write in this year's annual reviews, 2020 has been a year of unprecedented global change. The global outbreak of COVID-19 struck most countries around the world, presenting enormous challenges to health systems, spurring widespread lockdowns, closures of schools and businesses, and leading to job losses. IMCD succeeded to adjust quickly by adapting remote working practices and by finding new ways to engage with customers and suppliers virtually, in the absence of in person visits and trade shows. Facilitated by digital communications and technologies, IMCD was able to remain open for business, continue its operations efficiently while securing an undisrupted supply chain and timely delivery of products.

However, nearly all countries in the world are facing an unprecedented economic downturn. Market circumstances, and both supply and demand of products and raw materials were volatile and unpredictable. Visibility on the duration of the COVID-19 crisis and its consequences was, and remains, low.

None of this could have been foreseen when budgets and operational plans were drafted for the year 2020. With this in mind, it is therefore more impressive that IMCD was able to deliver a strong performance by further expanding its supplier relationships and product portfolios and growing its customer base.

IMCD also successfully increased its geographically coverage with acquisitions in Israel, Brazil, Finland and most notably India, as well as greenfield operations in the Middle-East. A regional office was

added in Dubai, from which customers and suppliers in the Gulf region are served. By acquiring Signet in India, IMCD increased its presence in the high-growth APAC region and delivered on its ambition to strengthen its position in the resilient pharmaceutical excipient distribution market. IMCD further strengthened its Latin American presence announced two further acquisitions in Mexico. IMCD realised a revenue growth of 3%, with gross profit growth of 8%. Cash earnings per share increased with 13% to EUR 3.22. Operating EBITA increased by 13% with an operating EBITA margin of 9.1%.

To conclude, the Supervisory Board is impressed with the Management Board's ability to deliver on all aspects of its promise of short-and long-term value creation in this turbulent year.

Remuneration Policy

In 2020, the Remuneration Policy for the Management Board was amended in order to align it with the new requirements of the Dutch Civil Code following the implementation of the Revised Shareholders' Rights Directive. The revised policy was approved by the General Meeting of Shareholders on 30 June 2020 (with 94.85% of the votes cast in favour).

At the same time, a separate Remuneration Policy for the Supervisory Board was adopted (with 99.49% of votes cast in favour).

Objective and principles

The objective of IMCD's Remuneration Policy for the Management Board is to attract, motivate and retain highly qualified executives by providing them with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with IMCD's long-term strategy.



Summarised overview of IMCD's remuneration policy and application in 2020

Policy summary	Application in 2020 ¹
<p>Base salary</p> <ul style="list-style-type: none"> • A fixed annual cash compensation, paid in 12 equal monthly instalments. • Aim for the median level of the labour market peer group. • Reviewed annually, against external market developments and internal relativity to other employees. 	<ul style="list-style-type: none"> • Base salary paid as follows: <ul style="list-style-type: none"> - Piet van der Slikke: EUR 660,345 - Hans Kooijmans: EUR 514,407 • The 2020 base salaries include an adjustment for inflation only, on the basis of the Dutch Consumer Price Index (<i>CPI</i>) determined by Statistics Netherlands (<i>Centraal Bureau voor de Statistiek</i>).
<p>Short-term incentive</p> <ul style="list-style-type: none"> • A variable pay-out in cash based on annual performance conditions set by the SB • 'At target' level: 50% of base salary • Maximum opportunity: 75% of base salary • No pay-out in case performance is below pre-determined minimum thresholds 	<ul style="list-style-type: none"> • Applicable criteria and their weight: <ul style="list-style-type: none"> - non-financial targets: 30% - organic growth (operating EBITA): 60% - M&A growth (acquired EBITA): 10% • Actual pay-out was 92% of the max. opportunity, resulting in a cash pay-out equalling: <ul style="list-style-type: none"> - Piet van der Slikke: 69% of base salary - Hans Kooijmans: 69% of base salary • The SB did not use its discretionary powers to deviate from the results calculated on the bases of the performance criteria.
<p>Long-term incentive</p> <ul style="list-style-type: none"> • Annual grant of conditional shares that vest after three years • 'At target' level: 100% of base salary ² • Maximum opportunity: 150% of base salary ² • Performance targets and their weight: <ul style="list-style-type: none"> - cash earnings per share (EPS): 50% - relative total shareholder return (TSR): 50% 	<ul style="list-style-type: none"> • In 2020, shares vested for the third time since the start of the MB's LTI Program. The 3-year performance period under the 2017 LTI Plan included book years 2017, 2018 and 2019. • Both targets (<u>Cash EPS</u> and <u>relative TSR</u>) were met at or above the maximum pay-out threshold. • Hence, shares vested as follows: <ul style="list-style-type: none"> - Piet van der Slikke: 9,768 shares - Hans Kooijmans: 7,182 shares representing a realised LTI bonus of 75%² of base salary applicable at the time of the conditional grant. • The SB did not use its discretionary powers to deviate from the results calculated on the bases of the performance criteria.
<p>Pension</p> <ul style="list-style-type: none"> • Participation in the general IMCD pension scheme that also applies to other IMCD employees in the Netherlands. • No additional contributions are paid above the (statutory) capped pensionable salary. 	<ul style="list-style-type: none"> • For the year 2020, the pensionable salary was capped at EUR 110,111 (in accordance with Dutch law). • Pension contributions were paid as follows: <ul style="list-style-type: none"> - Piet van der Slikke: EUR 36k - Hans Kooijmans: EUR 33k

