

STATUTORY ANNUAL REPORT

2021



Tessenderlo Group
EVERY MOLECULE COUNTS

Tessenderlo Group nv
Rue du Trône 130
1050 Brussels
0412.101.728 (the "Company")

**Statutory annual report of the Board of Directors relating to
the financial year 2021
(article 3.6 of the Code of Companies and Associations)**

In accordance with article 3.6 of the Code of Companies and Associations of the Companies' Code, the Board of Directors reports on the activities of the Company with respect to the financial year 2021.

Operating result, financial situation and cash flows

Total operating income increased from 424,748,700 EUR in 2020 to 575,855,581 EUR in 2021. Turnover increased from 372,121,839 EUR in 2020 to 482,567,869 EUR in 2021, mainly due to an increase in volumes sold and higher sales prices (which had to compensate for increased production costs) of sulfates (Tessenderlo Kerley International activity). Turnover was also positively impacted by the start of the long-term agreement between Tessenderlo Kerley International and Kemira Oyj (Kemira), as announced in 2020, under which Kemira produces premium SOP fertilizers (both standard and water-soluble SOP) at its Helsingborg (Sweden) plant and Tessenderlo Kerley International partially commercializes these products. The other operating income, which mainly consists of intragroup recharging of services and the sale of electricity - related to energy from an electricity purchase agreement, which is no longer used internally - increased from 45,989,370 EUR in 2020 to 88,271,741 EUR in 2021, mainly as a result of increased energy prices.

The operating result decreased from -4,853,473 EUR in 2020 to -7,099,096 EUR, as the increase in the results of the agro activity (Tessenderlo Kerley International) was offset by a decrease in gelatin margins (PB Leiner).

The financial result increased from -27.871.716 EUR in 2020 to +61.992.780 EUR in 2021. 2020 was negatively impacted by unrealized exchange losses, as well as by the loss following the conversion of intragroup loans granted to Tessenderlo Holding UK Ltd. into equity. In 2021, the financial result was positively impacted by unrealized exchange gains, as well as by a higher amount of dividends received from subsidiaries in 2021 compared to 2020.

Tessenderlo Group nv recorded in 2021 a net profit of 52,685,636 EUR compared to a net loss of -32,654,182 EUR in 2020.

The bond, issued in 2015, with a maturity of 7 years and with a fixed rate of 2.875% is included in the "Liabilities due within one year" for an amount of 191,851,000 EUR. This debt will mature in July 2022. As of December 31, 2021, there are "Cash investments" and "Cash equivalents" for already 158,060,741 EUR and 134,708,098 EUR, respectively.

Proposal for appropriation of the result.

The board proposes to appropriate:

- the profit of 2021, being	52,685,636 EUR
- decreased by a transfer from untaxed reserves	798,339 EUR
- increased by the result brought forward from previous year	442,941,524 EUR

Being a total of: 494,828,821 EUR

As follows:

- profit to be carried forward	494,828,821 EUR
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In accordance with article 7.149 of the Code of Companies and Associations, we request to you to grant discharge for the exercise of our mandate as well as the mandate of the external auditor for the year closed on December 31, 2021.

Human resources

Tessengerlo Group relies on a team of experienced professionals and this contributes towards our realization of the business and strategic objectives across all areas.

As at December 31, 2021, the total number of employees (FTE) working for Tessengerlo Group nv amounted to 757.8.

With our tagline “Every Molecule Counts” we strongly believe that our people are the most important drivers behind our success of creating sustainable growth. As we are making important strategic shifts across our business units, HR has a crucial role to play in driving people and culture development, business growth, and company agility.

We are convinced that our employees are the most important factor in our success. In a global business where knowledge and expertise are essential, we build on our experienced and motivated employees, who have an in-depth knowledge and understanding of both the group and our products. Our HR managers, who make up part of each of the different management teams in the group, are focused on rolling out the updated business strategies, shaping the organization, defining clear roles and responsibilities, as well as attracting, retaining, and developing the right people, and building motivated teams that will realize the objectives of the group. They also guide each company through the cultural changes that are necessary for the successful implementation of the strategic plans. Professional tools and processes for Talent and Reward, sharing best practices, and automation of transactional work are supporting these common goals.

Within our annual performance cycle, clear objectives that are in line with our strategy execution are defined internally in each of the different business units. Each business unit has a communication plan to cascade these objectives of management down to the shop floor and to communicate them into the minds, hearts, and hands of our team members.

Talent management is a key process within our organization. As our business is constantly growing, we offer challenging yet rewarding jobs for enthusiastic people with backgrounds in Engineering, Sales, and Business Development, as well as Operations Management and General Management. We offer many great opportunities in terms of personal development and we strive to have in place a personal development plan for each individual employee. On-the-job training and a permanent feedback culture are essential, but we also organize learning and training programs for all levels of employees. We build on the strengths of one another, and we deploy our people in a complementary manner.

Within our Talent Review Process, we prepare career paths and carefully develop our talent for the future. In addition, we have invested in platforms to facilitate these processes. HR is also responsible for solid remuneration systems and benchmarked and competitive salary packages. The goal behind our remuneration strategy is payment according to performance, in which we strive to stimulate the entrepreneurial spirit of our employees.

We must ensure that our employees, as individuals, are fully prepared at all times in order to respond to both the short-term and long-term challenges we face, as well as to work productively in result-driven teams.

Innovation

We were able to successfully continue our innovation and R&D activities in 2021. Our innovation choices continue to be driven by the belief that “Every Molecule Counts” and they are prioritized in alignment with our business strategies. In R&D and new business development, Tessengerlo Group continued to improve and develop product, process, and application technologies through a customer-centric approach, exploring new applications for existing products, as well as enhancing sustainability and environmental protection. We also further developed our collaborations with academia, customers, suppliers, and other relevant stakeholders.

In 2021, we further assessed and enhanced the positive agronomic impact of our fertilizers through dedicated lab, pot, and field trials, focusing on the fertilizer aspect, crop growth, crop health, and the effect on soil health and the environment, both in the short-term and the long-term. We will continue to contribute to sustainable agriculture, translating the insights gained from these scientific trials into fertilizer use recommendations and new fertilizer developments.

We are passionate about improving the lives and well-being of humans and animals and - in that context - our product innovations focus on the valorizing and upcycling of by-products from other industries or making the most out of our natural resources. In this regard, we continued to improve our portfolio of healthy collagen ingredients for humans and we started a research program with the University of Maastricht. Furthermore, we published a white paper regarding the positive effects of our collagen peptides in the area of sports nutrition, based on a scientific collaboration with Florida State University. We also continued our research program into collagen peptides with the aim of enabling us to expand our market for collagen and gelatin.

Following the release of our first gelatin bio-ink in the Claro™ series of tissue-engineering products, Tessengerlo Group continued on the path of making further investments, working on scientific developments, and setting up partnerships. In 2021, the group joined forces with bioprinter companies to expand the commercialization of its gelatin bio-ink product line. Besides extrusion-based technologies, the group has recently developed ready-to-use gelatin-based crosslinkable gels for volumetric bioprinting. In 2021, the group also started a collaboration with Utrecht University focusing on biofabrication in regenerative medicine.

We continue to invest in innovation at our R&D sites, including commissioning state-of-the-art pilot equipment, which facilitates the development of new sustainability concepts for next-generation products, and improves the “from concept to commercialization” timeframe. Innovation teams at Tessengerlo Group collaborate directly with our customers to support the adoption and use of our products at their sites and in their processes.

Finally, at the end of 2021, Tessengerlo Group signed a partnership agreement with Haarslev, which is the largest supplier of rendering and processing solutions in the world. Haarslev is partnering with Tessengerlo Group to combine their respective experience in the field of the production of highly digestible feather meals and blood meals via gentle drying technologies, with Tessengerlo Group’s patented know-how.

Health and Safety

Our continuous focus on improving safety and health performance remains the top priority for Tessengerlo Group. The year was dominated by the continuing impact of the global COVID-19 pandemic and consequently employee safety and health risks and performance were heightened. Many business activities continued to be classified as “essential” and, as a result, many of our employees continued operating from our factories and offices in accordance with local legislation. This understandably posed significant organizational and logistical challenges. We reinforced vigorous monitoring and hygiene regimes to safeguard the health of those employees. Our measures were broadly successful and have remained in place to meet national and local statutory obligations. However, our foremost objective remains to ensure that our employees remain safe and healthy and understand, behave, and participate with our commitment to the wellbeing of everyone. We strive to preserve, conserve, and protect the resources we use to conduct our business.

Group health and safety performance

During 2021, we continued to focus on sustained improvements from safety and health performance within each business unit. Management has made this the number one priority and utilizes skilled and qualified internal and external resources. Regular management and employee auditing and workplace inspections are conducted, and thorough investigation and follow-up is conducted on injuries and events that have or could have resulted in accidents and harm. Safety and health performance is reviewed each month with the ExCom and the Senior Management of each business unit and, consequently, revised targets are set each year in terms of realizing a continued reduction in accidents and incidents.

