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This is the Governance & Risk Report section of Barco's 2021 Integrated annual report. Other sections are available via the download center at [ir.barco.com/2021](http://ir.barco.com/2021).
Corporate governance
Corporate governance statement

Barco’s governance structure is one-tier, operating pursuant to the company’s articles of association and corporate governance charter. Both are available for download at www.barco.com/corporategovernance.

There are no dual voting rights for certain shareholders.

In accordance with article 3:6, §2 of the Code of Companies and Associations, Barco applies the 2020 Belgian Code on Corporate Governance.

- Barco deviates from the 2020 Belgian Corporate Governance Code as follows:

  - Art. 7.6: The Board of Directors decided not to grant shares to non-executive board members as part of their remuneration. Such grant requires further analysis of the practical ramifications thereof, both for the company and its board members.
  - Art. 7.9: The Board of Directors has not set a minimum threshold of shares to be held by the executives. The remuneration package for executives is sufficiently balanced with various components to incentivize the executives to pursue a strategy of sustainable profitable growth.
  - A monitoring study, conducted in 2021 by the Belgian Corporate Governance Commission, confirmed that Barco applies this Code correctly, including the ‘comply or explain’ principle.
  - Art. 7.12: The Board of Directors endeavors to insert a ‘clawback provision’ in contracts of employment with executives to the extent permissible by the law governing such contract.

Declaration regarding the information given in the Integrated Annual Report 2021

The undersigned declare that:

- The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies.
- The annual report gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Charles Beauduin, co-CEO
An Steegen, co-CEO
Ann Desender, CFO
Board of Directors

Frank Donck (*1965) Chairman
has been the managing director of investment holding company 3D NV since 1998, investing in a mix of long-term public equity, private equity and real estate. He also serves as Chairman of Atenor Group NV, as non-executive director of KBC Group NV and as independent director of Elia Group NV and Luxempart SA. Frank Donck holds a Master of Law from the University of Ghent and he obtained a Master of Finance from Vlerick Business School. He started his career as investment manager for Investco NV and was a chairman and board member for several listed and privately owned companies. He is also a member of Belgium’s Corporate Governance Commission.

Mr. Donck is member of the Board of Directors of Barco NV since April 2015.

Charles Beauduin (*1959)
has been CEO and owner of Vandewiele NV since 1993. Vandewiele is an international technology player and leader in solutions for the textile industry. Mr. Beauduin holds several positions in trade associations and employer organizations. He holds a Master of Law from KU Leuven and an MBA from Harvard Business School.

Mr. Beauduin has broad professional management experience, including international assignments in Asia and the United States. He is member of the Board of Directors of Barco NV since January 2015.

Mr Beauduin has been nominated as co-CEO as of September 1, 2021.

An Steegen (*1971)
is member of the Board of Directors of Barco NV since April 2017. Dr. Steegen holds a Ph.D. in Material Science and Electrical Engineering from the Catholic University of Leuven, KUL, in collaboration with the Interuniversity Microelectronics Center, imec, in Belgium.

She joined IBM Semiconductor R&D in Fishkill, New York, in 2000. As R&D director and executive of IBM’s International Semiconductor Alliance, she was responsible for IBM’s advanced logic semiconductor technology development for the mobile and wireless application market. In 2011, she rejoined imec in Belgium. As Executive Vice President, she was in charge of imec’s Semiconductor Technology & Systems division. Dr. Steegen is a recognized leader in semiconductor R&D and an acclaimed and inspiring thought leader in innovation in the IoT and digitalization era.

In 2018, Dr. An Steegen joined Umicore as Chief Technology Officer, responsible for the company’s overall innovation strategy. In this role, An was in charge of Umicore’s R&D in the areas of clean mobility materials, recycling and sustainability and responsible for Umicore’s new business incubation in adjacent and new opportunity markets. She also served as Executive Vice President of the Electro-Optical Materials and Metal Deposition Solutions business units.

Dr. An Steegen has been nominated to co-CEO as of October 1, 2021.
Ashok K. Jain (*1955)
is member of the Board of Directors of Barco NV since October 2012. He holds a Master of Technology degree from the Indian Institute of Technology in Delhi, India. During his career, Mr. Jain has founded several technology start-ups and has converted them into successful businesses through strong leadership coupled with insights into emerging opportunities and trends in the global economy. Mr. Jain was founder and Chairman of the Board of IP Video Systems, which was acquired by Barco in February 2012. He is currently a General Partner at Co=Creation=Capital LLC. Mr. Jain is of Indian origin and has US citizenship.

Hilde Laga (*1956)
holds a PhD in law. She is one of the founding partners of the law firm Laga, which she led as managing partner and head of the corporate M&A practice until 2013. Hilde Laga joined the Board of Directors of Barco NV and NV Greenyard Foods in 2014. In 2015, she joined the Board of Directors of Agfa-Gevaert NV and of Gimv NV. In 2016, she became president of Gimv NV. She is a member of the Belgian Corporate Governance Committee and served as a member of the supervisory board of the FSMA (formerly CBFA) until 2014.

