Remuneration Policy

Proximus Remuneration Policy

Board of Directors and Leadership Squad

I. Introduction

In accordance with Belgian law, Proximus SA. under public law, a Belgian listed company, publishes the general principles governing its remuneration policy applicable to the members of its Board of Directors and its Leadership Squad.

Through this document, we aim to describe how Proximus develops its remuneration policies and practices, which are inspired by current legislation and by the Belgian Corporate Governance Code 2020 ("the 2020 Corporate Governance Code") as well as by the market practices and trends, but also according to its context, its specific strategies and its ambition to participate in an inclusive, secure, sustainable and prosperous digital Belgium.

Our company's remuneration policies and practices are overseen by our Nomination and Remuneration Committee ("NRC"), whose role and responsibilities are described in our Corporate Governance Statement published in our Annual Report. As a limited liability company under public law, we have adopted a governance model, in line with the Law of 21 March 1991 on the reform of certain autonomous economic public companies ("the 1991 Law"). For matters not explicitly regulated by the 1991 Law, Proximus is governed by the Belgian Code of Companies and Associations of 23 March 2019 ("the Belgian Code of Companies and Associations") and, based on a comply-or-explain approach, the 2020 Belgian Corporate Governance Code.

This Remuneration Policy has been adopted by the Board of Directors on 27 February 2025 upon proposal of the Nomination and Remuneration Committee. This policy will be submitted to the vote of the shareholders at the General Meeting of Shareholders of 17 April 2025. This policy will remain applicable within Proximus as of that date for the next four years, unless significant changes in policy should be deemed necessary in the meantime.

We undertake to remunerate the members of the Board of Directors and of the Leadership Squad only in accordance with the remuneration policy as described in this document. Should the General Meeting not approve the remuneration policy, we shall continue to pay remuneration in accordance with our existing practices and the Board of Directors shall submit a revised policy for approval at the following General Meeting.

For the avoidance of doubt, to the extent the remuneration policy derogates from (article 7:121 junco) article 7:91 Belgian Code of Companies and Associations, the approval of the Remuneration Policy by the General Meeting of Shareholders shall be considered an explicit approval of such derogations.

II. General vision in terms of remuneration

As provider of digital services and communication solutions, our company is operating in a complex, dynamic and constantly changing environment, on a highly competitive and rapidly evolving Belgian and international telecom market.

To achieve our transformation, ambitions, and objectives, and so ensure the long-term sustainability of our Group, we need qualified, talented, and highly committed employees and managers, working in close cooperation, building resilience and promoting our culture and values. We indeed consider the promotion of our Think possible culture as key to realize our strategy. Think possible is first and foremost a mindset that makes us see opportunities everywhere. It is also a set of principles and behaviours that guide us in finding the best solutions for our customers.

It is therefore critical to have a competitive and market attractive Global Rewards Program for both the Leadership Squad members and all other members of the Top Management, as well as for the entire workforce. The competitiveness of our Global Rewards Program is regularly assessed by using the services of a human capital and employee benefits consulting company.

Our company has innovative, competitive and market attractive remuneration policies and practices that are regularly assessed and updated through close cooperation with universities, salary benchmark reports from specialized companies and external human resources fora. The practices used for the remuneration of our employees – wages and working conditions included – are based on the principles of non-discrimination and fairness and are defined in a process of dialogue with the Board of Directors and with the social partners.

In view of its history as a company under public law, our company presents certain differences, in its dynamics and structure, compared to the private sector. These differences have had a considerable influence on the evolution of its remuneration policy. Our human resources department has thus developed creative and modular programs to meet our obligations related to the statutory nature of the employment of certain staff members and has introduced new elements that have made it possible to harmonize policies between statutory and contractual staff members.

The main objectives of our Global Rewards Program are as follows:

- To drive performance that generates long-term profitable growth and create long-term value for our Group as a reference operator;
- To stimulate empowerment to meet our commitment to participate in the creation of an inclusive, safe, sustainable and prosperous digital Belgium;
- To offer a fair and equitable remuneration to our staff (both to civil servants and to the contractual employees), and competitive on the market;
- To recognize and reward high performance in line with our company values and our culture “Think Possible”;
- To link pay to both individual performance and the overall success of our company in order to reinforce the alignment with the business strategy and successful execution;
- To enable our company to attract and retain market’s talents at all levels, offering them to live intuitive and meaningful experiences, to create a place of work where these talents can be the best version of themselves and to get them ready to win our company’s challenges of today and tomorrow;
- To combine the needs and responsibilities of employees and their families with those of the company and society at large.

Our company also maintains – and modernises – additional motivational instruments, such as work- life benefits (e.g. hospitalisation and homeworking facilities), social assistance and wellbeing initiatives offered to all employees, Leadership Squad members included.

Our priority is to work on the basis of remuneration practices that prepare the future and support the promise made to our employees to empower them to take accountability, to achieve our company's ambition and strategic objectives and to make them proud of the successes we achieve together.

III. Remuneration Policy of the members of the Board of Directors

A. Decision-making process and measures to avoid or manage conflicts of interests

At Proximus, we know that doing business the right way is our license to operate. We never want to be put at the centre of ethical dilemmas and we put the right measures in place to ensure our business is conducted ethically, always reflecting our moral values. This first and foremost means having a clear governance model.