¹ Details of the actual costs pertaining to the remuneration of the members of the Management Board and the Supervisory Board in the financial year 2020 are also included in note 52 of the financial statements to the Annual Report 2020.

² An increase of the LTI opportunity levels was approved at the 2018 AGM, with effect as of the 2018 LTI plan. For the conditional shares awarded under previous plans, including the 2017 LTI Plan, the 'at target' opportunity however was 50% of base salary and the maximum opportunity was 75% of base salary.



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Although the Company's strategy is primarily defined by the Management Board, the remuneration policy is designed in such a way that the Supervisory Board can ensure, by defining the performance criteria and (operational and financial) targets under the remuneration policy, that the remuneration of the Management Board is linked to and supports the company's strategic priorities. It enables the Supervisory Board to encourage behaviour focused on long-term value creation and a sustainable contribution to all stakeholders.

The objective of IMCD's Remuneration Policy for the Supervisory Board is to attract, motivate and retain highly qualified executives by providing them with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with IMCD's long-term strategy. The policy is guided by the principle that the remuneration of Supervisory Board members should consist of fixed compensation only.

Market positioning / peer review

The remuneration of the members of the Management Board is set around the median of remuneration levels payable within a peer group of comparable national and international companies, relevant to IMCD from a labour market perspective.

The Supervisory Board takes into account the internal relativity to the positions below the Management Board as well. All components of the remuneration packages are reviewed annually. Upon initiative of the Remuneration Committee, the review of the remuneration packages may include an external benchmark against a peer group of companies. Such a study was most recently executed by EY at the end of 2017.

Application of Remuneration Policy in 2020

Base salary

The base salary for the members of the Management Board is determined by the Supervisory Board. The base salaries for the members of the Management Board remained unchanged in 2020, except for an adjustment for inflation on the basis of the Dutch

Consumer Price Index (CPI) determined by Statistics Netherlands (*Centraal Bureau voor de Statistiek*).

Annual base salaries for the management board		
	2020	2019
Piet van der Slikke	EUR 660,345	EUR 643,423
Hans Kooijmans	EUR 514,407	EUR 501,225

Short-term incentive (STI)

The objective of the Management Board short-term incentive plan, is to ensure that the members of the Management Board prioritise defined short-term operational objectives, leading to longer term value creation.

STI structure and value

The short-term incentive consists of a (potential) cash bonus payment, depending on achievements in relation to pre-set targets. This applies equally to both CEO and CFO. The short-term incentive structure is as follows and applies equally to both CEO and CFO:

STI variable pay structure (% of base salary)	
Under performance (below set threshold)	0%
At target performance	50%
Maximum opportunity (capped)	75%

On an annual basis, the Supervisory Board selects financial and non-financial targets for the Management Board short-term incentive plan and determines the weight thereof.