Lieve Creten (*1965)
holds a Master’s degree in business engineering from the University of Leuven as well as a postgraduate in tax sciences. She is a certified public accountant and has been a partner at Deloitte for more than twenty years, where she developed the M&A practice for national and international investors in various sectors and headed the Financial Advisory business as managing partner from 2008 to 2019. She was a member of the executive committee of Deloitte Belgium until 2019. In addition, she was part of the global executive team of Deloitte Financial Advisory from 2015 to 2021. Currently she is also a non-executive director at Elia Transmission Belgium, Elia Asset and board member at Doctors without Borders.
The composition of the Board of Directors meets the gender diversity requirement laid down in article 7.86 of the Code of Companies and Associations. Moreover, half of the Board of Directors is independent.

All directors hold or have held senior positions in leading international companies or organizations. Their biographies can be found here.

Changes to the Board of Directors

The General Meeting of 29 April 2021 has appointed Mrs. Lieve Creten and re-appointed Mrs. Hilde Laga as independent directors, both for a period of three (3) years until the closing of the ordinary General Meeting of 2024.

Following Mr. Jan De Witte’s decision to resign as CEO and director, the Board of Directors has appointed Mr. Charles Beauduin and Mrs. An Steegen as co-CEOs with effect on September 1 and October 1, 2021 respectively. Mr. Frank Donck was appointed Chairman in succession of Mr. Charles Beauduin.
Core Leadership Team

Charles Beauduin (*1959)  
An Steegen (*1971)  
See biographies of Board of Directors

Wim Buyens (*1966)  
heads the Cinema Joint Venture, Cinionic. He has held several senior management positions in high tech companies during the past 15 years. He started his career in IT prior to joining the Danish company Brüel & Kjaer where he occupied several global senior management positions in sales and product strategy. Mr. Buyens joined Barco in November 2007 as Vice President Digital Cinema and has been General Manager of the Barco Entertainment division for 7 years. He served as Chairman of the Board of Governors of the Advanced Imaging Society in Hollywood in 2017-2018. Mr. Buyens holds a degree in Engineering and obtained his executive management at Stanford University and IMD in Lausanne.

Olivier Croly (*1965)  
Meeting & Learning Experience  
joined Barco in 2017 as Senior Vice President of APAC. Prior to joining Barco, he held top positions at GE Healthcare & Philips, leading businesses across EMEA & Asia. After graduating from the National Telecom Institute with a Master of Telecommunications & Informatics in 1988, Mr. Croly earned an MBA from Paris Dauphine University.

Geert Carrein (*1958)  
Diagnostics  
is Executive Vice President Diagnostics. He holds a Master’s degree in electrical and electronic engineering as well as a postgraduate Business Administration and Management from the University of Leuven. With over four decades of experience in healthcare imaging, Geert leads Barco’s diagnostics business unit.

Gerwin Damberg (*1978)  
Cinema & Acting CTO  
serves as Executive Vice President Cinema and Chief Technology Officer (acting) at Barco NV. He is an entrepreneur at heart and has advanced image science and technologies for the cinema industry over the last two decades both through tech start-ups and in established media and technology companies in R&D, business development and senior management roles. He joined Barco in 2016 through the acquisition of his start-up company that innovated in the fields of computer graphics, computational imaging and laser projection. Gerwin holds a mechatronics engineering degree from the German Hochschule Karlsruhe - Technik und Wirtschaft as well as a PhD in Computer Science (Graphics) from the University of British Columbia, Canada.

Ann Desender (*1971)  
Chief Financial Officer  
joined Barco in 2008 and has been leading Barco’s global finance team since 2010. Prior to joining Barco, she held management positions as Corporate Director of Finance & Reporting at Unilin and was a Senior Audit Manager at Arthur Andersen and Deloitte. Mrs. Desender holds a Master of Applied Economic Sciences from the University of Ghent and completed an advanced management program at IESE Barcelona.
Johan Fornier (*1971) Surgical & Modality
first joined Barco in 1998 and held several positions in management of research and development in the field of projection technologies for meeting room and simulation applications. After spending 4 years in R&D management at Philips, Mr. Fornier re-joined Barco as VP Product Development for the Healthcare Division in 2010. In 2021, he was appointed as Executive Vice President of the Business Unit Surgical & Modality.

Mr. Fornier holds a Master in Engineering and a PhD in Engineering from the University of Ghent.

Stijn Henderickx (*1980) Immersive Experience
joined Barco in 2013 and held several positions in Barco’s Entertainment Division prior to joining the Core Leadership Team in 2019 as Senior Vice President EMEA. As of end 2021 he leads the Immersive Experience business.

Prior to joining Barco, Mr. Henderickx led Philips Arena Solutions, Philips’ global business entity focused on stadiums and arenas. Earlier in his career, he took on multiple strategy positions, first at The Boston Consulting Group as Consultant, later on with Philips as Director Corporate Strategy. He holds a Master in Business Engineering from the University of Antwerp.