Also in 2021, we made further progress in the implementation of a group-wide learning management system, which will enhance our ability to deliver and record systemic safety and health training for all employees and contractors. This major multi-year project will underpin our continuing commitment to training as the key factor in terms of setting standards and expectations for safe behavior in all the locations where we conduct business.

Several business units consistently achieve levels of SHE performance that are significantly below industry benchmarks, whilst other business units continue to make progress towards meeting such levels. However, compared with 2020, a number of business units experienced significant increases in their Lost Time Incident Frequency Rates, and this consequently led to an increase in the group frequency rate. This disappointing increase, which followed many years of improved results has led us to further emphasize to our Guiding Principle that “The Safety and Health of everyone in our business is more important than any other subject.”

Safety and health achievements

Agro segment

Tessengerlo Kerley International continued its focus on H&S (health and safety) and this also applied to its site in Ham, Belgium. The progressive reduction seen in previous years was not sustained. As a result, the second-year implementation of a 5-year action plan for occupational and process safety did not achieve its goals. A thorough review of the reasons behind the increases will result in a fresh impetus towards more sustained reductions. Meanwhile, various other international sites within Tessenderlo Kerley International continued to operate with an accident-free record.

Bio-valorization segment

PB Leiner continued to make long-term improvements at the majority of its sites, which are located on 4 continents. At the end of 2021, the Lost Time Incident frequency rate was at an historic low of 1.74 and this achievement reflected the commitment from management to rigorously implement new initiatives, new procedures, and behavioral safety practices. A 10% increase in the reporting of “near miss incidents” also led to the ability to further eliminate unsafe conditions and reduce the number of first aid injuries by 9.7%. This core process has also been extended to cover environmental issues with a corresponding increased focus.

Risk analysis

Analysis of the major risks for Tessengerlo Group nv – 2021

The Company analyzes on a regular basis the risks related to its activities worldwide. The Group Risk Manager coordinates the analysis and reports the various risks on the Group's radar to the Audit Committee annually. Each year, all business units are requested to identify and evaluate the significant risks related to their business units.

In 2021, the Group's focus was on the following activities:

- Dealing with the risks associated with COVID-19 and the impact on our business
- Cybersecurity
- The risks associated with the climate
- Compliance

Ethics and Compliance

Risks can arise from potential failure to comply with the Code of Conduct of Tessengerlo Group nv and the supporting internal procedures, as well as from changes to and application of the laws and regulations in the various jurisdictions in which Tessengerlo Group nv operate.

Tessengerlo Group has a Code of Conduct that is regularly updated and supplemented with more specific guidelines. The Code of Conduct includes a possibility to report rule violations to the hierarchical superior and, if necessary, the Compliance Officer.

In order to manage the risk, training is organized worldwide on the application of the Code of Conduct, handling of confidential information and compliance with competition rules.

Within the Company there is also a Compliance Committee, which devotes itself to coordinating compliance activities within the group, defining procedures and various training programs organized for the group.

In 2021, the Compliance Committee focused on reviewing and updating the existing compliance procedures and codes and the development and implementation of 4 training programs related to the following compliance areas: Anti-trust, Intellectual Property and handling confidential information, anti-bribery and corruption and Incoterms® 2020.

Safety

Safety at the workplace

A safety event which impacts the employees, sites, assets, environment or critical information could have negative consequences for the Company. In order to manage and prevent risks, Tessengerlo Group has a strict safety policy in order to protect the employees.

In order to guarantee a limitation of the safety risks there are various initiatives on local and site level, and on group level there is a Group Safety Working Group which primarily aims to evaluate and coordinate the various actions within the Company. It is the culture of the company to put safety in the workplace first and make each individual responsible for it.

Cybersecurity

In the Company there is a data protection policy in order to protect sensitive and confidential information within the group and programs are set up in order to manage security risks with regard to ICT and enhance cybersecurity within the group. A major cyber-attack could have a negative impact on the Company's operations and results. Therefore, within Tessengerlo Group, cyber defenses continue to improve to cope with the developments in cyber-attacks. Within the group, security risk management is carried out as follows:

- The group has appointed a Chief Information Security Officer;
- External experts carry out independent assessments of the risks. Based on this analysis, a plan is developed to better protect the company against cyber-attacks.

In 2021:

- End-user safety training will remain mandatory for all employees. To increase employee awareness, cybersecurity tips are published regularly and simulations of various phishing campaigns are carried out;
- The company has acquired several ICT tools that allow us to increase the cybersecurity of the group's systems;
- The cybersecurity team was reinforced with additional security specialists;
- Tessengerlo Group continues to improve its cybersecurity strategy and management, to further develop its corporate information security program, and to investigate other functions/opportunities to improve the company's security status and response to cyber-attacks. Therefore a clear road map has been elaborated with several projects that will be carried out in the coming years.

Operational risks and risks with regard to supply chain

Industrial safety

A major accident such as fire, explosion or release of harmful substances may result in possible fatalities, life-altering injuries, harm to the environment or local communities. As explained hereabove, safety on the workplace is a top priority within the group. The group also has an insurance program to limit the financial impact of the risks.

Transport accidents

An accident with chemical substances may result in risk of injuries to neighbors or the public. Within the Company there are various transport safety programs in order to reinforce prevention and safety. Furthermore, the group has an insurance program to limit the financial consequences of the risks on transport accidents.

Usage of the Tessengerlo Group products

The usage risk stems from the possibility of third parties being injured, suffering an adverse health impact or property damage caused by the use of a Tessengerlo Group product or the inappropriate use of some Tessengerlo Group products for applications and/or markets for which the product is not designed or not in accordance with Tessengerlo Group's instructions for use.

Possible consequences are exposure to liability for injury or damage and product recalls. Product liability risk is the highest for products used in crop protection, food and healthcare applications.

Apart from the various measures taken in order to inform third parties on the specifications and use of the product and to regularly assess and adjust product risks in line with regulations, the group has an insurance program in order to limit the financial impact of product liability risk.

Market risk and strategic risks

Volatility of certain raw materials and logistics costs

The company is particularly sensitive to the fluctuations of the following raw materials: ammonia, potassium chloride and sulfur for the production of fertilizers, polyvinyl chloride for the production of plastic piping systems and pig and beef bones and hides for the gelatin production.

The group's most important purchase contracts are centralized at group or business unit level. This method allows the Company to strengthen its negotiating position. To the extent possible, price fluctuations are, where possible, translated into its sales prices of the products.

The Company is often active in markets and activities that are highly regulated by, among other things, strict rules and environmental provisions. The Company cannot guarantee that in the future there will be no sudden or significant changes to, on the one hand, existing laws or regulations or, on the other hand, to trends where environmental awareness and sustainability requirements are central. Our Stakeholders may find that the Company and its subsidiaries have not responded adequately to these trends and that this may consequently have an impact on our business and financial results. These changes and the costs of adapting to them could have a significant impact on the activities.

The Company ensures that, in the case of new investments or expansions, it always takes into account the impact on the environment and the sustainability of the solution in the long term in its decision. Moreover, with its activities in the Bio-valorization and Industrial Solutions segments, Tessenderlo Group plays in a closed loop model by reusing and valorizing different sources of raw materials.

Tessenderlo Group plays an important role in the transition to a low-carbon future. We do this with materials that respond to global trends of clean air and e-mobility, while our closed loop model conserves resources.

Other risks

Climate change

Particularly in the Agro and the Industrial Solutions segments, exceptional weather conditions, such as sustained heat waves, flooding or natural disasters can have an important impact on the operational results.

Risks associated with climate change are increasing in frequency and severity, inducing challenges with rising input costs (energy, water, and materials...) and ultimately risks for our assets. This trend requires a more comprehensive approach to managing the risks relevant to the changing environment in which the company operates and which ensures our stakeholders that our future growth is sustainable.

To meet this growing challenge and to assess the risks, the company selected in 2021 a data and tech company with a strong modelling and scientific climate expertise. This analysis will provide in 2022 key recommendations for an actionable and climate-adapted prevention plan.

Risk of an outbreak of an epidemic with a large geographical reach or pandemic

Due to its global presence, the group may be subject to the consequences of the local or worldwide spread of viruses that pose a risk to public health and may be serious and unexpected. Such outbreaks may have an impact on social life and the economy. The Company believes that it is difficult to estimate the impact that the regional spread of viruses or a pandemic could have on the economies in which we operate, and therefore the impact that these factors could have on our financial results.

In the context of the coronavirus outbreak, the Company has taken some specific health, travel and safety measures in order to protect the employees and other persons from the disease in accordance with the guidelines imposed by the local authorities. These measures include rules on working from home, wearing a mouth mask at work and also respecting distance rules.

In 2021 several continuity plans were updated to avoid any disruption of the supply chain due to the pandemic or any other crisis situation.

Political risk

The current conflict in Ukraine and the subsequent economic and financial sanctions imposed could negatively affect the supply of MOP (muriate of potash). MOP is the key raw material used for the production of SOP (sulfate of potash) fertilizers that are produced at Tessenderlo Kerley Ham (Belgium), within the Tessenderlo Group Agro segment. Tessenderlo Group currently sources MOP from Russia and Belarus, as well as some other countries.