The key features of Proximus' governance model are as follows:

- a Board of Directors, which defines Proximus' general policy & strategy and supervises operational management
- an Audit & Compliance Committee, a Nomination & Remuneration Committee, a Transformation & Innovation Committee and an International Committee created by the Board within its structure
- a Chief Executive Officer (CEO) who takes primary responsibility for operational management including, but not limited to, day-to-day management
- a Leadership Squad that assists the CEO in the exercise of his or her duties.

The Board of Directors is composed of no more than fourteen members, including the Chief Executive Officer. The CEO is the only executive member at the Board, all other members are non-executive Directors.

The CEO, who is the only executive Director, is not remunerated for the performance of his mandate as member of the Board of Directors and of the Committees, nor for any other mandate within the Group subsidiaries Boards of Directors.

The General Meeting of Shareholders determines the remuneration of the non-executive members of the Board of Directors upon proposal of the Board of Directors, based on recommendations made by the Nomination and Remuneration Committee.

The General Meeting is solely competent for the remuneration of the members of the Board of Directors. This exclusive competence ensures that there are no conflicts of interest in this area. Each member of the Board of Directors therefore acts without conflict and always puts the interests of Proximus before his or her personal interests.

B. Structure of the remuneration of the members of the Board of Directors

Since its approval by the Proximus General Meeting of Shareholders in 2004, the non-executive Directors are remunerated as follows:

- For the Chairman of the Board of Directors:
  - An annual fixed compensation of EUR 50,000 granted pro rata temporis of the duration of the mandate
  - An attendance fee of EUR 10,000 per attended meeting of the Board of Directors
  - An attendance fee of EUR 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee
  - An annual fixed allowance of EUR 4,000 for communication costs
  - The use of a company car

- For the other members of the Board of Directors:
  - An annual fixed compensation of EUR 25,000 granted pro rata temporis of the duration of the mandate
  - An attendance fee of EUR 5,000 per attended meeting of the Board of Directors
  - An attendance fee of EUR 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee
  - An annual fixed allowance of EUR 2,000 for communication costs

These amounts are paid semi-annually and are not subject to indexation.

For the performance of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration, nor do they receive benefits linked to complementary pension plans or any other group insurance.

In short :

	Chairman of the Board of Directors	Non-executive Director
Annual fixed compensation	EUR 50,000	EUR 25,000
Attendance fee to meetings		
Board of Directors	EUR 10,000	EUR 5,000
Committee as Chair of a Committee	EUR 5,000	EUR 5,000
Committee as member of a Committee	EUR 2,500	EUR 2,500
Allowance for communication costs	EUR 4,000	EUR 2,000

Although the 2020 Corporate Governance Code recommends that a non-executive board member should receive part of their remuneration in the form of shares in the company, the company has decided not to comply with this provision considering its specific shareholdership, having the Belgian State as majority shareholder.

The Chairman of the Board of Directors is also Chairman of the Joint Committee, the Pension Fund and Proximus ART. He is member of the Board of ConnectImmo, our immo-affiliate. He does not receive any fees for these mandates.

C. Contractual arrangements with the non-executive Directors

Directors are appointed at the General Meeting by Shareholders for a renewable term of up to four years. According to the independence criteria for independent directors, defined in article 7:87 of the Belgian Code of Companies and Associations and as further specified in the 2020 Corporate Governance Code, the maximum total term for independent Directors is in principle limited to twelve years.

The Board of Directors exclusively recommends candidates who have been proposed by the Nomination and Remuneration Committee, which takes into account the principle of reasonable representation of significant stable shareholders. Any shareholder who holds at least 25% of the shares has the right to nominate directors for appointment pro rata to his shareholding. Based on this rule the Belgian State has the right to nominate 7 out of the current 14 Directors. All other Directors must be independent within the meaning of article 7:87 of the Belgian Code of Companies and Associations and of the 2020 Corporate Governance Code and at any time the Board needs to have at least 3 independent Directors.

The General Meeting can dismiss a director without any notice period or severance payment, without any justification, and by a simple majority vote. However, the General Meeting is free to grant a notice period or severance payment upon dismissal.

We seek to attract a variety of director profiles, as a mirror of our company and of the society at large, recognized experts at the national or international level, with in-depth knowledge of either the telecom sector or the business field in general. Proximus is proud of a substantial female representation on its Board of Directors. This composition and the complementary expertise and skills of all Directors create a dynamic that benefits the good management of the company.

IV. Remuneration Policy of the Leadership Squad

A. Decision-making process and measures to avoid or manage conflicts of interests

The remuneration program of the Leadership Squad and the individual remuneration packages are set by the Board of Directors upon recommendations from the Nomination & Remuneration Committee. The individual remuneration packages are defined according to the individual responsibilities, sustained performance, critical skills and market practices. The Board of Directors always makes sure that the remuneration policies for the Leadership Squad are consistent with our company's overall remuneration framework.

The members of the Leadership Squad, CEO included, do not participate in the deliberations and vote within the Board of Directors as regards to their own remuneration. They neither participate in the discussions within the Nomination and Remuneration Committee as regards to their own remuneration. Reference is also made to the conflict of interest rules laid down in Article 7:96 of the Belgian Code of Companies and Associations.