Anthony Huyghebaert (*1974) Chief HR Officer
joined Barco on April 1, 2021. He started his career as a lawyer with Landwell and KPMG, before moving to Alcatel-Lucent and Nokia. He worked in multiple senior HR roles covering the breadth of functional domains in Human Resources, working as HR functional expert as well as in HR business partnership roles across regions, technology and operational organizations, while being stationed in Belgium and Singapore.

Mr. Huyghebaert holds a Law Degree from the KU Leuven and a DES International and European Law from the UC Louvain.

Rob Jonckheere (*1964) Global Operations
joined Barco in April 2016 as Vice President Global Procurement and became Senior Vice President Global Operations as of 2019. In this role he manages Barco’s worldwide manufacturing sites as well as the worldwide Logistics, Procurement, Quality and Facilities teams.

Prior to joining Barco, Mr. Jonckheere held various positions in R&D, Program- and General Management at Philips and TP Vision and was chairman of the Board of Directors of TP Vision Belgium. He holds a Master of Science in Electromechanical Engineering.
Chris Sluys (°1960) Large Video Wall Experience

started his career in R&D at Philips and held several management positions in supply chain, manufacturing and business management. Before joining Barco in 2017 as VP of the control room business, he was responsible for the professional displays business of TPV in EMEA and USA.

Mr. Sluys holds a Master in Electronic Engineering from the University of Brussels and a post graduate degree in Business Administration from the University of Louvain.

Marc Spenlé (°1972) Chief Digital & Information Officer

joined Barco as Chief Digital & Information Officer in August 2020. During his 25+ years of international professional experiences in companies like IBM, Vodafone and smaller IT service companies, he has lead projects in customer centric business transformation, operating of SaaS business models, Software development and IT technology.

Mr. Spenlé holds a degree in Process Engineering from the University of Applied Sciences in Niederrhein (Germany).

Iain Urquhart (°1970) Global Customer Success

joined Barco in 2019 as Senior Vice President of the Americas.

Prior to joining Barco, he led the cloud transformation of Oracle America’s SaaS applications channel business. Before Oracle, Iain held senior leadership roles at Rackspace and Microsoft, focusing on driving cloud and as-a-service transformation in direct sales, channels, marketing and services. Mr. Urquhart holds a BS in History and Communication from the University of Missouri-Columbia.

Kurt Verheggen (°1970) General Counsel

gives as Company Secretary of the Board. He is the General Counsel of Barco in charge of legal, risk & compliance matters. He started his career with the law firm Linklaters and then worked as legal counsel for CMB, Engie and General Electric. He holds a Law Degree from KU Leuven, a ‘DEUG en droit’ from Université du Havre, a Master of Laws from Tulane University Law School in New Orleans and a Master of Real Estate from Antwerp Management School. He is a judge in enterprise matters with the Enterprise Court in Kortrijk and a lector at the law faculty of the KU Leuven.

Kenneth Wang (°1972) Barco China

rejoined Barco as SVP for the China region as of March 2021. He originally joined Barco in 2015 as Sales Director for the China Entertainment and Clickshare business, and in 2018 moved as General Manager to the CFG-Barco JV in Digital Cinema for China. Prior to joining Barco, he held several commercial and business leadership roles in multinational companies in China including Philips, Dell and British American Tobacco.

Mr. Wang holds an Engineering degree from Beijing University of Technology, and an EMBA from University of Texas at Arlington.
Changes Core Leadership Team

Barco NV is managed by a Core Leadership Team (‘CLT’) which comprises certain key officers from business units and functions. The CLT operates under the chairmanship of the Chief Executive Officers and shares responsibility for the deployment of Barco’s strategy and policies, and the achievement of its objectives and results.

The CLT composition has gone through a number of changes in 2021:

- Jan De Witte resigned as CEO on August 31 and has been succeeded by Charles Beauduin and An Steegen as co-CEO’s as of respectively September 1 and October 1. This change was announced on July 16.

- Barco announced an organization redesign on October 21, whereby the regional sales teams were folded into the business units together with product management and research and development.

In conjunction with this organizational structure re-design, the composition of the leadership team changed, and three divisional presidents Filip Pintelon, George Stromeyer and Nicolas Vanden Abeele resigned their positions at Barco to pursue career opportunities outside the company. Johan Fornier, Geert Carrein, Chris Sluys joined the CLT as business units leads for respectively the Surgical and Modality, Diagnostics and Large Videowall activity. Oliver Croly and Stijn Henderickx, both formerly heading regional teams, were assigned new business unit leads for respectively the Meeting & Learning Experience and the Immersive Experience business unit. Gerwin Damberg, CTO of the company is now also heading the Cinema business unit. Iain Urquhart, former head of The Americas region, is now leading the Global Customer Success teams.
Annual General Meeting

The annual general meeting (AGM) is held on the last Thursday of April. Shareholders can normally attend the meeting in person, submit written voting instructions or vote by proxy. In light of the corona epidemic and the government imposed covid measures, the individual shareholders did not physically attend the annual meeting but casted their votes by submitting their voting instructions or proxies to the company secretary. The Board of Directors organized virtual meetings whereby shareholders could attend the meetings remotely and ask live questions, using Barco’s weConnect technology.