In 2021 the group has started to review its sourcing from alternative sources.

Analysis of the financial risks¹

Foreign currency risk

The group is exposed to fluctuations in exchange rates which may lead to profit or loss in currency transactions. The group's assets, earnings and cash flows are influenced by movements in foreign exchange rates. More in particular, the group incurs foreign currency risks on, amongst others, sales, purchases, investments and borrowings that are denominated in a currency other than the group's functional currency. The currency giving rise to this risk is primarily the USD (US dollar). Movements in foreign currency therefore may adversely affect the group's business, results of operation or financial condition.

Subsidiaries are required to submit information on their net foreign exchange positions when invoiced (customers, suppliers) to Tessenderlo Group nv, the parent company. All the positions are netted at the level of Tessenderlo Group nv and the net positions (long/short) are then sold or bought on the market. The main management tools are the spot purchases and sales of currencies followed by currency swaps.

Group borrowings are generally carried out by the group's holding and finance companies, which make the proceeds of these borrowings available to the operating entities. In principle, operating entities are financed in their functional currency. The group does not use currency swaps to hedge intragroup loans.

¹ For a more detailed overview of the financial risks related to the situation in 2021 and the Tessenderlo Group policy regarding the management of such risks, please see the Financial Instruments section in the Financial Report (note 26 - Financial instruments).

In emerging countries, it is not always possible to borrow in local currency because local financial markets are too narrow, funds are not available or because the financial conditions are too onerous. Those amounts are relatively small for the group.

Credit risk

The group is subject to the risk that the counterparties with whom it conducts its business (in particular its customers) and who have to make payments to the group, are unable to make such payments in a timely manner or at all. In order to manage its credit exposure, a credit committee per business unit has been created to determine a credit policy with credit limit requests, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays. The group has moreover globally elaborated a credit insurance program to protect accounts receivable from third party customers against non-payment. Every legal entity of the group is participating to this program and the insurance is provided by highly top rated international credit insurance companies. A large majority of the receivables (around 95%) is covered under this group credit insurance program. The contract protects the insured activities against non-payment with a deductible of 10% and foresees an indemnification cap at group level. The program foresees a pay-out of the insured claims within 6 months after due date.

The group has no significant concentration of credit risk. However, there can be no assurance that the group will be able to limit its potential loss of proceeds from counterparties who are unable to pay in a timely manner or at all. The liquidities available at year-end are deposited for a short term at highly rated international banks.

The maximum exposure to credit risk amounts to 726.1 million EUR as per December 31, 2021 (2020: 542.2 million EUR). This amount consists of current and non-current trade and other receivables (384.7 million EUR), the loans granted (10.5 million EUR), short term investments (10.0 million EUR) current derivative financial instruments (0.6 million EUR) and cash and cash equivalents (320.3 million EUR).

Interest risk

Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. In addition, they may affect the market value of certain financial assets, liabilities and instruments.

At the reporting date, the group's interest-bearing financial instruments were:

(Million EUR)	2021	2020
Fixed rate instruments		
Cash and cash equivalents	159.8	171.5
Short term investments	10.0	20.0
Loans and borrowings	288.5	289.9
Variable rate instruments		
Cash and cash equivalents	160.4	58.6
Loans and borrowings	116.5	161.4
Bank overdrafts	0.1	0.0

The loans and borrowings with a variable rate mainly relate to the long-term facility loan of T-Power nv. The decrease compared to prior year can be explained by the two half-yearly reimbursements (25.7 million EUR). The remaining outstanding capital of the T-Power nv long term facility loan amounts to 115.8 million EUR as per December 31, 2021 (2020: 141.5 million EUR).

Approximately 80% of the loan is hedged through a series of forward rate agreements (the EURIBOR was fixed at 5.6% per annum). Movements in interest rates would therefore not have a significant impact on the group's cash flow or result.

The remaining loans and borrowings with a variable rate in 2020 could be mainly explained by the commercial paper program (19.0 million EUR), while no balance was outstanding as per December 31, 2021.

Liquidity risk

Liquidity risk is defined as the risk that a company may have insufficient resources to fulfill its financial obligations at any time. Failure to meet financial obligations can result in significantly higher costs, and it can negatively affect reputation.

Liquidity risk for the group is monitored through the group's corporate treasury department which tracks the development of the actual cash flow position of the group and uses input from subsidiaries to project short and long-term forecasts in order to adapt financial means to forecasted needs. Surplus cash is invested in short-term deposits with appropriate maturities to ensure sufficient liquidity is available to meet liabilities when due.

In order to limit the liquidity risk, the group has access to:

- a factoring program, set up at the end of 2009, and which was put on hold since 2015.
- a Belgian commercial paper program of maximum 200.0 million EUR (no amount outstanding as per December 31, 2021, compared to an outstanding amount of 19.0 million EUR one year earlier).
- committed bi-lateral agreements till 2024 for a total amount of 142.5 million EUR (of which part can be drawn in USD) with four banks. These committed bi-lateral agreements have no financial covenants and ensure maximum flexibility for the different activities. As per December 31, 2021 none of these credit lines were used.

According to the decision of the extraordinary general meeting of June 6, 2017, the Board of Directors was also granted the authority to increase the share capital, in one or more times, up to an amount of 43.2 million EUR (authority till June 25, 2022).

Corporate Governance statement

Transparent management

Tessengerlo Group nv follows the Belgian legislation as reference code for Corporate Governance. In case that the Company does not comply with one or more provisions of this code, it shall indicate with which provision it is not complying and give justified reasons for this deviation. The Belgian Corporate Governance Code is available at: www.corporategovernancecommittee.be/en/home.

The Company's adherence to the principles of Corporate Governance is reflected in the Corporate Governance Charter (hereinafter referred to as the "Charter"). The Charter is available at <https://www.tessengerlo.com/en/about-us/corporate-governance/corporate-governance-charter>.

On October 27, 2020, the Board of Directors of the Company approved the new changes of the Corporate Governance Charter following the conversion of the European Shareholders' Directive II (SRDII) in the Belgian Code of Companies and Associations ('BCCA').

Capital & shares

Capital

The share capital of Tessengerlo Group nv at December 31, 2021, amounts to 216,231,862.15 EUR.

Shares

The share capital at December 31, 2021, is represented by 43,154,979 shares without par value, entitling the shareholder to one vote per share.

By decision of the extraordinary general meeting of shareholders of July 10, 2019, the loyalty voting right has been introduced. As a consequence, each share which has been fully paid up and which is registered in the name of the same shareholder in the register of registered shares since at least two uninterrupted years, gives right to a double vote in accordance with the BCCA. All Tessengerlo Group nv's shares are admitted for listing and trading on Euronext Brussels.

Pursuant to the decision of the extraordinary general meeting of June 6, 2017, the Board of Directors is authorized, for a period of 5 years from the publication of the authorization in the Annex of the Belgian Official Gazette, to repurchase, in accordance with the conditions set by law, the company's shares, profit-sharing certificates or certificates relating thereto for the account of the company, taking into account the conditions as determined during the extraordinary general meeting of June 6, 2017.

Pursuant to this decision the Board of Directors at its meeting on August 25, 2020, approved the proposal to purchase own shares up to a maximum amount of EUR 5 million during a period starting on September 14, 2020 and ending on April 30, 2022. At the meeting of the Board of Directors on July 7, 2021, the proposal to purchase own shares up to a maximum amount of EUR 25 million during a period ending on October 27, 2021 was approved. This buy-back program that closed on October 27, 2021, has not resulted in effective purchases.

At its meeting on October 27, 2021, the Board of Directors renewed the approval to purchase own shares up to a maximum amount of EUR 5 million.

The share buy-back is intended to provide for the pay out in shares of the Long Term Incentive plan. This authorization ends on the next general meeting of May 10, 2022.

The company owned on December 31, 2021, in total 132,000 company's shares or 0.306% of the total amount of issued shares (being 43,154,979).

Shareholders & shareholders structure

On the basis of the notifications provided to the Company, the status of the voting rights of the Company at December 31, 2021, is as follows:

Shareholder	Number of shares	Number of voting rights	% voting rights
Verbrugge nv (controlled by Picanol nv)	20,575,699	38,533,061	61.03%
Symphony Mills nv	2,532,200	4,346,200	6.88%
Norges Bank	1,287,899	1,287,899	2.04%
Carmignac Gestion SA	903,687	903,687	1.43%
Dimensional Fund Advisors L.P.	891,022	891,022	1.41%
Own shares	132,000	0	0.00%
Other	16,832,472	17,172,312	27.20%
Total	43,154,979	63,134,181	100.00%

Verbrugge nv is controlled by Picanol nv, which in turn is controlled by Artela nv. Artela nv and Symphony Mills nv are controlled by Mr. Luc Tack. At the date of this report, the Company has no knowledge of any agreements made between the shareholders.

