KINEPOLIS GROUP NV

REMUNERATION POLICY

1 SCOPE

The Board of Directors has drawn up the remuneration policy of Kinepolis Group NV (the "**Company**") in accordance with article 7:89/1 of the Belgian Code of Companies and Associations (the "**BCCA**") and the Belgian Code of Corporate Governance 2020 (the "**Code 2020**"). It sets out the remuneration principles as regards the members of the Board of Directors and the Executive Management that currently consists out of the CEO.

The General Meeting of Shareholders approved on 12 May 2021 the remuneration policy adopted by the Board of Directors on 24 March 2021, upon proposal of the Nomination and Remuneration Committee. On 23 March 2022 the Board adopted, upon proposal of the Committee, a revised version of the policy which will be applicable as of 1 January 2022.

The Company shall pay remuneration to the members of the Board of Directors and the Executive Management in accordance with the revised remuneration policy. If the General Meeting does not approve the revised remuneration policy, the Company shall continue to pay remuneration in accordance with the policy adopted in 2021.

The Board of Directors shall in any event submit a (revised) remuneration policy, adopted upon proposal of the Nomination and Remuneration Committee, to the General Meeting in the event of a material change to the policy and in any case at least every four years.

2 KINEPOLIS VIEW ON REMUNERATION

The remuneration policy aims to achieve a long term and sustainable value creation for the Company and all of her stakeholders by attracting and retaining board- and management members who can develop and implement the long-term strategy of the Company through their extended, complementary and international know how and experience.

The remuneration policy is therefore structured in such a manner that the compensation for the directors and the Executive Management is reasonable, appropriate and competitive to attract, retain and motivate those persons that correspond to the profile defined by the Board of Directors and this in accordance with the size of the Company and by taking into account benchmark compensation levels of comparable listed companies. The Board of Directors hereby uses as reference framework a selection of Belgian listed companies whose international activities, turnover, market cap and number of employees are comparable to those of the Company (the Reference Framework). This Reference Framework is evaluated periodically to assure its representativity.

Regarding the remuneration for the Executive Management, the remuneration policy aims to assure that the members thereof are compensated in accordance with their contribution to the long-term strategy of the Company to remain a resilient, sustainable and innovative group with an important added value for all stakeholders.

Not only the stock options granted to the Executive Management under the 2016 Stock Option Plan but also the variable part of the remuneration is designed to align the interests of the Executive Management with those of the Company and to focus on sustainable value creation by tying the variable remuneration to predefined milestones that enhance the implementation of the Company's long-term business, expansion and sustainability strategy.

The principles applied in determining this remuneration policy are in line with those applied to the remuneration of all of our employees, i.e. determining benchmark based compensation and labor conditions that enable Kinepolis to attract, develop and retain the best talent and capabilities that will allow her to remain a customer focused and value creating company with an engaged, inclusive, balanced and healthy workplace for all employees.

3 MEMBERS OF THE BOARD OF DIRECTORS

3.1 DECISION-MAKING PROCESS

The remuneration for the Board of Directors is yearly decided by the General Assembly on proposal of the Board of Directors, assisted by the Nomination and Remuneration committee on the basis of the principles as described in clause 3.2.

The aforementioned mechanism assures that no conflicts of interest can arise.

3.2 REMUNERATION COMPONENTS

The remuneration that can be awarded to the members of the Board of Directors consists out of a fixed remuneration and attendance fees. Upon proposal of the Nomination and Remuneration Committee the Board has reviewed the level of remuneration of the directors. On the basis of benchmark results of comparable listed companies that are part of the Reference Framework and taken into account the growth of the Group and the corresponding increasing complexity, responsibilities and time commitment for the board members, the Board has decided to modify the remuneration level as follows:

- The non-executive directors each receive a yearly amount of 37 500 euro if at least 6 board meetings have been attended to; if less than 6 meetings have been attended, the compensation will be reduced proportionally;
- The level of remuneration of the executive director for his participation as board member will be equal to that of the non-executive directors i.e. an annual amount of 37 500 euro ;

- The members of the Nomination and Remuneration committee and the Audit committee are awarded an amount of 3 000 euro per committee meeting with an additional one off yearly compensation of 12 000 euro for the Chair of the Audit committee and the Chair of the Nomination and Remuneration committee, if different than the Chair of the Board of Directors;
- As the role of vice-chair will not be filled anymore the related fixed yearly remuneration will no longer be granted;
- The remuneration of the chair of the Board of Directors remains at the annual fixed amount of 570 000 euro; the amount granted to the chair also includes the fee for chairing and participating in the Nomination and Remuneration Committee as well as participating as non-executive board member in board meetings of other group companies and takes into account the fact that the Chair also regularly represents the Company on the international movie theater business stage.

The fixed compensation has been determined taken into account the fact that the civil liability of the members of the Board of Directors is insured via a Directors and Officers Liability policy, the premium of which is covered by the Company.

