



## COMPENSATION COMMITTEE CHARTER

### 1. Purpose

The Compensation Committee (the "**CC**" or the "**Committee**") assists the Board of Directors (the "**Board**") of dsm-firmenich AG (the "**Company**") in fulfilling the Board's responsibilities concerning the remuneration of the Board and the Executive Committee as imposed by law, applicable regulatory requirements, relevant governance codes and the Articles of Association of the Company. This shall include but is not necessarily limited to responsibilities with respect to the compensation strategy, the design of compensation and incentive plans, setting the maximum remuneration envelope, meeting reporting obligations (annual Compensation report) the compensation of the Board members, the Chair of the Board, the CEO/Co-CEOs and members of the Executive Committee.

The CC will fulfill these responsibilities primarily by carrying out the activities enumerated in section 3 of this charter. Unless explicitly provided otherwise, the CC supports the Board through preliminary and preparatory work and supporting activities and issues proposals and recommendations to the Board.

Capitalized terms not otherwise defined in these charters shall have the meaning ascribed to them in the organizational regulations of the Company (the "**Organizational Regulations**").

### 2. Composition & meetings

- 2.1. The shareholders appoint the members of the CC in the annual general meeting.
- 2.2. Within the framework of article 23 of the Company's articles of association, the Board appoints the CC's Chair, who is the Chair of the Board or an Independent Director (the "**Chair**").
- 2.3. The Committee is composed of at least three (3) members, including at least one (but not more than one) Nominated Director<sup>1</sup>.
- 2.4. In the event that the CC is not fully constituted, the Board shall appoint, in accordance with article 23 para. 4 of the Company's articles of association, from amongst its members an appropriate number of CC members ad interim for the remainder of the term of office.
- 2.5. Unless otherwise determined by the Committee, the Chief Human Resources Officer (the "**CHRO**") acts as the secretary of the CC.

<sup>1</sup> A Nominated Director (as such term is defined in the Business Combination Agreement dated 30 May 2022) is a director that is nominated by the Firmenich shareholders.



- 2.6. The CC shall meet at least three times a year or more frequently as circumstances dictate and at request of any of its members. If the members of the CC agree, meetings can be held via conference calls.
- 2.7. The chair of the Board and the CEO/Co-CEOs shall have a standing invitation to attend all CC meetings as non-voting guests and to the extent the matter discussed does not relate to them individually, or to the Board only.
- 2.8. The CC may invite to its meetings other Board members, members of management or such other persons the CC deems appropriate as non-voting guests in order to carry out its responsibilities.
- 2.9. The Committee secretary shall prepare the agenda which shall be approved by the Chair. The agenda and supporting documentation shall be sent by the Committee secretary in accordance with article 1.11.6 of the Organizational Regulations which apply *mutatis mutandis*.
- 2.10. Minutes of the proceedings and the resolutions of the CC shall be prepared by the Committee secretary, approved by the Chair and validated by meeting attendees. Minutes of the meeting will be signed by the Chair and the Committee secretary and retained with the corporate records of the Company. The minutes shall be distributed among the members of the Committee, are copied to the Chair of the Board and made available to all other Board members.
- 2.11. The CC shall report to the Board at the following Board meeting by means of a short summary of its decisions, determinations, findings and other matters deemed appropriate or that the Board requests.
- 2.12. The CC shall have the authority to retain independent legal or professional advice as deemed required and to approve the fees and other retention terms involved.
- 2.13. Any third party engaged by the CC should be independent from – and shall not provide any advice to any of the members of – the company’s Board or Executive Committee on the same or a similar matter.
- 2.14. The CC shall obtain appropriate funding, as determined by the Committee, to support the Committee’s activities, including for payment of any independent advisors.

### **3. Responsibilities**

The CC has the following responsibilities:

#### **3.1 Remuneration strategy and maximum compensation**

- 3.1.1. Develop and submit to the Board for approval a compensation strategy in line with the principles described in the Articles of Association.



- 3.1.2. Review proposals submitted by the CEO/Co-CEOs and Executive Committee on the principles and design of compensation plans and short- and long-term incentive/equity plans; submit these to the Board for consideration and approval; and, as necessary, support the Board in submitting proposals regarding compensation related agenda items as per article 29 of the articles of association to the AGM for approval.
- 3.1.3. Propose to the Board the aggregate compensation of the members of the Board (including the Chair) (maximum), for approval by the AGM.
- 3.1.4. Propose to the Board the aggregate compensation of the members of the Executive Committee (maximum), for approval by the AGM.
- 3.1.5. Periodically review and propose to the Board for approval a peer group(s) of companies for compensation comparisons.
- 3.1.6. Periodically review the level of Board compensation against the peer group(s) and other relevant companies and submit to the Board its recommendations for the Chair and Board compensation and terms of employment.
- 3.1.7. Periodically assess the effectiveness of the executive short-term and long-term incentive plans in relation to the Group's strategic objectives, values and pay-for-performance principles.
- 3.1.8. At the start of each performance period, review and propose to the Board for approval the target total direct compensation levels and the mix of compensation (fixed/variable/short/long-term, individual/Group/division targets) for the CEO or Co-CEOs and the Executive Committee members.

### **3.2 Executive compensation targets**

- 3.2.1. For the compensation of the Executive Committee, review and propose to the Board the compensation strategy and packages, fixed and variable compensation including short-term incentives etc., as well as long-term incentives and plans related thereto.
- 3.2.2. In cooperation with other committees (where appropriate), propose to the Board specific targets (based on recommendations from the CEO/Co-CEOs).
- 3.2.3. Monitor the performance of the CEO/Co-CEOs and, in cooperation with the CEO/Co-CEOs, of the members of the Executive Committee.
- 3.2.4. Determine, upon proposal by the CEO/Co-CEOs, and submit to the Board for approval, the terms of employment or promotion of the members of the Executive Committee.
- 3.2.5. At the end of each performance period, taking into consideration the Board's evaluation



of Group and Business Unit performance against targets established at the beginning of the performance cycle, review the performance results under the incentive plans, evaluate individual performance, and recommend the amount of compensation earned by Executive Committee members and the CEO/Co-CEOs to the Board for approval.

- 3.2.6. Periodically review the level of Executive Committee compensation against the peer group and other relevant companies and submit to the Board its recommendations for the Executive Committee compensation and terms of employment.

### **3.3 Compensation reporting**

- 3.3.1. In collaboration with the Audit & Risk Committee with respect to financial disclosures and with the Sustainability Committee with respect to aspects of sustainability, review, prepare and recommend the compensation report to the Board for approval.
- 3.3.2. Prepare and submit to the Board for approval all other mandatory public disclosure statements of the Company relating to compensation and benefits.

### **3.4 Other**

Within the limits set out in the Articles of Association and the Organizational Regulations:

- 3.4.1. Make proposals to the Board regarding any material pension benefits and pensions of the Company or its subsidiaries outside the occupational pension scheme and similar institutions abroad.
- 3.4.2. Periodically review any risks from the Company's defined benefit pension plans and make respective recommendations to the Board.

### **3.5 Charter/Performance**

- 3.5.1. Periodically review the Committee's charter and recommend to the Board any necessary amendments as conditions dictate.
  - 3.5.2. Periodically conduct a self-evaluation of the CC's performance.
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