Competitiveness of the remuneration of the Leadership Squad

The remuneration policies and practices applicable to the Leadership Squad are aimed to attract and retain talented executives, reward them competitively and at rates that are attractive in the market, promote sustainable value creation, align the interests of management and shareholders and comply with the governance rules applicable in Belgium. Although the 2020 Belgian Corporate Governance Code recommends that the Board should set a minimum threshold of shares to be held by the members of the Leadership Squad, the company did decide in the past not to comply with this provision taking into account its specific shareholdership, having the Belgian State as majority shareholder. Nevertheless, in view of our Group's increasing internationalization, our company is considering introducing share-based compensation in the future, and did it exceptionally in 2024 for the CEO, which enables a better compliance with the Belgian Corporate Governance Code.

To achieve its transformation, ambitions and objectives, and thus ensure the long-term sustainability of the Group, our company intends to attract and retain qualified, talented and committed leaders for its Leadership Squad. We want to recognize clear role models, who deliver a high level of performance and promote our culture and values.

Like the rest of the top management of our company, the members of the Leadership Squad benefit from dedicated reward programs which focus on the principles of our strategy to consistently reward high performance of individuals and of the company. A significant part of their total remuneration is variable, based on stringent quantitative and qualitative performance criteria, and is driven by our company's objectives in terms of performance and growth and by our company's commitment to contribute to an inclusive, safe, sustainable and prosperous digital Belgium. This way, our company wants to encourage them to deliver a long-term, sustainable profitable growth, in line with our Group's strategy and the expectations of our shareholders.

The market positioning of these remuneration packages is reviewed on a regular basis by benchmarking the remuneration of the members of our Leadership Squad against both the BEL 20 companies (financial sector excluded) and a set of peer companies in the European Telecommunications and ICT sector. This analysis – carried out by specialized and independent external consultants – aims to ensure that the global remuneration of each member of the Leadership Squad remains adequate, reflecting the complexity inherent in his/her role, fair and in line with market practices and consistent with the evolution of both his/her responsibilities and the market situation of the Proximus Group in terms of size, scope of activities and financial results. As a company, we ambition to position ourselves on the market median, which is our reference.

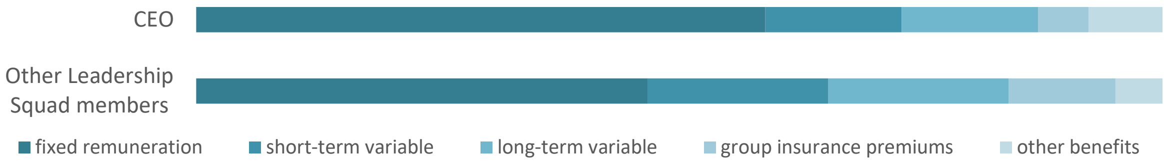
To distinguish ourselves from other employers, our company seeks to differentiate in the total package offered, by providing not only a cash remuneration but also other benefits. A limited degree of freedom is also left to the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of the pay-out means of their variable compensation.

B. Remuneration structure of the Leadership Squad

The remuneration of the members of the Leadership Squad is built upon the following components:

- Fixed remuneration
- Short-term variable remuneration
- Deferred share-based remuneration
- Long-term variable remuneration
- Group insurance premiums
- Other benefits
- One-off and exceptional bonuses

Current variable remuneration policy is aligned for all Leadership Squad members, CEO included. The target percentage of both the short and long-term variable remuneration amounts to 40% of the fixed remuneration, meaning that half of the CEO's variable remuneration is long-term, deferred over a 3-year period. This way, our company fully complies with the Article 7.91 of the 2020 Belgian Code on Corporate Governance, which stipulates that at least 50% of the variable remuneration should be deferred. For the CEO, the percentages of variable remuneration are only applicable on the annual fixed remuneration perceived for his responsibilities within Proximus.



The CEO is normally not entitled to deferred share-based but he has been offered the opportunity to receive up to 75,000 Proximus shares on July 31st, 2024 by the Board of Directors of Proximus, a special success fee aiming to reward the different milestones, realized in the development, preparation and execution of the international strategy of the Proximus Group. The CEO did accept the total number of shares, and therefore paid the personal income tax due. These shares are subject to a blocking period of three years. Given the unique and exceptional nature of this opportunity, it is not included in the chart related to on-target remuneration.

The other members of the Leadership Squad did not receive any remuneration in the form of Proximus shares or Proximus stock options so far. But in view of our Group's increasing internationalization, our company will introduce share-based compensation in the future, which will also enable a better compliance with the Belgian Corporate Governance Code.

1. Fixed remuneration

The fixed remuneration consists of a fixed salary earned by the CEO and by the other members of the Leadership Squad for the reported year in such respective roles. This remuneration is defined by the nature and the specificities of the function and by the level of individual skills and experience, considering market practices. This remuneration is allocated regardless of the results and is contractually subject to the consumer price index[1].

The fixed remuneration of the CEO is set by the Board of Directors at the beginning of his six-year mandate for the duration of his mandate. In order to ensure strategic continuity, an amendment to current management services agreement of the CEO has been signed in 2024 further to the decision taken by the Board of Directors to already renew the CEO's mandate for a new term of six years as from July 2024, ending on June 30, 2030. As announced early February 2025, Guillaume Boutin has decided to leave the Proximus Group by mid-May 2025.