Other than the right to attend movie screenings at the Kinepolis theaters, the non-executive directors receive no other remuneration, benefits, bonuses, share based or other incentives.

The Company's strategy and general mode of operation being focused on long term sustainable growth and value creation for all stakeholders and this long-term perspective being clearly represented and supported by all members of the Board of Directors, the Company has decided not to grant shares to the non-executive directors as part of their remuneration as the objective of recommendation 7.6 of the Code 2020, which aims to promote long term value creation, is met by the general strategy of the Company.

3.3 CONTRACTUAL ARRANGEMENTS WITH THE DIRECTORS

The General Meeting appoints directors for a maximum term of 4 years. They are self-employed.

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.

4 MEMBERS OF THE EXECUTIVE MANAGEMENT

4.1 DECISION-MAKING PROCESS

The Board of Directors determines the remuneration of the members of the Executive Management upon proposal of the Nomination and Remuneration Committee, taking into account the experience, level of responsibilities, achieved performances and benchmark facts resulting out of the Reference Framework.
Every year, the Board of Directors, upon advice of the Nomination and Remuneration Committee and in line with the remuneration policy, determines the performance criteria that the members of the Executive Management need to achieve in the coming year. The performance criteria promote sound and effective risk management and do not encourage risk-taking that exceeds the risk tolerance limits of the Company.

After the establishment of the annual accounts by the Board of Directors, the Nomination and Remuneration Committee evaluates the achievement of the performance criteria and based on its conclusions, the Board of Directors determines the amount of variable remuneration to be paid out.

The CEO does not participate in the deliberations and vote within the Board of Directors as regards his own remuneration, determination and evaluation of his objectives. The CEO neither participates in the discussions within the Nomination and Remuneration Committee as regards his own remuneration, determination and evaluation of his objectives.

The aforementioned mechanism assures that no conflicts of interest can arise.

4.2 REMUNERATION COMPONENTS

The remuneration that can be awarded to the members of the Executive Management consists of the following elements:

- Base remuneration
- Variable remuneration (short-term incentive and long-term incentive)
- Insurance
- Other benefits

4.2.1 BASE REMUNERATION

The base remuneration is on a two yearly basis evaluated and determined by the Board of Directors on the basis of a proposal of the Nomination and Remuneration Committee and is paid on a monthly basis. It reflects the experience, competences, activities and responsibilities of the person concerned within the organisation.

At the occasion of the two yearly evaluation, the remuneration can be adjusted on the basis of a number of criteria such as:

- comparable salaries in companies part of the Reference Framework;
- changes in the job profile; or
- changes in the size or activities of the Company.

4.2.2 VARIABLE REMUNERATION

4.2.2.1 SHORT TERM INCENTIVE

The variable component of the remuneration consists of a short term (one year) variable remuneration that is determined by the Board of Directors in the same manner as the base component and is capped to a percentage of the base remuneration whereby in case of significant outperformance or exceptional achievement, an outperformance bonus can be granted upon recommendation of the Nomination and Remuneration Committee without however the total amount of variable remuneration to exceed the cap of 100% of the fixed remuneration.

When determining the ratio between the base and variable part of the remuneration, the Board of Directors monitors closely that the ratio is in line with market practices applied in the Reference Framework and by taking into account the activities, responsibilities, performances and value creation of the Executive Management.

The variable remuneration is based:

- for 30% on the achievement of non-financial performance criteria, being a mix of individual qualitative targets and qualitative targets of the Company to be achieved over a one year period, and
- for 70% on financial performance criteria to be achieved over a one year period.

The performance criteria are set in such a manner that they ensure that:

- the interests of Executive Management run parallel and are aligned with those of the Company and its stakeholders,
- they lead, in line with the Company's strategy, to achieve long term sustainable value creation and loyalty, and
- they provide the appropriate incentive to optimize the medium and long-term objectives of the Company and its stakeholders and avoid the preference for short term goals with an adverse impact on the medium and long-term strategy.

In view of the fact that the performance criteria are all aimed at creating long-term sustainable growth and value creation, as demonstrated by the outstanding Company's performance over the past years, and that the 2016 Share Option Plan incentivizes in a significant manner Executive Management in the long term, the general shareholders meeting of 12 May 2021 has, in accordance with article 7:91 of the BCCA, approved that for a period of 4 years the variable remuneration will not be linked with performance criteria to be achieved over multiple years.

Financial performance criteria
To be able to link the variable remuneration to the operational result of the Company, the granting of 70% of the variable remuneration will be based on yearly established financial targets to be achieved over a performance year and more particularly on a range of EBITDAL measured on a consolidated basis of IFRS accounting figures.
If the realized EBITDAL for the relevant year is situated in the predefined range, an amount between 0% and 100% of the variable remuneration linked to the realization of the financial targets will be paid pro rata.