Shareholders whose stake in Tessenderlo Group nv's capital surpasses the threshold of 1%, 3%, 5%, 7.5% and each multiple of 5%, in either direction, are required to notify the Belgian Financial Services and Markets Authority (FSMA) (TRP.Fin@fsma.be) and Tessenderlo Group nv (kurt.dejonckheere@tessenderlo.com).

Governance structure

The Company has opted for the monistic structure with a Board of Directors authorized to carry out all acts necessary or useful for the realization of the Company's objective, with the exception of those reserved by law to the general shareholders' meeting.

Board of directors

Composition

At December 31, 2021, the composition of the Board of Directors of Tessengerlo Group nv was as follows:

	Start of initial term	End of term
Non-Executive Directors		
Mr. Karel Vinck	March 17, 2005	May 9, 2023
Independent Non-Executive Directors		
Management Deprez bv represented by its permanent representative Mrs. Veerle Deprez	June 6, 2017	May 13, 2025
ANBA bv represented by its permanent representative Mrs. Anne-Marie Baeyaert	June 6, 2017	May 13, 2025
Mr. Wouter De Geest	11 May 2021	May 9, 2023
Executive Directors		
Mr. Luc Tack	November 13, 2013	May 9, 2023
Mr. Stefaan Haspeslagh – Chairman	November 13, 2013	May 10, 2022

The composition of the Board of Directors fulfils the objective of assembling complementary skills in terms of age, competencies, experience, and business knowledge.

On December 31, 2021, the Board of Directors was in full compliance with the Law of July 28, 2011, requiring that as of January 1, 2017, one-third of the members of the Board of Directors should be of a different gender. All meetings of the Board of Directors were attended by the Secretary of the Board of Directors and the Vice President Finance and Investor Relations.

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Activities

The Board of Directors convened according to a previously determined schedule. The Board of Directors met nine (9) times during 2021.

During 2021, the Board's main areas of discussion, review and decision were:

- the group's long-term strategy;
- the financial statements and reports;
- the 2021 budget;
- the financial communication and reporting by segment;
- proposals to the general shareholders' meeting;
- the approval of the proposal to (re)appoint directors, to (re)appoint members of the audit committee and of the nomination and remuneration committee and to appoint a new president of the audit committee;
- the remuneration policy and the remuneration of the members of the Executive Committee and directors (decision not to grant remuneration in the form of shares for the Non-Executive directors and the ExCom for 2021, and the decision not to fix a minimum threshold of the amount of shares to be held by the ExCom for 2021);
- the proposal to the general shareholders' meeting to adjust the remuneration of the directors and chairman of the board;
- the approval of the payout of the long-term incentive plan 2019-2021 for members of the ExCom and senior management as well as the approval of a new long-term incentive plan 2022-2024 for members of the ExCom and senior management;
- the effectiveness of the Enterprise Risk Management;
- the approval of various commercial agreements;
- the approval of important contracts, various new investments and acquisitions;
- related party transaction procedure;
- the approval of the 2022 budget;
- the approval of the proposals to repurchase own shares.

Evaluation of the Board of Directors

Evaluations of the functioning of the Board of Directors, the Nomination and Remuneration Committee and the Audit Committee are performed periodically. In the context of such evaluations, the members can give a scoring (from 1-5) on different subjects relating to the board and committee functioning and can share their views on areas for improvement.

Such evaluations are performed through the use of a self-assessment questionnaire developed by the Secretary of the Board of Directors. The exercise focuses primarily on the following domains: role, responsibilities and the composition of the Board of Directors and the committees, the interactions between Directors, the conduct of the meetings and evaluation of the training and resources used by the Board of Directors and/or the committees.

Where appropriate, the individual Directors also share their view on how the Board of Directors and the committees could improve their operation. The Chairman and the Secretary of the Board of Directors share the results of the evaluation with the Directors and formulate initiatives for improvement. The assessment of the Board of Directors was conducted in 2019 and of the committees in 2020 and will be performed again in 2023 and 2024, respectively.

Appointment of the members of the Board of Directors

In its selection process for members of the Board, the Board integrates criteria such as variety of competences, age and gender diversity.

Board Committees

General

On December 31, 2021, the following Committees were active within the Board of Directors of Tessenderlo Group:

- The Nomination and Remuneration Committee
- The Audit Committee

Please see the Charter for a description of the operations of the various Committees on www.tessenderlo.com.

Nomination and Remuneration Committee

On December 31, 2021, the Nomination and Remuneration Committee was constituted as follows:

- Mr. Karel Vinck (Chairman)
- Management Deprez bv represented by its permanent representative Mrs. Veerle Deprez (Independent)
- Mr. Wouter De Geest (Independent)

A majority of the members of the Nomination and Remuneration Committee meets the independence criteria set forth by Article 7:87 §1 of the BCCA and the Corporate Governance Charter and the committee demonstrates the skills and the expertise requested in matters of remuneration policies as required by Article 7:100 of the BCCA.

The Nomination and Remuneration Committee met three (3) times in 2021.

- Activities of the Nomination and Remuneration Committee

In 2021, the Nomination and Remuneration Committee discussed and made recommendations regarding the Executive Committee remuneration package. The Committee made recommendations regarding the pay-out of the long-term incentive plan 2019-2021 for the ExCom and senior management and for the establishment of a new long-term incentive plan 2022-2024 for members of the ExCom and senior management. The Committee also made recommendations with regard to the adjustment of the remuneration to the Directors and the Chairman of the Board of Directors and with regard to the allocation of remuneration to the Non-Executive Directors and the ExCom in the form of shares, and the determination of a minimum threshold of shares to be held by the ExCom. The Nomination and Remuneration Committee determined the remuneration policy and also prepared the remuneration report, as included in the 2021 annual report.

In compliance with the Corporate Governance Charter, the majority of the members of the Nomination and Remuneration Committee are independent.

- Evaluation of the Nomination and Remuneration Committee

For information on the evaluation process of the Nomination and Remuneration Committee, please refer to the section "Evaluation of the Board of Directors".

Audit Committee

At December 31, 2021, the Audit Committee was constituted as follows:

- ANBA bv represented by its permanent representative Mrs. Anne-Marie Baeyaert (Independent) (Chairman)
- Mr. Karel Vinck
- Mr. Wouter De Geest (Independent)

The Audit Committee met according to a previously determined schedule; i.e. four (4) times during 2021.

The CEO, the COO-CFO, the Vice President Finance and Investor Relations, the Group Internal Auditor as well as the statutory auditor attended the meetings of the Audit Committee. The other Directors were invited to participate to the meetings of the Audit Committee without any voting rights.

As legally required, the Audit Committee has among its members at least one independent Director with the necessary accounting and auditing expertise.

The members of the Audit Committee fulfil the criterion of competence with their training and by the experience gathered during their previous functions. In compliance with the Charter, the majority of the members are independent Directors.

- Evaluation of the Audit Committee

For information on the evaluation process of the Audit Committee, please refer to the section “Evaluation of the Board of Directors”.

- Activities of the Audit Committee

In addition to monitoring the integrity of the quarterly financial statements and financial results press releases per semester, including disclosures, consistent application of the valuation and accounting principles, consolidation scope, closing process quality and accounting estimates, the Audit Committee heard reports from the external auditors regarding the year-end audit scope, the internal control system, the key audit matters and the valuation and accounting treatment of certain exceptional items.

The Audit Committee also addressed specific topics such as monitoring the effectiveness of the Enterprise Risk Management and the cybersecurity. The Audit Committee made recommendations regarding the further follow-up of improvement actions. Further, the Audit Committee reviewed the status of the major pending litigations.

The Audit Committee also followed up on the findings and recommendations of the external auditors, reviewed their independence and approved requests for non-audit services.

The Audit Committee also heard the Group Internal Auditor on the Internal Audit program for 2021, the risk assessment analysis and the activity reports of the internal audits which had been carried out, as well as on the review of the follow-up actions taken by the Company to remedy certain weaknesses identified by the Internal Audit Department. The Audit Committee also approved the internal control plan for the year 2021 and heard reports from the Internal Control Department on its various findings.

Attendance rate for members of the Board of Directors meetings and members of the committee meetings in 2021:

	Board of Directors	Audit Committee	Nomination & Remuneration Committee
Number of meetings in 2021	9	4	3
Philium bv represented by its permanent representative Mr. Philippe Coens (until 11.05.2021)	1/9	1/4	1/3
Mr. Stefaan Haspeslagh	9/9		
Mr. Luc Tack	9/9		
Mr. Karel Vinck	9/9	4/4	3/3
Mr. Wouter De Geest (as of 11.5.2021)	8/9	3/4	1/3
Management Deprez bv represented by its permanent representative Mrs. Veerle Deprez	9/9		3/3
ANBA bv represented by its permanent representative Mrs. Anne-Marie Baeyaert	9/9	4/4	

Executive committee (ExCom)

Roles and responsibilities

As per December 31, 2021, the ExCom of Tessengerlo Group was constituted as follows:

- Mr. Luc Tack (CEO)
- Mr. Stefaan Haspeslagh, representative of Findar bv (COO-CFO)

Evaluation of the ExCom

At least once a year, the ExCom reviews its own performance.