[1] *in accordance with the rules laid down by the Law of 1 March 1977 organising a system of linking certain public sector expenditure to the State consumer price index, as amended by Royal Decree No 178 of 30 December 1982*

The prolongation came with some modifications to the remuneration package of the CEO. His basic existing remuneration package remains unchanged. However, the additional remuneration Guillaume Boutin receives for his international responsibilities has been adapted to reflect the evolving international activities of the Group and the broader scope of his function as CEO of Proximus Global, encompassing the responsibilities over BICS, Telesign and Route Mobile.

This additional remuneration has been fixed at EUR 400,000 gross per year as of 2024 and is contractually subject to the consumer price index. This amendment also foresees a possible variable remuneration in case such variable remuneration would be introduced for the Proximus Global management team.

The fixed remuneration of the Leadership Squad members others than the CEO is regularly assessed by the Nomination & Remuneration Committee, based on an extensive review of sustained performance and assessment of potential of each member provided by the CEO, as well as on external benchmarking data on market practices. Thereby, the evolution of the fixed remuneration depends on the competency level of the Leadership Squad member, of his or her sustained performance level, of the evolution of his or her responsibilities, as well as of the evolution of the market. Possible adjustments are always submitted to the Board of Directors for approval.

2. Short-term variable remuneration

Purpose and components of the short-term variable remuneration

The members of the Leadership Squad, CEO included, receive a target short-term variable remuneration expressed as a percentage of the annual fixed remuneration. This target percentage is identical for all Leadership Squad members, CEO included, and amounts to 40% of the fixed remuneration. For the CEO, this percentage is only applicable on the annual fixed remuneration perceived for his responsibilities with Proximus SA.

Our short-term variable remuneration system has been designed to support the strategy and the values of our Group and to enhance a performance-based management culture.

Our company indeed considers close collaboration of all employees to be imperative, all efforts need to be focused and aligned towards the Group’s success to ensure its sustainability.

The Group results are therefore highly impacting (for 60%) the short-term variable remuneration of the members of the Leadership Squad, on top of individual performance (for 40%), and this in line with our company values.

Group performance – Key Performance Indicators (KPIs)

The short-term annual variable remuneration is for 60% based on the Group’s performance against a set of Key Performance Indicators (KPI’s), that are, on a yearly basis, defined by the Board of Directors upon recommendation from the Nomination & Remuneration Committee. These KPI’s are the so called STI KPI’s (Short Term Incentives KPI’s). They focus on our domestic market (Belgium, The Netherlands and Luxemburg).

We make sure that these KPI’s are varied, clear and measurable. They include financial as well as non-financial indicators at Group level and are inspired by our strategy of creating value for the clients and by our ambition towards a long-term sustainable growth.

These KPI’s are adapted annually in order to reflect at best the year-over-year evolution of our Group’s priorities and ambitions.

These KPI’s are reported annually in our remuneration report. The weight per indicator is also mentioned in the remuneration report, as well as the final result at Group level. For the sake of confidentiality, the detailed KPI’s are only reported a posteriori in our remuneration report.

The KPI's at Group level are based on the strategic goals of the company.

For instance, for performance year 2023:

Each strategic pillar has a weight in the overall STI framework, in line with its relative importance for the Group, and has a number of clearly identified, specific, measurable and actionable KPI's associated to it. These KPI's are either of a financial, a non-financial or a mixed nature.
For the sake of confidentiality, the STI KPI's are only reported a posteriori in the Remuneration report.

The high ESG (Environmental, Social and Governance) ambitions of our Group are reflected in our STI KPI's. The chosen KPI's show our company's commitment to contribute to a more green, circular and safe society. The weight of the ESG and company culture related KPI's in the overall STI framework increases year over year in order to reflect the more prominent role we wish to play in society.

Measuring methodology: we all go the extra smile!
For each performance indicator, an end-of-year target is defined, as well as a pay-out interval with a minimum (Min) and a maximum (Max) threshold. The targets and thresholds are defined in such a way that they stimulate the teams to go the extra (s)mile whilst remaining realistic and achievable. For a KPI that meets its end-of-year target, the short-term variable remuneration pay-out ("Multiplier") is at 100% of its target level. In case of overperformance versus target at year end, the Multiplier linearly grows to a maximum of 200% beyond which it is capped, whilst it linearly decreases to 0% in case of underperformance versus target at year end.

The EBITDA and the Indirect OPEX are determined based on audited financial figures, adjusted to obtain underlying financial figures after exclusion of incidentals. Also CO2 results are submitted to an external audit. Non-financial indicators are measured by internal experts and external agencies specialized in market and customer intelligence.

The achievements of these KPI's are regularly followed-up at the Leadership Squad and are discussed at the Nomination & Remuneration Committee and at the Board of Directors.

Individual performance

The individual performance is taken into account for 40% in the short-term variable remuneration.

On top of the Group results, the individual performance is annually evaluated in the course of the first quarter following the end of the financial year by the Board of Directors. This evaluation is based on the recommendations made by the Chairman of the Board of Directors for the CEO performance and by the CEO for the other members of the Leadership Squad.

Throughout each performance period, the achievements of the on-going year are regularly measured and discussed. The final evaluation takes into account the realizations versus predefined measurable individual objectives as well as the achievements of the Leadership Squad members in their leadership role and their active role in the promotion of our company culture and values.

These individual objectives are set every year in line with the specific role and responsibilities of each Leadership Squad member and need to reflect our long-term corporate strategy which is cascaded within the company and included in the individual objectives as to enable our Group to fulfil its ambitions.