Non-financial performance criteria
These criteria will consist out of individual qualitative objectives as well as qualitative objectives for the Company that support long term sustainable value creation and which are assessed on an annual basis by measuring the achievement of predetermined milestones.

The concrete objectives and milestones will be determined and evaluated each year by the Board of Directors upon proposal of the Nomination and Remuneration Committee and will be based on (a) the Company's well known three pillar strategy (Best Cinema Operator, Best Marketeer, Best Real Estate Manager), (b) the expansion strategy and (c) the sustainability strategy.

Performance criteria for the year 2021
In view of the exceptional and unpredictable circumstances due to the covid-19 crisis and the unclear financial forecasting regarding the movie exhibition business in the year 2021, the Board of Directors upon recommendation of the Nomination and Remuneration Committee has exceptionally not used the classic distinction between qualitative and non-qualitative performance criteria but has set individual and Company objectives that primarily relate to (1) the achievement of the Entrepreneurship plan that forms the basis for the future performances of the Group, (2) continuing to reduce the negative monthly recurring free cash flow in closed condition to a level comparable to 2020, (3) the development of further KPI's in the implementation of the sustainability strategy of the Company.
The achievement of the objectives will be assessed by the Board of Directors based on the evaluation by the Nomination and Remuneration Committee.

4.2.2.2 ***LONG TERM INCENTIVE – SHARE BASED REMUNERATION***

In view of the fact that in accordance with the 2016 Share Option Plan, 90.000 share options have been granted to the CEO, the remuneration package is considered to be sufficiently balanced with various components to align the interests of the parties concerned and to incentivize the pursuit of a strategy of sustainable profitable growth.

The Company furthermore reserves the possibility to implement, new share option plans for employees and executive directors of the Company (or of a Group Company) in accordance with local regulations and governance practices and for a maximum of 5% of the outstanding share capital.

In deviation of article 7.9 of the Code 2020 and taken into account that the CEO not only holds aforementioned share options but also a significant amount of shares, the Board of Directors has not set a minimum threshold of shares to be held by the Executive Management.

4.2.3 INSURANCE

Aside from the Directors and Officers Liability policy of which the premium is paid by the Company, no other insurances are subscribed or paid for the specific benefit of the Executive Management.

4.2.4 OTHER BENEFITS

Other than a yearly cost allowance of 9 000 euro, the Executive Management does not receive any fringe benefits. In line with market practices, the Board of Directors has the possibility to integrate contributions to a pension scheme in the remuneration package of the Executive Management.

4.3 CONTRACTUAL ARRANGEMENTS WITH THE MEMBERS OF THE EXECUTIVE MANAGEMENT

The severance compensation of a member of the Executive Management in the event of early termination will not exceed twelve (12) months' basic and variable remuneration.
The variable remuneration cannot be taken into account if the departing person has not met the performance criteria referred to in his/her contract.

The contractual arrangements with the current CEO, that have been concluded before the entry into force of the Code 2009 and thus also before the entry into force of the Law of 28 April 2020 regarding the implementation of the Shareholders Rights Directive II, are concluded for an indefinite period of time and entail in case of termination of the agreement, a severance payment of 12 months of fixed remuneration as well as the proportional part of the variable remuneration for the year concerned and of 24 months in the case of a termination at the occasion of a change of control over the Company.

There are no explicit contractual claw back provisions provided for up to 31 December 2021. The general provisions provided for in the Belgian Civil Code apply in case of fraud or malicious intent with regard to the figures on which the variable remuneration has been calculated on.

However, in accordance with provision 7.12. of the Code, a claw back provision will be inserted in the contractual arrangements with the Executive Management applicable as of 1 January 2022.

This will enable the Board to fully or partially reclaim the settled variable remuneration:

(i) where there is a material misstatement in the Company's financial results on which the variable remuneration has been calculated on leading to a restatement of the audited accounts; or
(ii) in the event of fraud or malicious intent by a member of the Executive Management which has a material adverse effect on the Company's financial results on which the variable remuneration has been calculated on.

The claw back clause can be applied for a period of 3 years following the pay-out of the variable remuneration.

5 DEROGATIONS FROM THE REMUNERATION POLICY

The Company shall pay remuneration to the members of the Board of Directors and the Executive Management in accordance with the (approved) remuneration policy.

However, the Board of Directors may, in exceptional circumstances and upon reasoned proposal of the Nomination and Remuneration Committee, temporarily derogate from the remuneration policy. Exceptional circumstances shall cover only situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. The derogations can apply to any provision of the Policy insofar as not contradictory with the BCCA.

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

The Board of Directors shall explain any derogations in the remuneration report of the relevant financial year.

6 CHANGES TO THE EXISTING REMUNERATION POLICY

Besides, the introduction of a claw back clause and the changes in the remuneration of the directors, no material changes to the current remuneration policy, as approved by the Annual General Meeting of 12 May 2021, have been made.