STI performance criteria 2020

The following table shows the selected criteria, their weight and the performance ranges (minimum, at target and maximum pay-out levels) that applied to the 2019 short-term bonus.

Criteria	Performance thresholds	Total weight
Non-financial criteria	<ul style="list-style-type: none"> Performance and pay-out is assessed by the Supervisory Board per individual criteria 	30%
Organic growth (operating EBITA)	<ul style="list-style-type: none"> 10% ≤ budget - no award at target level - 2/3rd 5% ≥ budget - full award 	60%
M&A growth (acquired EBITA)	<ul style="list-style-type: none"> no added EBITA - no award target level - 2/3 50% ≥ target - full award 	10%



For commercial and strategic reasons, the actual EBITA target numbers are not disclosed.

Non-financial STI-criteria

For 2020, four non-financial criteria were set relating to (i) satisfactory integration of acquisitions announced in 2019, (ii) sustainability, (iii) diversity and (iv) digitalisation. Each target was given an equal weight in the overall bonus component.

Ad (i) - In 2019, IMCD announced five acquisitions. The integration thereof was assessed through a review of the progress made in comparison to the integration plan for each acquisition. The Management Board provided updates on the status of each acquired company regularly throughout the year. Despite travel restrictions that complicated the execution of several, more operational steps in the integration processes, good progress was made over-all, also by the use of virtual communication means. Where needed, timelines have been amended and integration plans were adjusted to meet the changing circumstances. The Supervisory Board is of the opinion that the target has been met fully.

Ad (ii) - In respect of sustainability, the target addressed the further development of the strategy and set up of measurable metric targets. Throughout 2020, substantial work was done behind the scenes to improve the process for (sustainability) data collection. This has enabled the company to include a broader scope of group companies and operations in its reporting (as evidenced by the 2019 Sustainability Report, published in July 2020). In addition, a clear goal was set to achieve a 15% reduction in GHG emissions per million Euro operating EBITDA by 2024, versus the base year 2019. The Supervisory Board is of the opinion that the progress made sufficiently meets the set target for 2020.

Ad (iii) - The Management Board was also requested to formalize a group wide diversity plan, aiming to strengthen female talent development and leadership representation within IMCD. The Management Board proactively engaged on this topic and the plan was presented and discussed with the Supervisory Board during its meeting in November 2020. Hence, the Supervisory Board considers this criteria to be met in full as well.

Ad (iv) - In the years prior to 2020, IMCD developed its strategy for digital transformation. For 2020, the Supervisory Board included a non-financial criteria to ensure satisfactory progress in the execution of the strategy. The Supervisory Board discussed the progress with the Management Board throughout the year and received an update from IMCD's Group Director Digital Transformation. The pace of the roll-out of digital initiatives has been high, even despite the unforeseen challenges caused by global travel restrictions and lock-downs. Considering all, the Supervisory Board is of the opinion that this fourth criteria was met as well and, consequently, decided to grant the maximum of 30% pay-out for the non-financial bonus component.

Financial STI criteria

The organic growth criteria was met above the 'at target' level, slightly below the threshold for maximum pay-out. Based on performance measured on a linear scale between the set thresholds, the Supervisory Board granted 86.1% out of the available 60% for this component.

The M&A growth target was met above the maximum level, hence the full capped amount of 10% of the total STI bonus was awarded for this component.

In conclusion, the total STI bonus for 2020 granted to each of the Management Board members, amounted to 91.7% of the maximum opportunity (equal to 8.25 months of base salary). This resulted in a gross cash bonus payment of EUR 453,987 to the CEO and EUR 353,655 to the CFO.

Long-term incentive (LTI)

The members of the Management Board receive a share based remuneration, for which the conditions are defined in the long-term incentive plan for the Management Board. The purpose of the LTI plan is to drive long-term performance, support retention and to further strengthen the alignment with shareholders' interests.