ESG-related metrics are part of the individual annual targets, such as climate change KPI's (aiming to reduce our environmental footprint, that of our customers and that of our suppliers), a positive influence on (digital) society, governance KPI's or parameters with a social responsibility dimension. Our company wants to encourage permanent awareness and climate-friendly behaviour and management.

We are committed to stimulate high and sustainable levels of performance in a spirit of innovation, collaboration, agility and personal development.

Upon final evaluation, the Board of Directors will not only take into consideration the individual differentiation between the members of the Leadership Squad in terms of performance and talent but will also ensure that the total amount allocated for individual performance is in line with the results at Group level, in order to consolidate the interdependence between the individual contribution and the company's performance.

Short-term variable remuneration allocation

As mentioned above, the amount effectively paid to the CEO and to the other members of the Leadership Squad varies according to the Group results (for 60%) and to the evaluation of the individual performances (for 40%) by the Board of Directors.

In case of objectives realization at 100%, the CEO or the other members of the Leadership Squad gets 100% of his or her short-term variable remuneration target amount. In case of excellent performance at Group and individual level, the short-term variable remuneration can go above the 100% of the target amount, with a cap at 200%, according to a linear allocation curve. Conversely, this percentage can drop down to 0% in case of severe underperformance.

The Board of Directors ensures that the amount allocated for individual performance is consistent with-the company's performance. However, there is no overall ceiling directly linked to the Group KPI results for the total individual short-term variable remuneration allocated to the Leadership Squad members others than the CEO. Allocations are made individually on the basis of actual performance against individual targets, more in line with market practice for this level of responsibility.

One of the principles of our company's remuneration policy is the degree of freedom for the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of pay out means of their variable remuneration. They therefore get the opportunity to invest part of their short-term variable remuneration in a bonus pension plan, i.e. an additional supplementary pension plan, and to receive part of their short-term variable remuneration in cash bonuses, in non-recurring benefit or in (non-Proximus) warrants or fund options, always within the limits of the relevant regulations.

3. Deferred share-based remuneration

Possible one-time deferred share-based remuneration for the CEO

The Board of Directors may decide to grant shares to the CEO as exceptional fee rewarding particular successes or realizations, like they did in July 2024.

Such a remuneration in shares for top executives is recommended by the Belgian Corporate Governance Code 2020 and standard practice in the international business landscape.

The deferred nature of this exceptional reward – through the vesting period over a few years (3 years for the shares grated in July 2024) – motivates the CEO to drive long-term value creation by aligning his interests with the long-term strategic goals of the company.

The other members of the Leadership Squad did not receive any Proximus shares in 2024, nor over the last 5 years.

Possible ad hoc deferred share-based remuneration for all employees

The same way, the Board of Directors may decide to launch a Discounted Share Purchase Plan for all employees, Leadership Squad included, like they will do end 2025. This new plan has been adopted by the Board of Directors upon recommendation made by the Nomination & Remuneration Committee in March 2025.

This initiative has been designed to offer our employees the opportunity to purchase Proximus shares at a discounted rate. These shares will be blocked during a period of 2 years.

We believe this is a powerful and strategic move for several reasons:

- By offering employees the chance to become shareholders, we align their interests with those of our shareholders. This fosters a sense of ownership and encourages employees to contribute to the company's long-term success.
- We ensure that our remuneration policy remains competitive and attractive, in line with market practices.
- This Plan serves as an additional mechanism for retaining and attracting key talents. By offering a stake in the company's future, we provide a compelling reason for top talent to join and stay with Proximus.
- Building a sense of belonging and proudness through a stronger employee ownership culture is crucial. We consider that this initiative is aimed to share the successes we are all working for, this is a socially responsible move towards the recognition of our motivated and dedicated workforce.

We look forward to seeing the positive impact of this Discounted Share Purchase Plan on our company and our people.

Optional long-term variable remuneration in stock options

The CEO and the other members of the Leadership Squad did not receive any Proximus stock options over the last 5 years neither. But our company will ask the introduction of share-based compensation as of 2025 during the General Meeting of Shareholders of 17 April 2025, which will also enable a better compliance with the Belgian Corporate Governance Code.

This optional share-based compensation will count for 50% of the total long-term variable remuneration (see hereafter) while the long-term Performance Value Plan will remain counting for the other 50% of the total long-term variable remuneration.

4. Long-term variable remuneration (Deferred bonus over 3 years)

Purpose and components of the long-term variable remuneration

Our company wants to encourage its Leadership Squad, as well as the other members of its top management, to generate sustainable and profitable performance and growth over the long term, in line with our strategy at Group level, our societal ambitions and the expectations of our shareholders and all our other stakeholders.

To achieve this ambition, the remuneration policy of our Leadership Squad, CEO included, significantly links their variable remuneration to our Group's long-term financial and non-financial strategic objectives through a long-term variable remuneration.

Long-term variable remuneration allocation

The members of the Leadership Squad, CEO included, receive a target long-term variable remuneration expressed in a percentage of the fixed remuneration. This target percentage is the same as the percentage of their target short-term variable remuneration, i.e. 40% of the annual fixed remuneration.