Next to the ordinary general meeting, the Board of Directors also convened an extra-ordinary general meeting to approve the authorization to the Board of Directors to increase the issued capital.

The company is open to discussions with proxy voting agencies to better understand their policies and align the company’s governance practices therewith, considering its size, profile, jurisdiction as well as the geographical scope of its activities.

Over the past years, shareholders’ participation has been consistently above 50%.

*In 2020 and 2021, physical attendance was not possible due to covid-19.
Activity report on Board and Committee meetings

**Board of Directors**

Title 1 and 2 of Barco’s Corporate Governance Charter describe the responsibilities of the Board of Directors and its Committees.

The table below provides a comprehensive overview of the directors’ attendance at Board of Directors and Committee meetings in 2021.

Intermediate meetings are held via teleconference call if need be. All the Board of Directors meetings took place in Belgium with some of the directors attending the meetings via video-conference due to covid-related travel and sanitary restrictions.

One meeting was closed with a dinner attended by the executive management to foster closer interaction between the directors and the managers of the company.

At every meeting, the Board of Directors reviewed and discussed the financial results as well as the short to mid-term financial forecast of the company. At the beginning of the year, upon recommendation by the Audit Committee, the Board approved the financial results of 2020 and proposed the dividend for approval by the shareholders. In light of the adverse covid-related business environment, the Board also proposed to the shareholders the option to subscribe to newly issued shares by contributing the dividend.

The board was involved in the process of the resignation of Jan De Witte as CEO and appointed Charles Beauduin and An Steegen as Barco’s new CEO’s.

At the same time, the Board appointed Frank Donck as new Chairman of the Board.

The Board, in close concert with the Core Leadership Team, reflected on each of the divisions’ strategies for the short to mid-term, discussed and decided upon the growth initiatives for the company and approved the 2022 financial budget.

The Board continued to closely monitor the impact of the corona epidemic on the company’s operations and financial results.

**Directors’ attendance at Board and Committee meetings**

<table>
<thead>
<tr>
<th>Directors</th>
<th>Board of directors</th>
<th>Audit committee</th>
<th>Remuneration &amp; nomination committee</th>
<th>Strategic &amp; technology committee</th>
<th>Attendance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles Beauduin</td>
<td>8</td>
<td></td>
<td>6</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>Jan De Witte</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Frank Donck</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Ashok K. Jain</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>Hilde Laga</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>An Steegen</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>95%</td>
</tr>
<tr>
<td>Lieve Creten</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>100%</td>
</tr>
</tbody>
</table>

1 Independent directors

average total attendance rate 99%
Board Committees

Audit Committee

The Audit Committee is composed of three members. Lieve Creten, who acts as Chair, Frank Donck and Hilde Laga. All members are independent directors. The Audit Committee’s members have relevant expertise in financial, accounting and legal matters as shown in the biographies on pages 5/6.

Changes to the composition of the Audit Committee during 2021: An Steegen was member and acted as Chair of the Audit Committee until the Committee meeting of April 19, 2021. As a result, Lieve Creten joined the Committee as a new member and was appointed Chair of the Audit Committee as of the Committee meeting of July 14, 2021.

The Audit Committee met six times during 2021. All Audit Committee members were present during all the meetings, except for An Steegen who was present in two out of three meetings.

The Audit Committee reported the outcome of each meeting to the Board of Directors. The yearly report of the activities of the Audit Committee was submitted to the Board of Directors. The CFO and the VP Corporate Finance attended all regular meetings. The CEO was present at all regular meetings, except one. The Group’s internal auditor and the Group’s external auditor PwC Bedrijfsrevisoren/Accountants bcvba were present in 4 meetings. The overview below indicates a number of matters that were reviewed and/or discussed in Audit Committee meetings throughout 2021:

- The Company’s 2020 annual and 2021 interim financial statements, including non-financial information, the Company’s 2020 integrated report, prior to publication thereof.
- The Company’s 2021 integrated report content and review.
- The Committee also assessed in its quarterly meetings the adequacy and appropriateness of internal control policies and internal audit programs and their findings.
- Matters relating to accounting policies, financial risks and compliance with accounting standards. Compliance with statutory and legal requirements and regulations, particularly in the financial domain, was also reviewed. Important findings, Barco’s major areas of risk (including the internal auditor’s reporting thereon, as well as the review of litigation and other claims), follow-up actions and appropriate measures were examined thoroughly.
- Quarterly review of critical accounting judgements and uncertainties, including impact of covid-19.
- Each quarter, the Committee reviewed the Company’s free cash flow generation and working capital ratios.
- The Committee monitored potential impairment indicators, reviewed the goodwill impairment test performed, financial impact of strategic investments and risk management (covid-19, cyber security, global and Healthcare compliance, GDPR).
- With regard to internal audit, the Committee reviewed and approved the internal audit charter, audit plan, audit scope and its coverage in relation to the scope of the external audit, as well as the staffing, independence and organizational structure of the internal audit function.