LTI structure and value

The LTI plan is structured in a way that contributes to the simplicity and transparency of IMCD's overall remuneration policy. Under the LTI plan the Management Board members are eligible to annual awards of conditional performance shares, that vest after a three-year performance period. Vesting



depends on achievements in relation to pre-set targets and is subject to continuous employment. An additional holding period of two years is applicable to vested shares so that shares are held for a minimum period of 5 years from the grant date.

The long-term incentive structure applies equally to both the CEO and the CFO as follows:

LTI variable pay structure (% of base salary)	
Under performance (below set threshold)	0%
At target performance	100%
Maximum opportunity (capped)	150%

The conditional shares are awarded at the beginning of the first year of the performance period (usually in the first quarter). The number of shares is calculated by dividing the value of the maximum opportunity (150% of base salary) by the average IMCD share price in the month December of the preceding year.

On an annual basis, the Supervisory Board selects the targets for the Management Board long-term incentive plan and determines the weight thereof. The long-term incentive plan for the Management Board members does not include an award in the form of (share) options. Further details on the conditional shares awarded are presented below in the section "Actual remuneration paid in 2020".

LTI performance criteria for 2020

The following table shows the selected criteria and their weight, together with the performance ranges and pay-out levels that were set for the 2020 LTI plan.

Criteria	Performance thresholds	Total weight
Cash EPS ¹ growth	< 10% below target	- 0%
	≥ 5-10% below target	- 50%
	≤ > 5% range of target	- 100%
	≥ 5% above target	- 150%
Relative TSR ² in peer group	• Fourth quartile	- 0%
	• Third quartile	- 50%
	• Second quartile	- 100%
	• First quartile	- 150%

¹ EPS = Earnings Per Share

² TSR = Total Shareholder Return

The performance parameters are measured over the three year performance period 2020-2022.

For commercial and strategic reasons, the actual EPS target number is not disclosed.

TSR peer group

The peer group used for the calculation of the outcome of the TSR component under the 2020 LTI plan, exists out of 11 companies, plus IMCD. The TSR peer group is reviewed and updated, if necessary, annually.

TSR peer group 2020 LTI	
Aalberts Industries NV	- Euronext Amsterdam
Brenntag AG	- Frankfurt Stock Exchange
B&S Group S.A.	- Amsterdam Stock Exchange
Bunzl Plc	- London Stock Exchange
DKSH Holding AG	- SIX Swiss Exchange
Electrocomponents Plc	- London Stock Exchange
Essentra Plc	- London Stock Exchange
Ferguson Plc	- London Stock Exchange
Travis Perkins Plc	- London Stock Exchange
Rexel SA	- Euronext Paris
Univar Inc	- Nasdaq

Pensions and other benefits

In 2020, the Management Board members participated in the 'IMCD pension scheme', a collective defined benefit plan based on average pay, insured by AEGON Levensverzekering N.V. In accordance with Dutch pension legislation, the pensionable salary was capped. The applicable cap for 2020 amounted to EUR 110,111.

As in foregoing years, the pension premiums for the participation of the Management Board members due in 2020 were paid for by the Company. Pension rights are accrued for in the financial statements in accordance with IFRS / IAS 19.

Pursuant to their service agreements, the Management Board members receive customary fringe benefits including a fixed expense allowance, fixed contribution to healthcare insurance and a company car.



Actual remuneration paid in 2020

Total remuneration in 2020

The table below summarizes the costs for the remuneration of the Management Board members charged to IMCD and its group companies in the financial year 2020.

(amounts x EUR 1,000)	Year	Fixed remuneration			Variable remuneration		Total	Proportion of fixed and variable remuneration ²
		Salary	Pension	Other	STI Bonus	Share based payment ¹		
Piet van der Slikke, CEO	2020	660	36	50	454	986	2,186	34% / 66%
	2019	643	44	48	310	648	1,693	43% / 57%
Hans Kooijmans, CFO	2020	514	33	51	354	756	1,708	35% / 65%
	2019	501	39	42	242	492	1,316	44% / 56%
Total	2020	1,174	69	101	808	1,710	3,894	35% / 65%
	2019	1,144	83	90	552	1,140	3,009	44% / 56%

¹ The amounts presented in this table are included in note 52 of the financial statements to the Annual Report 2020.