Activities of the ExCom

The Board of Directors has empowered the ExCom to enable it to perform its responsibilities and duties. Taking into account the Company's values, its risk appetite and key policies, the ExCom shall have sufficient latitude to propose and implement the corporate strategy.

The CEO chairs the ExCom and ensures its organization and proper operation. In principle, the ExCom meets every week, and additional meetings may be convened at any time by any of its members. On a monthly basis the ExCom meets with the company's Business Units in order to review and discuss the strategic decisions and the operational performance of the Business Units. A comparable performance dialogue is organized with representatives of the supporting group functions.

The ExCom is responsible for:

- running the Company;
- overseeing the proper organization and operation of the Company, ensuring oversight of its activities, including the introduction of internal control processes for the identification, assessment, management and monitoring of financial and other risks;
- the appointment of senior executives of the Company and determination of the senior executives remuneration policies*;
- the main decisions and investments involving amounts under the thresholds as defined by the Board of Directors;
- preparing the proposals for decisions on those matters under the competence of the Board of Directors, including the complete, timely, reliable and accurate preparation of the Company's annual accounts, in accordance with the applicable accounting standards and policies of the Company, as well as the Company's required disclosure of the financial statements and other material financial and non-financial information;
- presenting to the Board of Directors a balanced and understandable assessment of the Company's financial situation;
- providing the Board of Directors in due time with all information necessary for the Board of Directors to carry out its duties;
- executing and implementing the decisions taken by the Board of Directors.

The ExCom tasks are further described in the ExCom terms of reference as set out in Exhibit G of the Corporate Governance Charter.

**The Senior Executives of the Company are those executives who together with the ExCom manage and determine the strategy of the Businesses as well as the Heads of the Functional departments.*

Remuneration report

The remuneration report provides an overview of how the remuneration philosophy and the policy of Tessengerlo Group for Executive and Non-Executive Directors are reflected and how the remuneration for Directors is determined taking into account the individual and business related performance. The Nomination and Remuneration Committee supervises the remuneration policy and the corresponding remuneration for Executive and Non-Executive Directors.

Remuneration Board members

By decision of the General Shareholders' Meeting of May 11, 2021, each Director receives a fixed annual fee of 27,500 EUR. This remuneration covers the activities as member of the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee. Moreover, the following additional fees will be granted:

- an attendance fee of 1,000 EUR per half meeting day;
- an additional annual fee of 72,500 EUR for the chairman of the Board of Directors; and
- an additional annual fee of 3,000 EUR for the chairman of the Audit Committee.

These rules apply to fees which are granted as from January 1, 2021.

Remuneration is paid during the year in which the meetings were held. The attendance fee of 1,000 EUR is also attributed to the directors who attend the meeting as invitee.

In its meeting of March 23, 2021, the Board of Directors decided not to grant remuneration in shares for fees paid to the Non-Executive Directors for the year 2021.

Remuneration received

Member	2021	Earned fees (in EUR)
Philiem bv, represented by its permanent representative Mr. Philippe Coens (Independent Non-Executive director) (director until the end of the general meeting of 11.5.2021)	Fixed annual fee	9,869
	Additional fixed fee for Chairman of AC	1,076
	Attendance fee per half day attended	2,000
	Total remuneration	12,946
Management Deprez bv, represented by its permanent representative Mrs. Veerle Deprez (Independent Non-Executive director)	Fixed annual fee	27,500
	Attendance fee per half day attended	9,000
	Total remuneration	36,500
ANBA bv, represented by its permanent representative Mrs. Anne-Marie Baeyaert (Independent Non-Executive director)	Fixed annual fee	27,500
	Additional fixed fee for Chair of AC	1,923
	Attendance fee per half day attended	9,000
	Total remuneration	38,423
Wouter De Geest (Independent Non-Executive director (director as of 11.5.2021))	Fixed annual fee	17,630
	Attendance fee per half day attended	7,000
	Total remuneration	24,630
Stefaan Haspeslagh (Executive Director)	Fixed annual fee	27,500
	Additional fixed annual fee for Chairman Board	72,500
	Attendance fee per half day attended	9,000
	Total remuneration	109,000
Luc Tack (Executive Director)	Fixed annual fee	27,500
	Attendance fee per half day attended	9,000
	Total remuneration	36,500
Karel Vinck (Non-Executive director)	Fixed annual fee	27,500
	Attendance fee per half day attended	9,000
	Total remuneration	36,500
General total		294,500.00

The Company does not grant any remuneration in the form of shares to the Non-Executive Directors for 2021, as it is of the opinion that a payment in shares does not have a positive impact on decisions of these Directors that support the long term vision of the Company, given the presence of a reference shareholder who aims to create sustainable value within the Company.

Remuneration Executive Committee (ExCom)

The ExCom remuneration package consists of the following items:

- Fixed compensation
- Variable compensation
- Other compensation items

Each year, the Nomination and Remuneration Committee evaluates the appropriate compensation of the ExCom. These recommendations result from objective third party market studies, to ensure the competitiveness of the compensation packages and to stay in line with market movements.

Compensation of the COO-CFO is reviewed on an annual basis by the Nomination and Remuneration Committee on the recommendation of the CEO, while compensation of the CEO is reviewed by the Nomination and Remuneration Committee on the recommendation of the Chairman of the Board of Directors.

The ExCom was composed of the following individuals in 2021:

- CEO: Luc Tack
- COO & CFO (combined position): Stefaan Haspeslagh/Findar BVBA, represented by Stefaan Haspeslagh

[Application of the Remuneration Policy 2021 – remuneration outcome](#)

All 2021 related remuneration decisions were taken in accordance with the approved remuneration policy. A key recommendation made to the Board of Directors by the Nomination and Remuneration Committee was the determination of the short and long term incentive payouts in reference to the performance indicators and the assessment by the Nomination and Remuneration Committee of the ExCom's level of performance. This resulted in a payment above target for both the short and long term incentives (see table). The Nomination and Remuneration Committee and the Board of Directors believe that these short & long term incentives outcomes truly reflect the overall performance of the year 2021 and the overall results of the years 2019, 2020 and 2021.

The remuneration earned by the ExCom team in 2021 is detailed below:

Component	Amount CEO	Amount COO-CFO
Fixed compensation (excluding Director fees)	648,027 EUR	550,527 EUR
Variable compensation Short Term ¹	587,781 EUR	666,152 EUR
Variable compensation Long Term ²	1,530,964 EUR	1,360,857 EUR
Pension ³	56,710 EUR	123,717 EUR
Other benefits ⁴	43,614 EUR	26,103 EUR
Total (cost to the company)	2,867,096 EUR	2,727,356 EUR
Proportion of fixed & variable remuneration	26% - 74%	26% - 74%

1. Short term incentive realization as proposed by the Nomination and Remuneration Committee of March 22, 2022.
2. Long term incentive realization for the years 2019, 2020 & 2021 (3 year plan) as approved by the Nomination and Remuneration Committee of March 22, 2022.
3. Combination of company pension plan and Individual Pension Contribution plan – annual service cost for 2021, as calculated by an actuary.
4. Other benefits include coverage for death, disability, work accident insurance, meal vouchers, company car - all under the same conditions applicable to other members of senior management and in accordance with the ruling approved by the Belgian tax authorities for representation allowance.

Share base remuneration - Provision 7.9 of the Corporate Governance Code 2020

In line with previous years, Tessengerlo Group nv did not grant any remuneration in the form of shares or stock options to the ExCom in 2021. Only the payment of the Long Term Incentive with respect to the years 2019, 2020 & 2021 will be paid out in shares during the year 2022. It is of the opinion that a payment in shares does not have a positive impact on decisions of the ExCom that support the long term vision of the Company, given the presence of a reference shareholder who aims to create sustainable value within the Company.

Severance pay

Given the fact that there was no change to the composition of the ExCom, no severance payment was made in 2021 to any of the ExCom members .

Claw-back provision

Claw back provisions with respect to yearly variable compensation were included in the management agreements of the executive directors. These claw back mechanisms did not have to be used for the year 2021.

Evolution of Executive Pay & Company Performance

The below table is a summary of the evolution of the total remuneration of the ExCom & the average employee remuneration compared to the company's performance over the last five years, represented by a year on year growth of revenue and Adjusted EBITDA.

	2017	2018	2019	2020	2021
ExCom					
Total remuneration ExCom*	2,002,944 EUR	2,160,888 EUR	2,057,190 EUR	2,517,218 EUR	2,702,631 EUR
Change year to year	+49.5 %	+7.9%	-4.8%	+22.4%	+7.4%
Company performance					
Revenue (change year to year)	+4.2%	-2.2%	+7.5%	-0.3%	+19.8%
Adjusted EBITDA (change year to year)	-5.2%	-5.3%	+50.6%	+17.5%	+12.6%
Average FTE salary increase**	+3.6%	+3.4%	+3.6%	+1.5%	+4.9%

* Excluding LTI as only one payment every 3 year

** Only Tessenderlo Group nv employees considered (listed company in Belgium)

Total Remuneration of CEO versus Lowest Remunerated Employee

The below table shows a comparison of the 2021 remuneration of the CEO to the 2021 remuneration of the lowest paid fulltime Tessenderlo Group NV employee. The remuneration includes base salary only. Variable remuneration, employee benefits & employer social security charges are not included.