Overview of the Board and Committee meetings in 2021

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>J</th>
<th>F</th>
<th>M</th>
<th>A</th>
<th>M</th>
<th>J</th>
<th>J</th>
<th>A</th>
<th>S</th>
<th>O</th>
<th>N</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee</td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
<td>M</td>
<td>J</td>
<td>J</td>
<td>A</td>
<td>S</td>
<td>O</td>
<td>N</td>
<td>D</td>
</tr>
<tr>
<td>Remuneration</td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
<td>M</td>
<td>J</td>
<td>J</td>
<td>A</td>
<td>S</td>
<td>O</td>
<td>N</td>
<td>D</td>
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<tr>
<td>Technology Committee</td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
<td>M</td>
<td>J</td>
<td>J</td>
<td>A</td>
<td>S</td>
<td>O</td>
<td>N</td>
<td>D</td>
</tr>
</tbody>
</table>
With regard to the external audit, the Committee proposed the reappointment of PwC as group auditor to the Board of Directors of February 2021. Furthermore, the Committee reviewed the proposed audit scope, approach and fees, the independence of the external auditor, non-audit services provided by the external auditor in conformity with Barco’s non-audit fee policy. The Committee also reviewed the key audit matters valuation of goodwill and valuation of deferred tax assets, as well as the group external auditor’s management letter, which contained no recommendations with material impact.

For information on the fees of Group auditor, please refer to note 22 Related party transactions in the Financial Statements 2021.

The Committee reviewed the report from the external auditor in which the auditor set forth its findings and attention points during the relevant period. The Committee also assessed the overall performance of the internal and external auditor. The Committee also reviewed and confirmed its current Audit Committee schedule.

Remuneration and Nomination Committee

The Board of Directors has combined the Remuneration Committee and the Nomination Committee into a single committee.

The composition of the Remuneration & Nomination Committee has been reviewed twice in 2021. Mrs. An Steegen and Mrs. Lieve Creten joined the committee in September 2021 as new members, next to Mr. Frank Donck, Mrs. Hilde Laga and Mr. Charles Beauduin. Following their appointment as co-CEO’s, Mr. Charles Beauduin and Mrs. An Steegen left the committee and Mr. Frank Donck took up the position of Chairman of the committee as of September 1st.

The Remuneration and Nomination Committee fulfils the mission imposed on it by law and meets at least three times per year, as well as whenever the Committee needs to address imminent topics within the scope of its responsibilities. The CEO’s are invited to meetings, except for matters that concern them personally. The meetings are prepared by the Chief HR Officer, who attends the meetings.

In 2021, the Remuneration and Nomination Committee met six times.

First focus point for the Committee has been the composition of the Barco Core Leadership Team (i.e. nomination of the new CHRO and new China leader early 2021 and the nomination of new Core Leadership Members at the occasion of the new Organizational set-up) and the review of compensation packages for 2022.

Secondly, the Committee has been focusing on the new Barco organization set up proposed by the co-CEOs. Rationale for the organizational change is stepping up business growth and speed of action by organizing Barco’s value chain and maximizing Barco’s competitive advantage.

Given the negative impact of the covid crisis on the variable compensation pay-out (no bonus pay-out in 2021 and 2022) and subsequent consequences on attrition and motivation of employees, the Committee has firstly been focusing on the review of the Remuneration policy for both Core Leadership Team and Executives and the design of a new Short-Term Incentive plan.

Objective has been to implement a clear, fair, simple and transparent remuneration policy and Short-Term Incentive plan (as from 2022), the latter taking over a limited number of financial KPIs and sustainability KPIs.

The new Short-term Incentive plan has obviously a strong link with Barco’s strategy and performance and enables a focused mindset and Business Unit P&L accountability.

Also, the allocations of Stock Options for 2021 have been prepared and brought to the Board for approval.
Technology Committee

The Technology Committee is an advisory body to the Board of Directors. The Committee was composed of four members till August 2021 and three members since then; Charles Beauduin, who acts as Chairman, Ashok Jain and An Steegen. Jan De Witte was member till end of August 2021.

The Technology Committee assists the Board of Directors in fulfilling its oversight responsibilities by preparing technology related matters that could influence Barco’s strategy, such as the identification of major investment opportunities in future technologies through internal resources or technology acquisitions, technology roadmap strategy, operational performance and technology trends that may affect portfolio performance.

Major technology investments relate to investments running over a number of years that involve a minimum commitment by the company of 10 million euro over the entire duration of the project. The investments might also include technology acquisitions.

In 2021, the Technology Committee met four times. The Committee organized specific working sessions by division, thus ensuring appropriate depth and focus for each of Barco’s divisions. The Committee also performed the annual general review of foundational technologies as included in its strategic plan update presented to the Board.

Evaluation of the Board of Directors and its Committees

Regularly assessing the size, composition, functioning and performance of the Board of Directors and its Committees as well as the interaction with the executive management is an essential element of corporate governance.

The principle of Board assessment is laid down in the Corporate Governance Code as well as Title 1 (1.5) of the company’s Corporate Governance Charter.