This means that half of the CEO's variable remuneration is long-term, deferred over a 3-year period. This way, our company fully complies with the Article 7.91 of the 2020 Belgian Code on Corporate Governance, which stipulates that at least 50% of the variable remuneration should be deferred.

The long-term variable remuneration is allocated to the members of the Leadership Squad by the Board of Directors upon recommendations made by the Nomination & Remuneration Committee.

Upon approval by the General Meeting of Shareholders of 17 April 2025, there will be two different long-term incentives plans in place: a long-term Performance Value Plan and a long-term stock options plan.

4.1. Optional long-term Stock Options Plan

As part of our ongoing commitment to attract and retain top talents, align the interests of our executives and shareholders, and comply with market practices and regulatory requirements, Proximus executives will be offered the opportunity to participate on a yearly basis to a new Stock Option Plan as from 2025, counting for 50% of their total long-term variable remuneration. If the executives – Leadership Squad members included – do not want to participate to this stock option plan, they will further receive their total long-term variable remuneration via the Performance Value Plan. This new plan has been adopted by the Board of Directors upon recommendation made by the Nomination & Remuneration Committee in March 2025.

Cultivation of an Ownership Culture

The initiative of launching a new Stock Option Plan aims to create an ownership culture within our organization, boosting executives commitment, motivation, and performance, and instilling a sense of pride and responsibility, being stakeholders in Proximus' prosperity. With a tangible connection to the company's achievements, the executives are driven to excel in their roles, ultimately driving the organization's overall success.

It is a powerful mechanism for attracting and retaining key talents and contributors. By offering a stake in the company's future success, we position ourselves as an employer of choice for high-performing executives seeking long-term growth and rewards.

It consists in a Stock Option Plan with maximum 60 days acceptance following offer. This way, the options will fall within the scope of the stock option Law of March 26, 1999. Our new stock option plan is in line with prevailing market practices, ensuring that our compensation strategies are competitive and contemporary. Furthermore, it enhances our compliance with the 2020 Belgian Corporate Governance Code, reinforcing our commitment to ethical standards and transparency.

The executives – CEO and other Leadership Squad members included – will get the right to buy or subscribe to a certain number of Proximus shares during a certain period (exercise period), at a certain price (exercise price) for 50% of their long-term variable remuneration. The target percentage for the members of the Leadership Squad, CEO included, is thus 20% of their annual fixed remuneration and the effective grant will be decided by the Board of Directors upon recommendations made by the Nomination & Remuneration Committee. In order to calculate the number of options granted per participant, an option valuation will be made by external consultants according to the Black & Scholes option pricing model.

Like all executives, the members of the Leadership Squad may choose each year if they want to participate to the stock option tranche launched on that specific year. If they don't want to participate, they will get their long-term variable remuneration fully through the Performance Value Plan.

Our stock option plan features a 7-year option life. This means that stock options need to be exercised within 7-year after the offer date, encouraging timely decision-making and long-term commitment. Stock options not exercised within 7 years from the offer date will be forfeited.

The vesting schedule is spread over three years: one-third of the options vest one year after the offer date (Year 1 vesting), another third two years after the offer date (Year 2 vesting), and the final third three years after the offer date (Year 3 vesting). This staggered vesting approach ensures a balanced and sustained motivation for employees over the long term.

Our Stock Option Plan utilizes treasury shares, which only become exercisable on their respective vesting dates, this is not a capital increase.

No performance conditions are tied to the vesting of the stock options. By removing performance criteria, we simplify the process and provide a clear, attainable path to equity ownership for our executives. This straightforward vesting approach encourages consistent contributions without the pressure of meeting additional performance metrics.

Once stock options have vested, they can be exercised without restricted exercise windows, providing our executives with flexibility. However, to ensure compliance and maintain integrity, the exercise is subject to the Closed Periods stipulated in the Dealing Code for Key Employees. This policy prevents trading during sensitive periods to uphold transparency and fairness.

Leadership Squad members who would put an end to their employment relationship with our company before the vesting dates will lose the stock options granted. This rule also applies in case the company puts an end to an employment relationship for serious cause on the part of a member of the Leadership Squad.

It is important to note that stock options under this plan do not confer voting rights or entitlements to dividends. This characteristic distinguishes the option holders from ordinary shareholders while still providing them with a valuable stake in the company's future growth.

4.2. Long-term Performance Value Plan

The long-term Performance Value Plan currently in place has been adopted by our company in 2013 and has been reviewed in 2019 and in 2022.

Under this Performance Value Plan, targets are defined and fixed for the next 3 years and as a result, the awards granted are blocked for a period of 3 years. The amount actually paid after vesting, will depend on a final multiplier as described below.