² The relative proportion of fixed / variable remuneration is calculated by dividing the sum of the fixed / variable components by the amount of total remuneration, multiplied with 100.

Movements in share positions

The table below depicts the movements in the Management Board's share position due to the share-based remuneration to the Management Board members in the past five years:

	Main conditions of LTI plans					Information regarding the reported financial year		
	plan year	3 year performance period ¹	Date of conditional award	(scheduled) Vesting date ²	End of holding period ³	Gross # of conditional shares awarded ⁴	Gross # of shares vested ⁵	Shares subject to a holding period
Piet van der Slikke, CEO	2020	2020-2022	26 Feb 2020	Q1 2023	Q1 2025	12,694	-	12,694
	2019	2019-2021	28 Feb 2019	Q1 2022	Q1 2024	16,971	-	16,971
	2018	2018-2020	9 May 2018	25 Feb 2021	9 May 2023	16,518	16,518	8,776
	2017	2017-2019	29 Mar 2017	26 Feb 2020	29 Mar 2022	9,768	9,768	4,933
	2016	2016-2018	31 Mar 2016	28 Feb 2019	31 Mar 2021	11,479	11,479	5,539
total						37,765	48,913	
Hans Kooijmans, CFO	2020	2020-2022	26 Feb 2020	Q1 2023	Q1 2025	9,889	-	9,889
	2019	2019-2021	28 Feb 2019	Q1 2022	Q1 2024	13,220	-	13,220
	2018	2018-2020	9 May 2018	25 Feb 2021	9 May 2023	12,533	12,533	6,659
	2017	2017-2019	29 Mar 2017	26 Feb 2020	29 Mar 2022	7,182	7,182	3,627
	2016	2016-2018	31 Mar 2016	28 Feb 2019	31 Mar 2021	8,440	8,440	4,072
total						28,155	37,467	

¹ The LTI performance period spans the period of 1 January of the first performance year up to and including 31 December of the third year thereafter.

² The vesting date under any LTI plan is equal to the date of the Supervisory Board's decision that establishes the number of performance shares that make up the unconditional award. This decision is usually taken during the first or second Supervisory Board meeting in the year that follows the expiration of the performance period.

³ Management Board members are allowed to sell shares that vested after such shares have been retained for a five year period from the date of the conditional award.

⁴ The number of shares provided in this column represents the maximum opportunity.

⁵ The number of shares provided in this column represents the gross number of shares vested under the respective LTI plan for the listed year, before deduction of personal income taxes.

2020 long-term incentive award

The above table sets out the number of conditional performance shares granted to the Management Board members under the 2020 LTI Plan (12,694 and 9,889 respectively for the CEO and CFO). This number represents the maximum opportunity for each member. At the beginning of 2023, the Supervisory Board will review the outcome of performance in the three year performance period 2020-2022 and determine the number of conditional shares that will vest.

Vesting 2017 long-term incentive

At the beginning of 2020, conditional performance shares vested for the second time since the start of the LTI Programme for the Management Board. The three year performance period for the conditional shares awarded under the 2017 LTI Plan, ended with the close of the calendar year 2019.

Under the 2017 LTI Plan, the 'at target' opportunity equalled 50% of the Management Board members' annual base salary. The maximum opportunity was capped at 75%. The Cash EPS target was met above the level of the maximum pay-out threshold. The TSR target was met at the maximum level (with IMCD ranking in the first quartile). Hence, 9,768 shares vested for the CEO and 7,182 shares vested for the CFO, both having a corresponding value of 75% of their applicable annual base salary at the time of granting in 2017.

5-year comparison with company performance

The annual change of remuneration of IMCD's Management Board, the performance of the Company and the average remuneration of IMCD's employees are presented in below table in a comparative manner.