See www.barco.com/corporategovernance

The Board of Directors carries out self-assessments under the supervision of the Chairman with the aim to evaluate its functioning and that of its Committees. In this respect, individual and private interviews are held with each of the directors. The topics discussed are: the interaction between management and the Board, the information and documents submitted to the Board, the preparation of the Board meetings, the quality of the discussions and decision-making of the Board, the extent to which all relevant strategic, organizational and managerial issues are addressed by the Board and the contribution of the directors to the decision-making process of the Board. This process allows for actions to improve the company’s governance.
Remuneration report for financial year 2021

General introduction

By law of 28 April 2020, new rules have been introduced in Belgian company law, implementing the EU Directive 2017/828 as regards the encouragement of long-term shareholder engagement.

These new rules require inter alia the company to have a remuneration policy, on which the shareholders have the right to vote at the general meeting. The company submitted its remuneration policy for its directors, CEO and Core Leadership Team to the shareholders for their approval at the general meeting of 29 April 2021. The shareholders approved the policy with a 66% majority.

This remuneration report must be read together with the remuneration policy which, to the extent necessary, should be regarded as forming part of this remuneration report. The remuneration granted to directors, CEO and CLT members with respect to financial year 2021 is in line with the remuneration policy. This report covers the 2021 remuneration of the non-executive board members (Part A), of the Chief Executive Officer (CEO), who is also a member of the board and thus an executive director (Part B) and other members of the Core Leadership Team (CLT) who are not members of the board (Part C).

Part 1: Introduction to the 2021 remuneration report

Together with the component shortage crisis and the worldwide increase of transport costs, the covid-19 pandemic continued to have wide-ranging impacts on our company, our markets and our people. By consequence, our remuneration policy was also directly impacted by the crisis, with consequences for executive pay (management, CEO and CLT) as well as on the wages of the wider workforce.

In response to the crisis, Barco continued its measures to reset expense levels, such as relying on temporary unemployment, redeploying people, a continued discretionary spending stop and hiring delays. While the impact on fixed remuneration was limited, Barco took salary/bonus actions and decided not to pay-out short-term incentive payment. Also, the long-term incentive cash bonus was affected by the pandemic, as it is directly linked to the annual business objectives, which Barco had defined. Concerned about employee retention and engagement, the Board, on the proposal of the Remuneration and Nomination Committee, decided to provide a budget for the payment of a one-time retention bonus in March 2022.

Part 2: Remuneration report on the non-executive board members, CEO and CLT-members

2.A Remuneration of the non-executive board members

On 29 April 2021, pursuant to article 17 of the Articles of Association, the General Meeting set the aggregate annual remuneration of the entire Board of Directors at 2,144,575 euro for the year 2021. Next to the board fees of the non-executive directors this amount includes the remuneration package of the CEO. Details on the CEO’s remuneration are provided in section 2, B hereinafter.
<table>
<thead>
<tr>
<th>Name Position</th>
<th>Fixed remuneration</th>
<th>Variable remuneration</th>
<th>Extraordinary items</th>
<th>Pension expense</th>
<th>Total remuneration</th>
<th>Proportion of fixed and variable remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base compensation</td>
<td>Attendance fees</td>
<td>Other benefits</td>
<td>One-year variable</td>
<td>Multi-year variable</td>
<td></td>
</tr>
<tr>
<td>Charles Beauduin (*)</td>
<td>€90,000</td>
<td>€0.00</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Lieve Creten (**)</td>
<td>€20,000</td>
<td>€38,325</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Frank Donck, Member of the Board</td>
<td>€52,500</td>
<td>€33,150</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Ashok Jain, Member of the Board</td>
<td>€30,000</td>
<td>€26,400</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Hilde Laga, Member of the Board</td>
<td>€30,000</td>
<td>€51,000</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>An Steegen (****)</td>
<td>€22,500</td>
<td>€32,600</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€245,000</strong></td>
<td><strong>€181,475</strong></td>
<td><strong>NA</strong></td>
<td><strong>NA</strong></td>
<td><strong>NA</strong></td>
<td><strong>NA</strong></td>
</tr>
</tbody>
</table>

(1) Chairman until 31 August 2021 - CEO as of 1 September 2021 // (**) appointed by the General Meeting of 29 April 2021 // (*** Chairman of the Board as of 1 September 2021 // (****) Board member until 30 September 2021 - co-CEO as of 1 October 2021

The remuneration paid to non-executive directors consists solely of an annual fixed component plus the fee received for each meeting attended. Considering the substantial time, he devotes to the ongoing supervision of Barco group affairs, the Chairman of the Board receives a different remuneration package that comprises solely a fixed component. This rule also applies to Mr. Frank Donck and this from his appointment as Chairman of the Board onwards. The table above shows both his remuneration as a member of and as chairman of the Board. Details on the remuneration package of the Board of Directors can be found in the Barco Remuneration Policy.