	2021
Ratio remuneration CEO vs remuneration lowest Tessenderlo Group nv employee	1/17

Shareholders' approval

This 2021 remuneration report was approved by the Nomination and Remuneration Committee and by the Board of Directors on March 22, 2022. The remuneration report 2021 will be submitted for approval to the General Meeting of May 10, 2022. This remuneration report is also in line with the proposed remuneration policy 2021 which was approved by the General Meeting of May 11, 2021.

Main features of the group's internal control and risk management framework

Internal control framework

Responsibilities

The Board of Directors delegated the task of monitoring the effectiveness of the Internal Control System to the Audit Committee.

The ultimate responsibility for the implementation of the Internal Control System is delegated to the ExCom.

The daily management of each Business Unit is accountable for the implementation and maintenance of a reliable Internal Control System.

The Internal Audit & Control department assists the Business Units and the Tessengerlo Group Headquarters functions in the implementation and assessment of the effectiveness of the Internal Control System in their organization.

The levels of internal control are tailored to the residual risk that is acceptable to the management. The ultimate objective is to reduce possible misstatements of the financial statements as published by the group.

Scope of the Internal Control Framework

The Internal Control System is based on the COSO Internal Control – Integrated Framework with the main focus on the internal control over the financial reporting by mitigating risks through group level controls, entity level controls, process level controls, general IT controls and segregation of duties.

As far as cyber risks are concerned, a separate control program based on the NIST Cybersecurity Framework has been set up.

Internal control monitoring

The Audit Committee is in charge of monitoring the effectiveness of the internal control systems. This includes the supervision of the Internal Audit department about compliance monitoring.

The Internal Audit & Control department conducts a risk-based compliance audit program with the objective to validate the internal control effectiveness in the various processes at entity and group level. The ultimate goal of these reviews is to provide reasonable assurance on the reliability of the financial reporting.

The implementation of the cybersecurity program is being followed up by a specific committee which includes among others, the Group Audit Director and the Group Chief Information Security Officer.

The Group Audit Director is invited to the Audit Committee meetings. He informs the Audit Committee of the planning and the results of the internal audits and the proper implementation of the recommendations. A rating is used to indicate the severity of audit recommendations as well as to give an overall appreciation of the audited entity or process.

Preparation and processing of financial and accounting information

A centralized controlling and reporting department coordinates and controls the financial and accounting information.

Each Business Unit has a controlling department responsible for monitoring the performance of the operational units.

The Financial and Accounting Information System is based on consolidation software that allows the group to produce the required information.

Compliance

The Internal Audit & Control department is responsible for compliance testing of both the Internal Control Framework and the key control procedures on the preparation and processing of financial and accounting information and monitors compliance with internal policies and procedures as well as external laws and regulations.

The group has a Compliance Coordination Committee. This committee, composed of representatives of several headquarter functions, is responsible for the internal and external compliance program of Tessengerlo Group. The committee periodically reports to the Audit Committee.

Enterprise Risk Management (ERM) System

Risks are an essential and inherent aspect of conducting business. The group has developed some policies and procedures with the aim of managing and reducing risks to an acceptable level.

The Enterprise Risk Management policy applies to the Company and all of its affiliates worldwide. This policy describes the organization and goals of the ERM system including the responsibilities at all levels of management.

A risk management structure has been rolled out, both on group and on Business Unit levels in order for risk management to become an inherent part of daily operations.

The Group conducts a risk scan to identify all significant risks (financial and non-financial) and for each risk the potential impact, the probability, and the status of management or mitigation action are described in detail. For each risk a responsible party is identified, as well as its responsibility.

The main consequences that are considered when assessing risks relate to: the market and strategy, the impact on people, the disruption in the supply chain, the Company's operational activities, ethics and compliance, financial results and security (ICT and cybersecurity).

The identified risks are assessed and monitored in the various business units and supporting functions. The various risk management activities are reported on a regular basis to the ExCom and once a year to the Audit Committee.

The aim of the implemented 'Group Crisis Management policy' is to standardize crisis management across the group and all affiliates. The Risk Management department is the owner of this policy and responsible for the coordination at group level and providing assistance and guidance to the various entities in the development of a harmonized crisis plan, clarifying the responsibilities at all levels and establishing the reporting channels.

Policy on inside information and market manipulation

The Company has issued a Dealing Code including a set of rules regulating the declaration and conduct obligations regarding transactions in shares or other financial instruments of the Company carried out by Directors, ExCom members and other designated persons for their own account. Such Dealing Code is included in Exhibit I. of the Charter.

According to the Market Abuse Regulation, the Company has to take all reasonable steps to ensure that any person on its insider list acknowledges in writing the obligations and its awareness of the sanctions applicable to insider trading and the unlawful disclosure of inside information.

In accordance with the Dealing Code, the Board of Directors has appointed a Compliance Officer. The Compliance Officer is responsible for supervising compliance with the Dealing Code. He/she is also the point of contact for questions about the application of the Dealing Code. Mr. John Van Essche, Legal Counsel, holds the title of Compliance Officer.

External audit

KPMG Réviseurs d'Entreprises/Bedrijfsrevisoren bv/srl, represented by Patrick De Schutter, was appointed statutory auditor by the shareholders' meeting on 14 May 2019, following an audit tender bid process.

The fees paid by the group to its auditor amounted to:

	2021			
(Million EUR)	Audit	Audit related	Other	Total
KPMG (Belgium)	0.2	-	0.0	0.2
KPMG (Outside Belgium)	0.6	-	0.1	0.7
Total	0.9	0.0	0.1	0.9

	2020			
(Million EUR)	Audit	Audit related	Other	Total
KPMG (Belgium)	0.2	0.0	0.1	0.3
KPMG (Outside Belgium)	0.7	-	0.0	0.7
Total	0.9	0.0	0.1	1.0

Subsequent events

- In February 2022, Tessenderlo Group announced that it intends to acquire the production plant and the associated business of Pipelife France in Gaillon (Eure, France). The Gaillon plant specializes in the manufacturing of pipes for gas, water, and cable protection. The transaction is expected to reach completion in the course of 2022. After completion of the acquisition, Tessenderlo Group intends to integrate the business within the DYKA Group business unit (Industrial Solutions segment). This transaction will not materially impact the results of Tessenderlo Group.
- The group also announced that its growth unit Violleau plans to construct a new production line for organic fertilizers in Vénérolles (Aisne, France). The new line will focus on the production of organic pellets, responding to the rising demand for organic fertilizers. It is scheduled to be operational from the first quarter of 2023 and it will be constructed on the site of Akiolis' manufacturing plant in Vénérolles. With effect from 2022, Violleau will be included in the Agro segment.
- In February 2022, Tessenderlo Group repurchased 35.0 million EUR of its outstanding 2022 bonds at a price of 102.875%. This repurchase resulted in a cash-out of 36.0 million EUR and the remaining amount of outstanding "2022 bonds" maturing in July 2022 stands at 130.5 million EUR. Also in February 2022, the group agreed two term loan credit facilities for 30.0 million EUR each, with a maturity of 7 years (starting April 2022) and a maturity of 5 years (starting August 2022) respectively. These loans, with quarterly capital reimbursements, have a fixed interest rate of 1.16% and 0.94% respectively, and contain no financial covenants. Both transactions will further reduce the liquidity risk as well as the interest costs of the group.
- In early March 2022, Tessenderlo Group submitted a new permit application to the Flemish Region for the construction of a new 900 MW combined cycle steam and gas turbine (CCGT) power plant in Tessenderlo, Belgium. With a view to future auctions, Tessenderlo Group adjusted its previously submitted project (an investment of approximately 500 million EUR) to respond to the objections that led to the refusal of that application.
- The current conflict in Eastern Europe and the subsequent economic and financial sanctions imposed are negatively affecting the supply and the cost prices of both raw materials and energy. In particular, MOP (muriate of potash) is the key raw material used for the production of SOP (sulfate of potash) fertilizers that are produced at Tessenderlo Kerley Ham (Belgium). Tessenderlo Group currently sources MOP from Russia and Belarus, as well as some other countries. In this connection, the group is in the process of reviewing its sourcing mix, and it is therefore currently not possible to determine what the effect on the production would be, if any, although no significant impact is expected in the first half of 2022. At present, it is also difficult to estimate the impact on the other activities of the group.

Application of art. 7:96 and 7:97 of the Belgian code of companies and associations (BCCA) (previously art. 523/524 of the Belgian code of companies)

In the meeting of the Board of Directors held on March 23, 2021, a conflict of interest was recorded in respect of the ExCom members, who are part of the Board of Directors, in connection with the determination of the short-term incentive for 2020 and the remuneration package for 2021 and the targets of the long-term incentive. An extract of the minutes of this meeting is included in the statutory annual report.