5 year comparison of MB and employee remuneration and company performance

	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016	2016 vs 2015	CAGR
MB remuneration ¹						
- Piet van der Slikke, CEO	45% ³	-7%	19%	31% ²	11%	18%
- Hans Kooijmans, CFO	46% ³	-5%	21%	32% ²	10%	19%
IMCD Performance indicators						
- Gross profit	8%	12%	25%	12%	15%	18%
- Cash EPS (weighted)	13%	13%	23%	2%	12%	12%
- Net Result (before amortisation / non-recurring items)	14%	11.8%	26.9%	7.3%	17.7%	15%
- Number of customers	2%	14%	16%	9%	6%	9%
- Average number of employees	9%	18%	18%	14%	11%	14%
Employee remuneration ⁴						
Average total compensation IMCD employees (in EUR, all global employees)	0.4% ⁵	-3% ⁵	10% ⁵	1%	7%	3%

¹ The remuneration of a Management Board member used for this comparison includes the base salary, pension and other benefits paid in each of the years 2015 up to and including 2020, as provided in note 52 of the financial statements to the Annual Report 2020. The STI pay-out is included in the year that also comprises the performance period (year 1). The value of vested shares under the LTI is included in the year in which the performance period ended (year 3).

² At the end of the performance period 2015-2017, shares vested for the first time under the Management Board's LTI programme. Hence, the value of the vested shares is included for the first time in the year 2017, which explains the substantial increase in comparison to the year 2016.

³ Reported increase in 2020 compared to 2019 is a combination of inflation adjustment base salary (+1% of total), more STI (+10% of total) and revised LTIP conditions (+34% of total).

⁴ The average total compensation for IMCD employees was calculated with the numbers as reported in note 10 (Personnel expenses) in the Annual Report 2020 (wages and salaries / total average number of employees).

⁵ Acquisitions and recruitment activities in different regions, including emerging markets, have a significant effect on the annual fluctuation of the average total compensation for IMCD employees. In 2018, large acquisitions in the US and EMEA contributed to an increase of the average employee compensation, whilst in 2019 and 2020, an increase of the number of employees in the APAC region and Latin America in the global mix (through acquisitions in, amongst other, South-Korea, India, Colombia and Singapore) had a downward effect on the average total compensation of IMCD employees.



Other remuneration information

Compliance with the remuneration policy

In 2020, the application of the remuneration policy for the Management Board was consistent with the policies included therein. No deviation or derogation took place.

Long-term value creation

Both the structure for the Management Board's remuneration as well as the targets set by the Supervisory Board for the 2020 remuneration contributed to a focus on long-term value creation. A substantial part of the 2020 remuneration was made up of variable components, based on performance (66% for the CEO and 65% for the CFO respectively, as shown in the table 'Total remuneration in 2020' above). The 2020 STI bonus was made dependent on organic growth for 60%, ensuring a long-term mindset focussed on sustainable growth. The non-financial KPI's under the STI are also geared to ensure progress on topics that benefit the Company's organisation on the long-term, with, in 2020, a focus on integration of acquisitions, progressing strategy plans for sustainability and diversity, and further roll out of the company's digitalisation projects. Finally, the LTI program uses a 3 year period and financial targets that contribute to a focus on long term value growth for IMCD's shareholders.

Internal pay ratio

The pay-ratio used by IMCD reflects the average total remuneration of all IMCD employees worldwide relative to the total remuneration for the CEO and CFO. This has resulted in the following outcome:

	Year	Total MB member remuneration (EUR)	Average total compensation (EUR,; all global employees)	Pay ratio
CEO	2020	1,650,863	63,353	26.1
	2019	1,608,558	62,878	25.6
CFO	2020	1,286,018	63,353	20.3
	2019	1,253,063	62,878	19.9

The average employee compensation was calculated with the numbers as reported in note 10 (Personnel expenses) in the Annual Report 2020 (wages and salaries / total average number of employees).

The compensation for the CEO and CFO includes the 2020 base salary, short-term bonus and long-term bonus as referred to in this Remuneration Report, including a pay-out on 'at target' level (100%).

Social security, pension and benefit costs are excluded for both the employees and the Management Board.