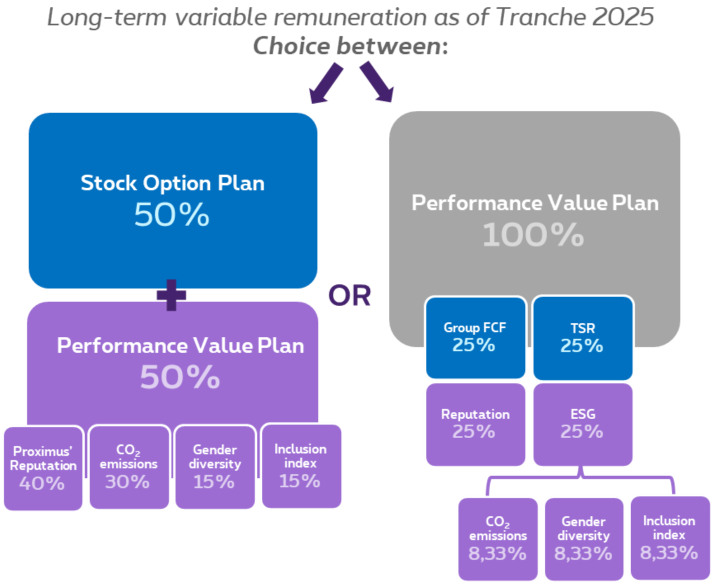
This plan has been designed to keep the long-term variable remuneration of the executives balanced and attractive while maximizing Proximus Group's long-term value by aligning the interests of Proximus Group's executives with Proximus Group's shareholders and stakeholders. It aims to ensure that the actions and initiatives taken by the executives are guided by long-term and sustainable interests. Therefore, this remuneration clearly constitutes a long-term incentive.

Leadership Squad members who would put an end to their employment relationship with our company before the end of the blocking period would lose the awards granted. This rule also applies in case the company puts an end to an employment relationship for serious cause on the part of a member of the Leadership Squad.

The Key Performance Indicators used in the frame of the Long-term Performance Value Plan - the so called LTI KPI’s - are related to the strategic goals of our Group and enable us to assess the progresses of our Group towards our societal ambitions, strategy and sustainability on the long term.

KPI’s are defined on a yearly basis for 3 years, reinforcing the sense of long-term and sustainable business vision among Proximus Group's senior management. These KPIs are given different weights in the overall Long-term Performance Value Plan framework, in line with their relative importance in terms of long-term sustainability of the Group.

According to the choice made by each executive to participate or not in the stock option plan, the Key Performance Indicators (KPIs) will be different, as illustrated here below.



We keep the future in mind
In order to reflect the high ESG (Environmental, Social and Governance) ambitions of our Group in our LTI KPI's as well, a new KPI, specifically related to ESG matters, has been added to the original ones since 2022. This way, encouraging ESG innovation, we want to increase the focus on our efforts to evolve towards a more sustainable society. This ESG KPI will be reviewed over the years in line with our ESG concerns and long-term commitment to contribute to the necessary changes.
The same way, for the executives who opt for a participation in the stock option plan for 50% of their long-term variable remuneration, only two KPI will be retained: reputation and ESG portfolio.

Each year, an annual result is calculated based on the weighted average of the above-mentioned performance criteria. After the blocking period of 3 years, the Performance Values vest and are paid to the beneficiaries according to the final multiplier, being the average of the three yearly multipliers.

In case of final multiplier at 100%, the executives get 100% of the long -term variable remuneration originally granted to them. In case of sustained excellent Group performance over this 3-year period, the final multiplier for the long-term variable remuneration can go above the 100%, with a cap at 175%. Conversely, this percentage can drop down to 0% in case of severe underperformance.

The payment of the Performance Values is made through a cash bonus.

5. Group insurance premiums

Complementary pension

The CEO participates in a complementary pension scheme entirely financed by Proximus which foresees an annual defined contribution calculated as a percentage of the fixed remuneration. This percentage amounts to 10%, only calculated on the fixed remuneration related to his role as CEO of Proximus.

The other members of the Leadership Squad participate in a complementary pension scheme entirely financed by Proximus which consists of a "Defined Benefit Plan" offering pension rights which are in line with market practices. This scheme therefore corresponds to a promise made by the company of a certain amount at retirement age based on the plan rules, an amount that does not depend on an investment return.

Other group insurances

The CEO and the other members of the Leadership Squad also benefit from other group insurances in line with market practices, such as life and invalidity insurances.

As for the life insurance, the beneficiaries of the CEO or of another member of the Leadership Squad will receive, in the event of death during the term of his or her contract, a gross capital lump equal to the monthly salary multiplied by 60. For the CEO, this formula only applies on his monthly salary for his role as CEO of Proximus.

In the event of work incapacity due to illness or private accident, the professional income of the CEO or another member of the Leadership Squad is 100% guaranteed for the first three months of the incapacity. For the CEO, this formula only applies on his monthly salary for his role as CEO of Proximus. As from the fourth month, the disability insurance covers the payment of a disability annuity by the insurance company on top of the ceiling of the legal sickness-disability insurance provided by the Belgian social security.

Average premiums cost for the company

The average premiums paid by our company for the group insurances of the CEO in 2024 is estimated to 9% of his fixed remuneration.

As for the other members of the Leadership Squad, the average premiums paid by our company for their group insurances in 2024 amounted to about 25% of their fixed remuneration.

6. Other benefits

Our Group wants to stimulate its executives by offering a portfolio of benefits and advantages that are competitive in the marketplace and consistent with the Group’s culture. The CEO and the other members of the Leadership Squad receive benefits on top of their remuneration, including medical insurance, the use of a company car, welfare benefits and other benefits in kind. Comparative assessments are regularly made on these benefits which are adapted according to the common market practices.

Where feasible, our portfolio of benefits and advantages is tailored and updated in line with our company's ambition to act for a green and digital society. For instance, our mobility program is now focused on clear objectives of a greener fleet and of a wide offer of green alternatives to car use for our employees, members of the Leadership Squad included.