In the meeting of the Board of Directors held on October 27, 2021, a conflict of interest was recorded on behalf of the ExCom members, who are part of the Board of Directors, in connection with the setting of the incentive plan 2022-2024. An extract of the minutes of this meeting is included in the statutory annual report. In 2021, no circumstances triggered the application of article 7:97 of the BCCA. However, in compliance with the internal conflict of interest procedure, the Board of Directors was informed of a standard market transaction relating to the rent out by Tessengerlo Kerley, Inc. of part of the HQ building in Phoenix to Talalay Global, a company owned by the Tack family.

Meeting of the Board of Directors dated March 23, 2021

[...]

Prior to deliberating and adopting the resolution on the remuneration of Mr Luc Tack and Mr Stefaan Haspeslagh, both members of the Executive Committee indicate that they have a conflict of interest regarding the decisions to be taken in compliance with article 7:96 BCCA. It concerns the determination of the short-term incentive over 2020, the remuneration package over 2021 and the targets of the Long Term Incentive plan.

Prior to deliberating on the matter, the Chairman informs the Board that the LTI plan 2022-2023-2024 will be discussed during the NRC meeting to be held later this year.

Mr Luc Tack and Mr Stefaan Haspeslagh leave the meeting.

The Chairman of the nomination and remuneration Committee, Mr Karel Vinck, takes the floor and explains the proposals for the short-term incentive pay-out /service fee for the year 2020 as well as the proposals for the short-term incentive pay-out for the year 2021.

After debate and upon recommendation of the NRC, the members of board agree with unanimous consent:

- To fix the short-term incentive pay-out at EUR 455,812 for the CEO;
- To fix the short-term service fee at EUR 607,749 for the COO/CFO;
- To increase the variable component of the Short-Term Incentive pay-out ratio for the COO/CFO to 42.5% effective as of 1 January 2021;
- To increase the fixed component or base remuneration for the COO/CFO, 1 January 2021 with EUR 23,626.

More details on the packages are attached to the minutes of the nomination and remuneration committee.

The NRC proposes to maintain the drivers for the determination of the 2021 STI based on the following drivers:

- 75% based on EBIT;
- 25% on the individual performance linked to progress realised with respect to the sustainable long- term growth of the Company.

(....)

Mr Luc Tack and Mr Stefaan Haspeslagh re-enter the meeting.

[...]

Meeting of the Board of Directors of October 27, 2021:

[...]

Prior to deliberating and adopting the revised performance components and the rolling nature of the new plan, Mr Stefaan Haspeslagh, as representative of Findar BV and Mr Luc Tack, both members of the ExCom indicate that they have a conflict of interest regarding the decisions to be taken in compliance with article 7:96 BCCA. It concerns the determination of the revised performance components and the rolling nature of the plan.

Mr Luc Tack and Mr Stefaan Haspeslagh leave the meeting.

The Chairman of the NRC presents the main features of the new proposed LTI plan 2022-2023-2024 as detailed in the attached PowerPoint presentation for both the ExCom and the Management teams:

- a) The revised performance components for ExCom and Management teams
- b) The revised target amounts for BU teams
- c) The rolling plan.

After debate and upon recommendation of the NRC, the Board accepts to modify the existing plan as follows :

- The strategic component & Governance component for the ExCom should include the *Determination* and the execution of the BU strategic initiatives
- The Revised EBITDA component for the LTI plan will include the 100% EBITDA in case of acquisition/integration of business in *new business segments/activities* and 75% in the base case for add on acquisitions.

The Board further debates on the sustainability targets and after discussion, the Board accepts that in the LTI plan 2022-2024 the sustainability targets will focus on lowering the energy and water consumption footprint.

After debate and upon the recommendation of the NRC, the members of the Board agree to accept the amended LTI plan 2022-2023-2024:

For the ExCom and the Management teams

- The performance components
- The rolling plan mechanism

[...]

The details of the revised performance components as well as of the rolling plan are attached in the minutes of the NRC committee of October 27, 2021.

[...]

Information required by art. 34 of the royal decree of November 14, 2007

The share capital of the Company is represented by ordinary shares.

The extraordinary shareholders' meeting of 6 June 2017 decided to authorize the Board of Directors, for a period of 5 years from the publication of the authorization in the Annex to the Belgian State Gazette, to increase the share capital, in one or more times, up to an amount of EUR 43.160.095 (forty three million one hundred and sixty thousand ninety-five euros), in accordance with the provisions set out in the BCCA and the articles of association of the company. The Board of Directors is allowed to use the authorized capital to take protective measures for the Company through capital increases, with or without limitation or withdrawal of preferential rights, even outside the context of a possible public takeover bid, to the extent that the Company has not yet received a notification of the FSMA with respect to a public takeover bid on its securities.

The Board of Directors is also authorized, with right of substitution, to amend the company's articles of association in accordance with the capital increase that was decided within the scope of the authorized capital.

By decision of the extraordinary general meeting of shareholders of July 10, 2019 the loyalty voting right has been introduced. As a consequence, each share which has been fully paid up and which is registered in the name of the same shareholder in the register of registered shares since at least two uninterrupted years, gives right to a double vote in accordance with the BCCA.

Each other share gives right to one vote at the general meeting.

The articles of association of the Company do not contain any restriction on the transfer of the shares.

The rules with respect to the appointment and resignation of Directors and amendments to the articles of association of the Company as set forth in the articles of association of the Company do not deviate from the applicable rules set forth in the BCCA.

The Company may, in accordance with the conditions set by law, acquire its own shares, profit-sharing certificates, or certificates relating thereto, by way of a purchase or an exchange, directly or through the intermediary of a person acting in its own name but for the account of the company, following a decision of the shareholders' meeting taken in accordance with the applicable requirements on quorum and majority. Such decision in particular determines the maximum number of shares, profit-sharing certificates or certificates relating thereto that can be acquired, the term for which the authorization is granted and which may not exceed five years, as well as the minimum and maximum value of the compensation.

Pursuant to the decision of the extraordinary general meeting of 6 June 2017, the Board of Directors is authorized, for a period of 5 years from the publication of the authorization in the Annex of the Belgian Official Gazette, to repurchase, in accordance with the conditions set by law, the company's shares, profit-sharing certificates or certificates relating thereto for the account of the company of which the accounting par value, including the securities previously acquired by the company and held by it, is not higher than 10% (ten per cent) of the issued capital and at a price ranging between minimum 20% (twenty per cent) below the average of the closing price of the company's share during the last 30 trading days preceding the Board's resolution to acquire such securities, and maximum 20% (twenty per cent) above the average of the closing price of the company's share during the last 30 trading days preceding the Board's resolution to acquire such securities, it being understood that the price will never be lower than EUR 15 (fifteen euro) or exceed EUR 50 (fifty euro).

In its meeting on August 25, 2020, the Board of Directors approved the proposal to purchase own shares up to a maximum amount of 5 million EUR during a period starting on September 14, 2020, and ending on April 30, 2022.

In its meeting on July 7, 2021, the Board of Directors approved the proposal to purchase own shares up to a maximum amount of 25 million EUR during a period ending on October 27, 2021.

In its meeting on October 27, 2021, the Board of Directors approved the proposal to purchase own shares up to a maximum amount of 5 million EUR during a period ending on the next General Meeting of May 10, 2022.

The Board of Directors is explicitly authorized according to the resolution of the extraordinary general meeting of 6 June 2017 to dispose of the acquired securities that are listed, on or outside the stock exchange, without the need for a prior consent or other intervention by the general meeting, without prejudice to the fact that the disposal possibilities of the Board of Directors are further mandatory organized under the new BCCA and these shall thus have to be respected in parallel by the Company for the remaining period of the authorization granted by the general meeting within the framework of the acquisition of own securities.

The aforementioned provisions equally apply to the acquisition or transfer of the Company's securities by the Company's directly controlled subsidiaries or through the intermediary of a person acting in its own name but for the account of these subsidiaries, in accordance with articles 7:221 and 7:222 of the BCCA.

Tessengerlo Group nv is a party to the following contracts which become effective, undergo changes or terminate in case of a change of control over Tessenderlo Group nv after a public takeover bid:

- the bilateral revolving facilities agreements entered into on December 4, 2019, for a total amount of 142.5 million EUR with the Company and Tessenderlo USA Inc. as borrowers and KBC Bank NV, ING NV, Belfius Bank NV and BNP Paribas Fortis NV as lenders: according to the terms of these agreements, a "change of control" over Tessenderlo Group nv will entitle each lender to ask for termination of the bilateral facility agreement. For purposes of the change of control clause described above, a "change of control" shall occur if a third party (i.e. any party other than Verbrugge nv or any person acting in concert with Verbrugge nv) acquires 30% or more of the voting rights of the Company (unless Verbrugge nv (alone or together with any person acting in concert) holds more voting rights than such third party);
- the prospectus dated June 15, 2015, of Tessenderlo Group nv regarding the issue of and public offer of two series of bonds with a maturity of 7 years (the "2022 Bonds") and 10 years (the "2025 Bonds", and together with the 2022 Bonds, the "Bonds") for an expected minimum amount of 75.0 million EUR for the 2022 Bonds and an expected minimum amount of 25.0 million EUR for the 2025 Bonds and for a combined maximum amount of 250 million EUR: according to the terms and conditions of these Bonds, the Bonds will be redeemable at the option of the bondholders prior to maturity in the case of a change of control. Only the Bonds held by the bondholders who submit put option notices shall be immediately due and repayable in case of a change of control, with exception of all other bonds. If bondholders submit put option notices in respect of at least 85 percent of the aggregate nominal amount of the outstanding 2022 bonds, all (but not some only) of the 2022 bonds may be redeemed at the option of the Company prior to maturity. If bondholders submit put option notices for at least 85 percent of the aggregate nominal amount of the outstanding 2025 Bonds, all (but not some only) of the 2025 Bonds may be redeemed at the option of the issuer prior to maturity.