Information on shareholder advisory vote

At the 2020 AGM, the 2019 remuneration report was subject to an advisory vote for the first time since the implementation of the Revised Shareholders' Rights Directive. The 2019 remuneration report was received well, with 94.46% of votes cast in favour of approval. Based on this high approval rate, the format of the report for 2020 was kept the same. An effort was made to provide more insight in the non-financial bonus criteria.

Remuneration of the Supervisory Board

Compliance with the remuneration policy

In 2020, the application of the remuneration policy for the Supervisory Board was consistent with the policies included therein. No deviation or derogation took place.

The remuneration of the members of the Supervisory Board is determined by the General Meeting. It is not made dependent on the Company's results and none of the members of the Supervisory Board receive shares, options for shares or similar rights to acquire shares as part of their remuneration.

In 2020, the General meeting approved of a revision of the annual fixed fees for the Supervisory Board remuneration. This was the first revision since IMCD's listing in 2014. The revised fees are listed in the following table and applied as of July 2020.

Function	Annual fee
Supervisory Board - chair	EUR 70,000
Supervisory Board - member	EUR 55,000
Audit Committee - chair	EUR 15,000
Audit Committee - member	EUR 10,000
Remuneration Committee - chair	EUR 12,500
Remuneration Committee - member	EUR 7,500

The costs for the remuneration of the Supervisory Board members charged to IMCD in the financial year 2020 are provided in the table below.

Value through expertise



	2020 (x EUR 1,000)	2019 (x EUR 1,000)
Michel Plantevin	68	65
Arjan Kaaks	60	50
Julia van Nauta Lemke	24	47
Janus Smalbraak	54	45
Stephan Nanninga	58	48
Valerie Diele-Braun	30	-
Amy Hebert	31	-
Total SB remuneration	325	255

The fee amount for Julia van Nauta Lemke cover the period up to the end of her term on 30 June 2020.

The fee amounts for Valerie Diele-Braun and Amy Hebert cover the membership fee from the start of their terms on June 30 2020, and the applicable committee membership fees as of the date of their appointment to respectively the Remuneration Committee and Audit Committee (as of 17 August 2020).

Other policy information

Scenario analysis

Scenarios concerning the possible outcomes of the variable components and the impact on the remuneration of the Management Board members are analysed annually and taken into consideration by the Remuneration Committee and Supervisory Board. The scenarios reviewed include minimum (0%), at target (100%) and maximum (150%) variable pay achievement.

Own views of Management Board members

The chair of the Remuneration Committee discusses the Management Board members' own view on their remuneration package annually and/or in case of any proposed changes to the remuneration packages.

Term of appointment

Management Board members are appointed for a

term of four years. The current term of both Management Board members expires in 2022. The (total) term of employment of Management Board members is not limited in any way.

Revision and claw back of variable pay

The Supervisory Board may adjust the amount or value of an STI or LTI awarded to a Management Board member to a suitable level, if payment or satisfaction of that award would be unacceptable under the standards of reasonableness and fairness. There is also a claw-back provision in place which may be applied to payments made to members of the Management Board (in cash, in kind or in the form of securities) under an STI or LTI award. In 2020, no adjustment or claw-back occurred.

Severance compensation

In accordance with Dutch law and the Code, the service agreements with the Management Board members contain provisions related to severance arrangements with a maximum payment of the gross fixed annual salary, subject to a fairness review.

Supervisory Board members are (re-)appointed in accordance with applicable legal and regulatory requirements. Their engagement does not include any severance payment, claw-back or change in control provisions.

Notice period

The service agreements with the members of the Management Board can be terminated by both parties at a notice period of 6 months.

No loans

IMCD nor any of its group companies has provided any loans, advances or guarantees for the benefit of the members of the Management Board and the members of the Supervisory Board.

LOOKING AHEAD 2021

After the review and revision of the Remuneration Policy for the Management Board in 2020, and the adoption of a written remuneration Policy for the Supervisory Board, including a revision of the fixed annual fees, no further policy changes are foreseen to take place in 2021.

It is expected that in the course of the year, a new external benchmark survey will be carried out, as the prior benchmark review took place in 2017.