Non-executive directors do not receive any variable compensation linked to results or other performance criteria. They are not entitled to stock options or shares (see comment in the Corporate Governance statement on page 4 regarding the application of Principle 7.6 of the 2020 Belgian Corporate Governance Code), nor to any supplementary pension scheme.
2. B Remuneration of the CEO

2. B.1 Total remuneration

The remuneration package of the CEO consists of a base salary, a variable remuneration, stock options, a pension contribution, and other components. There were no shares granted.

The remuneration package aims to be competitive and is aligned with the responsibilities of a CEO leading a globally operating industrial group with various business platforms. Details of the remuneration package for the CEO can be found in the Barco Remuneration Policy.

Following the departure of Mr. Jan De Witte end of August 2021 and the nomination of the co-CEO’s Mr. Charles Beauduin and Mrs. An Steegen, as of 1 September 2021, respectively 1 October 2021, three individuals are under analysis of this chapter.

The amount of the remuneration and other benefits granted directly or indirectly to the CEO’s, by the Company or its subsidiaries, in respect of 2021 for their CEO role is set forth below. Redundancy payments are not included in these amounts.

Base Salary

The base salary of the CEO consists of the actual salary paid by the company and may include a fixed director’s fee paid by Barco, Inc. and by Barco China (Holding) Ltd.

Variable remuneration

The variable remuneration of the CEO consists of an annual bonus which is subject to a deferral period of three years. The CEO is, contrary to other members of the CLT, not entitled to a long-term incentive (LTI). Variable remuneration, if any, vests on 31 December of the performance year. Therefore, such variable remuneration is reported for the year it vests and not for the (subsequent) year it is paid.

For the reasons explained in Part 1 of this report and in alignment with the different salary actions, and cost reduction measures, taken across Barco’s workforce over the first half of 2021, the contractually agreed base salary of Mr. Jan De Witte was reduced. No bonus for 2021 was vested in the hands of Mr. Jan De Witte on 31 December 2021, except for the deferred payment of 2019, nor in the hands of Mrs. An Steegen.

Taking into account his part time assignment, Mr. Charles Beauduin is not entitled to an annual bonus.

Pension

The pension benefit of the CEO is an individual defined contribution pension arrangement, which also includes a death cover.

Taking into account his part time assignment, Mr. Charles Beauduin is not entitled to a pension arrangement.

Total remuneration of CEO

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Base compensation</th>
<th>Foreign director fees</th>
<th>Other benefits</th>
<th>One-year variable</th>
<th>Multi-year variable</th>
<th>Extraordinary items</th>
<th>Pension expense</th>
<th>Total remuneration</th>
<th>Proportion of fixed and variable remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan De Witte</td>
<td>CEO (*)</td>
<td>231,333 €</td>
<td>180,000 €</td>
<td>39,497 €</td>
<td>0 €</td>
<td>180,000 €</td>
<td>NA</td>
<td>191,782 €</td>
<td>822,612 €</td>
<td>78.12% 21.88%</td>
</tr>
<tr>
<td>Charles Beauduin</td>
<td>CEO (**)</td>
<td>55,167 €</td>
<td>50,000 €</td>
<td>0 €</td>
<td>0 €</td>
<td>0 €</td>
<td>NA</td>
<td>0 €</td>
<td>105,167 €</td>
<td>100.00% 0.00%</td>
</tr>
<tr>
<td>An Steegen</td>
<td>CEO (***)</td>
<td>125,000 €</td>
<td>0 €</td>
<td>8,259 €</td>
<td>0 €</td>
<td>0 €</td>
<td>NA</td>
<td>25,000 €</td>
<td>158,259 €</td>
<td>100.00% 0.00%</td>
</tr>
</tbody>
</table>

(*) end of mandate 31/08/2021 // (**) start of mandate 1/09/2021 // (***) start of mandate 1/10/2021
Other components of remuneration

The other components comprise the total cost of ownership of a company car, hospitalization insurance as well as a guaranteed income insurance in case of disability.

Taking into account his part-time assignment, Mr. Charles Beauduin is not entitled to these benefits.

The relative weight of base and variable remuneration is exceptional as it is heavily impacted by the fact that no STI vested for 2021.

2.8.2 Share based remuneration

The stock options granted to Mr. Jan De Witte under the 2018 scheme vested during 2021. Mr. De Witte has exercised stock options granted in 2016 and 2017 during 2021. For more details, see the table on page 21.

The Board of Directors has granted stock options to the co-CEOs on 6 December 2021 under a stock option plan covering a three-year period. The stock options will vest over a period of 5 years at the rate of 20% of the total grant at the end of each calendar year following the year of grant. The stock options will only become exercisable after a period of 5 full calendar years from the grant date and may be exercised during the normal exercise periods, from May 15 to June 15, from August 1 to September 15 and from October 1 to December 15. They have a ten (10) year term, thus linking the LTI to the longer-term value creation for the shareholders. The stock options are taxable at the time of grant in application of the Belgian tax regulations and no conditions are attached to the exercise of the stock options.

Since the grant nor the exercise of the stock options is linked to performance conditions, this item of compensation is not considered as variable remuneration in the sense of the Belgian Corporate Governance Code. Therefore, it is also not included in the calculation of the above relative weight of base pay and variable remuneration.