Non-recurring costs – like relocation costs upon recruitment of new members residing abroad, for instance – are impacting the evolution from year to year of the total cost for our company for these benefits and advantages. The ratio versus the fix remuneration can therefore significantly evolve from a year to another. For 2024, this ratio is estimated to 13% for the CEO and to 18% for the other members of the Leadership Squad.

7. One-off and exceptional bonuses

The Board of Directors may, in exceptional circumstances and upon recommendations made by the Nomination & Remuneration Committee, grant one-off bonuses to one or more members of the Leadership Squad.

This may be necessary, for example, in the case of additional responsibilities exceptionally assumed by a member of the Leadership Squad when a Leadership Squad position is vacant, or in the event that a sign-on or a special retention bonus would be necessary due to market circumstances.

At Leadership Squad level, offering a hiring bonus is common practice in order to attract talented people and convince them to join us. In the "war for talent", hiring bonuses are increasingly common on the market, and are becoming part of employment contracts. In addition to their attraction function, exceptional one-shot variable remuneration is also often granted as financial compensation for the potential loss of variable remuneration (short- and long-term) when the related people resign from their current job.

If granted, such bonuses are reported together with the variable remuneration and are included in the total variable remuneration allocated to the other Leadership Squad members at the time these possible exceptional bonuses are earned. Consequently, if contractual promises for the future exist at the time of publication of this report, they will only be taken into account at the time these will be earned.

C. Recovery of undue variable remuneration

A claw back stipulation is part of the contract of the CEO enabling our company to recover the paid short-term and long-term variable remuneration or to withhold the payment of this variable remuneration in the case of established fraud.

As for the other members of the Leadership Squad, the employment contracts of those members appointed as from January 1, 2020 include a specific claw back stipulation regarding the recovery in favour of our company of the short-term and long-term variable remuneration that would have been attributed to them on the basis of erroneous financial information. The employment contracts of those members appointed prior to January 1, 2020, however, do not include such a stipulation.

These stipulations do not mention the way undue variable remuneration would be recovered. If the case were to arise, which seems unlikely in view of the multiple controls and audits carried out before publication of the results, the recovery would be analyzed, both in terms of the amounts to be recovered and the way to do it.

D. Main provisions of the contractual relationships

Proximus' contractual relations with the CEO and the other members of the Leadership Squad are in line with current market practice.

Contractual arrangement with the CEO

The CEO has a contract as self-employed executive with a fixed six-year term.

On July 25th, 2024, the Board of Directors has unanimously opted for a proactive prolongation of the mandate of Guillaume Boutin and has thus decided to already renew his mandate as Proximus Group CEO for a period of six years. This decision has been officialised in an amendment to current management services agreement of Guillaume Boutin. As announced early February 2025, Guillaume Boutin has decided to leave the Proximus Group by mid-May 2025.

The CEO is bound by a non-competition clause, prohibiting him during 12 months after leaving the Group from working for any company of the telecommunication industry that is active in Belgium, in Luxemburg or in The Netherlands. If activated by our company, the CEO would receive an amount equal to one year's fixed remuneration as compensation.

The CEO is also bound by exclusivity and confidentiality obligations and is liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

If the CEO mandate is revoked by our company before the end of the six-year term, except if the mandate is ended for reason of material breach, our company will pay the CEO a contractual termination indemnity equal to one year's fixed salary and target short-term variable remuneration, including the compensation granted for his mandate as CEO of Proximus Global.

Main contractual terms of the other Leadership Squad members

Our company and the other members of the Leadership Squad are bound by employment agreements for an indefinite period that comply with Belgian corporate governance legislation and are all subject to Belgian jurisdiction.

All members of the Leadership Squad other than the CEO are bound by a non-competition clause prohibiting them during 12 months after leaving the Group from working for any other mobile or fixed licensed operator active on the Belgian market. If activated by our company, he/she would receive an amount equal to six months' fixed remuneration as compensation.

Just like the CEO, the other members of the Leadership Squad are also bound by exclusivity and confidentiality obligations and are liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

They have a contractual termination clause which foresees an indemnity of one year's remuneration. Nevertheless, we will apply the Belgian mandatory employment law if it provides for a longer notice period (or a corresponding higher termination indemnity).

V. Application of the Remuneration Policy and derogations

Proximus undertakes to remunerate the members of the Board of Directors, the CEO and the other members of the Leadership Squad only in accordance with the Remuneration Policy as described above, which will be submitted to the vote of the shareholders at the General Meeting of Shareholders of Proximus on 17 April 2025.

However, the Board of Directors may, in exceptional circumstances and upon proposal of the Nomination & Remuneration Committee, temporarily derogate from all elements of the Remuneration Policy. Exceptional circumstances shall only cover situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of Proximus as a whole.

When resolving on derogations from the Remuneration Policy, the Board of Directors must comply with the decision-making procedure set out above.

Any derogation will be communicated at the first General Meeting of Shareholders following the derogation and will be explained in the Remuneration Report for the related year.

VI. Significant changes to the existing practices

The Remuneration Policy described in this document aims at bringing the current remuneration policy, as explained in the Remuneration Report which will be submitted to the vote of the shareholders at the General Meeting of Shareholders of 17 April 2025, in line with the new requirements of Article 7:89/1 of the Belgian Code of Companies and Associations.

Submitted to the vote of the shareholders at the General Meeting of Shareholders on April 17, 2025.