A “change of control” shall occur if a third party (i.e. any party other than Verbrugge nv or any person acting in concert with Verbrugge nv) acquires 30% or more of the voting rights of the Company (unless Verbrugge nv (alone or together with any person acting in concert) holds more voting rights than such third party).

Dividend policy

In 2021 Tessengerlo Group nv has not declared or paid dividends for the financial year ending on December 31, 2020. The Company’s dividend policy may be amended from time to time, and each dividend distribution remains subject to the Company’s earnings, financial condition, share capital requirements and other important factors subject to proposal and approval by the competent corporate body of the Company and subject to the availability of distributable reserves as required by the BCCA and the articles of association. Any distributable reserves of the Company have to be computed in respect of its statutory balance sheet prepared in accordance with Belgian GAAP, which may differ from the consolidated financial statements in IFRS reported by the Company.

Information required by art. 3:6 Belgian code of companies and associations

Provision 3.12 of the Corporate Governance Code 2020

The current Chairman of the Company is an executive Director. The Company has carefully considered the positive and negative aspects in favor of such a decision and has concluded that such appointment is in the best interest of the Company given his extensive experience, expertise, in-depth knowledge and proven track-record in relevant business environments. The Board of Directors furthermore clarifies that Exhibit H of the Corporate Governance Charter provides additional conflict of interest procedures in case any material transaction is being considered by the Company with a company in which Directors are also a Director or Executive Director.

Provision 7.6 of the Corporate Governance Code 2020 with respect to remuneration of Non-Executive Directors

The Company does not grant any remuneration in the form of shares to the Non-Executive Directors for 2021, as it is of the opinion that a payment in shares does not have a positive impact on decisions of these Directors that support the long term vision of the Company, given the presence of a reference shareholder who aims to create sustainable value within the Company.

Only the payment of the Long Term Incentive with respect to the years 2019, 2020 & 2021 will be paid out in shares during the year 2022.

Provision 7.9 of the Corporate Governance Code 2020 with respect to remuneration of Executive Directors

The Company does not grant any minimum threshold of remuneration in the form of shares to the ExCom in 2021 nor a payment of the bonuses in shares, as it is of the opinion that a payment in shares does not have a positive impact on decisions of the ExCom that support the long term vision of the Company, given the presence of a reference shareholder who aims to create sustainable value within the Company.

Provision 8.7 of the Corporate Governance Code 2020 with respect to the conclusion of a relationship agreement with its reference shareholder

The Company has not concluded an agreement with its reference shareholder Picanol nv due to its representation in the Board of Directors of Tessengerlo Group.

Brussels, March 22, 2022

On behalf of the Board of Directors

Luc Tack
Director and CEO

Stefaan Haspeslagh
Chairman of the Board of Directors

Statutory auditor's report

Statutory auditor's report to the general meeting of Tessenderlo Group NV on the annual accounts as of and for the year ended 31 December 2021.

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN THE DUTCH LANGUAGE

In the context of the statutory audit of the annual accounts of Tessenderlo Group NV ("the Company"), we provide you with our statutory auditor's report. This includes our report on the annual accounts for the year ended 31 December 2021, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 14 May 2019, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2021. We have performed the statutory audit of the annual accounts of Tessenderlo Group NV for three consecutive financial years.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the Company as of and for the year ended 31 December 2021, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at 31 December 2021, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 1.796.234.064 and the income statement shows a profit for the year of EUR 52.685.636.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at 31 December 2021 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment on investments in subsidiaries and receivables from subsidiaries

We refer to C-cap 6.4.1, C.6.5.1, C-cap 6.5.2 and C-cap 6.15 section of the annual accounts.

— Description

The Company holds directly and indirectly investments in subsidiaries and has receivables from subsidiaries.

Investments in subsidiaries are valued at historical cost price, unless management has determined that a longstanding impairment exists. Related party receivables are valued at nominal value unless management has determined that collectability is uncertain.

An annual impairment assessment for investments in and receivables from subsidiaries is performed in the context of the preparation of the annual accounts and accordance with the Belgian accounting standards.

Management has adopted the following approach in order to determine whether the assets are subject to an impairment. The net book value of each investment is compared with the share in the equity of the subsidiary held by the Company. An impairment loss is recognized when the recoverable amount is lower than the net book value. The recoverable amount is based on the value in use. The value in use is the net present value of the future cash flows that are expected to be generated.

Impairment of investments in subsidiaries and receivables from subsidiaries is identified as a key audit matter due to:

- Its significance to the balance sheet total (63% of total assets); and
- The determination of the value in use which requires numerous judgements and assessments made by management of the Company, in particular, the assessment of the competitive, economic and financial environment in which the subsidiary operates, the ability to generate operational cash flows from strategic plans, the level of required capital expenditures and the discount rates and growth rates used in calculating the recoverable amount.

— Our audit procedures

Our audit procedures included among others:

- We compared the most important data used by management with underlying evidence, in particular the net asset value of the investments, the equity value of the subsidiaries, the shareholders percentage, the net book value of the related party receivables and other financial information with respect to the related parties.

- In case of permanent impairment indicators, we challenged the key assumptions and data (weighted average cost of capital, result before interest and taxes, and growth rates) which are used by management in the valuation model of the forecasted cash flows based on our knowledge of the subsidiary and by involving our own valuation specialists in the determination of discount rates;
- We evaluated the process used by management in preparing cash flow forecasts, including testing the underlying calculations and reconciling the projections with the latest financial targets as approved by the Board of Directors;
- We verified the mathematical accuracy of the calculations performed by management;
- We analyzed the ability of the Company to forecast cash flows accurately and assessed the reasonableness of the current forecasts by comparing key assumptions with historical results.
- Furthermore, we performed sensitivity analyses relating to the key assumptions used for the determination and discounting of cash flow forecasts, in particular the weighted average cost of capital, the result before interest and taxes and the growth rates used by the Company.

Board of directors' responsibilities for the preparation of the annual accounts

The board of directors is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance as to whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these annual accounts.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the annual accounts in Belgium. The scope of the statutory audit of the annual accounts does not extend to providing assurance on the future viability of the Company nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Company. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

[Responsibilities of the Board of Directors](#)

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the annual accounts, the statement of the non-financial information attached to the board of directors' annual report on the annual accounts and the other information included in the annual report, of the documents required to be filed in accordance with the legal and regulatory requirements, for maintaining the Company's accounting records in compliance with the applicable legal and regulatory

requirements, as well as for the Company's compliance with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the annual accounts, the statement of the non-financial information attached to the board of directors' annual report on the annual accounts and the other information included in the annual report, certain documents to be filed in accordance with legal and regulatory requirements and compliance with certain requirements of the Companies' and Associations' Code and with the Company's articles of association, and to report on these matters.

Aspects concerning the board of directors' annual report on the annual accounts and other information included in the annual report

Based on specific work performed on the board of directors' annual report on the annual accounts, we are of the opinion that this report is consistent with the annual accounts for the same period and has been prepared in accordance with articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the annual accounts and other information included in the annual report being:

- the activity report and
- the management report

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

The non-financial information required by article 3:6 §4 of the Companies' and Associations' Code has been included in the annual report on the annual accounts, which is part of section "Sustainability report" of the annual report. The Company has prepared this non-financial information based on the Global Reporting Initiative ("GRI") standards. In accordance with art 3:75 §1, 1st paragraph, 6° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the mentioned GRI standards as referred to.

Information regarding the social balance sheet

The social balance sheet, which is to be filed with the National Bank of Belgium in accordance with article 3:12 §1 8° of the Companies' and Associations' Code, includes, with respect to form and content, the information required by law, including the information regarding salaries and training, and does not present any material inconsistencies with the information that we became aware of during the performance of our engagement.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.

- The fees for the additional engagements which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the annual accounts.

Other aspects

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- We do not have to inform you of any transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code.
- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.
- We have evaluated the financial consequences for the Company of the decision regarding the conflict of interest as described in the meeting notes of the board of directors of 23 March 2021 and 27 October 2021 respectively.

Zaventem, 22 March 2022
KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Patrick De Schutter
Bedrijfsrevisor / Réviseur d'Entreprises