There were no shares granted.
## Stock options

### Main provisions of the stock option plan

<table>
<thead>
<tr>
<th>Name Position</th>
<th>Plan Identification</th>
<th>Grant Date</th>
<th>Vesting Date</th>
<th>End of retention period</th>
<th>Exercise period</th>
<th>Exercise price</th>
<th>Number of options at the beginning of the year</th>
<th>a) Number of options granted</th>
<th>b) value underlying shares @ grant date</th>
<th>a) Number of options vested</th>
<th>b) value @ exercise price</th>
<th>Number of options exercised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan De Witte CEO</td>
<td>SOP 2020-CEO</td>
<td>29/10/2020</td>
<td>31/12/2023</td>
<td>NA</td>
<td>1/01/2024-31/12/2024</td>
<td>12.76 €</td>
<td>182,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2019-CEO</td>
<td>11/10/2019</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2023-31/12/2023</td>
<td>24.83 €</td>
<td>147,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2018-CEO</td>
<td>23/10/2018</td>
<td>31/12/2021</td>
<td>NA</td>
<td>1/01/2022-31/12/2022</td>
<td>14.40 €</td>
<td>210,000</td>
<td></td>
<td>210,000</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>SOP 2017-CEO</td>
<td>20/10/2017</td>
<td>31/12/2020</td>
<td>NA</td>
<td>1/01/2021-19/10/2027</td>
<td>12.54 €</td>
<td>210,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2016-CEO</td>
<td>24/10/2016</td>
<td>31/12/2019</td>
<td>NA</td>
<td>1/01/2020-23/10/2026</td>
<td>10.40 €</td>
<td>210,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charles Beauduin CEO</td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2022</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2023</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
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<tr>
<td></td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2024</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
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<tr>
<td></td>
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<td>31/12/2026</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An Steegen CEO</td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2022</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2023</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2024</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2025</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2021-CEO</td>
<td>06/12/2021</td>
<td>31/12/2026</td>
<td>01/01/2027</td>
<td>1/01/2027-5/12/2031</td>
<td>17.80 €</td>
<td>a) 72,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.C Remuneration of the CLT-members

The Core Leadership Team under analysis of this chapter includes 17 people. The CLT-members are employed by local Barco companies in their respective countries of residence. Their compensation packages, therefore, take local market remuneration and benefits practice into account.

2.C.1 Total remuneration

The remuneration package of the Core Leadership Team members other than the Chief Executive Officer consists of a base remuneration, a short-term variable remuneration, a long-term variable bonus, stock options, a pension contribution, and various other components. The remuneration package aims to be competitive and is aligned with the role and responsibilities of each CLT member, being a member of a team leading a globally operating industrial group in the technology market space with various business platforms. Details of the remuneration package for the CLT members can be found in the Barco Remuneration Policy.

The amount of the remuneration and other benefits granted directly or indirectly to the CLT-members, by the Company or its subsidiaries, in respect of 2021 is set forth below. Redundancy payments are not included in these amounts.

### Total remuneration of CLT (excluding CEO)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Employer legal entity</th>
<th>Joined/left CLT 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geert Carrein</td>
<td>Diagnostics</td>
<td>Barco nv (BE)</td>
<td>joined CLT: 1/11/2021</td>
</tr>
<tr>
<td>Tet Jong Chang</td>
<td>Meeting &amp; Learning Experience</td>
<td>Barco Visual Electronics Co., Ltd. (CN)</td>
<td>left CLT: 31/03/2021</td>
</tr>
<tr>
<td>Oliver Croly</td>
<td>Cinema &amp; acting CTO</td>
<td>Barco Singapore Pte Ltd. (SG)</td>
<td></td>
</tr>
<tr>
<td>Gerwin Damberg</td>
<td>Chief Financial Officer</td>
<td>MTT Innovation Inc. (CA)</td>
<td></td>
</tr>
<tr>
<td>Ann Desender</td>
<td>Surgical &amp; Modality</td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>Johan Fornier</td>
<td>Immersive Experience</td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>Stijn Henderickx</td>
<td>Chief HR Officer</td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>Anthony Huyghebaert</td>
<td>Global Operations</td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>Rob Joncheere</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filip Pintelon</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chris Sluys</td>
<td>Large Video Wall Experience</td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>Marc Spenie</td>
<td>Chief Digital &amp; Information Officer</td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>George Stromeyer</td>
<td>Global Customer Success</td>
<td>Barco Inc. (USA)</td>
<td></td>
</tr>
<tr>
<td>Iain Urquhart</td>
<td></td>
<td>Barco Inc. (USA)</td>
<td></td>
</tr>
<tr>
<td>Nicolas Vanden Abeele</td>
<td></td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>Kurt Verheggen</td>
<td>General Counsel</td>
<td>Barco nv (BE)</td>
<td></td>
</tr>
<tr>
<td>Kenneth Wang</td>
<td></td>
<td>Barco China</td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total remuneration of CLT (excluding CEO)</td>
<td>Fixed remuneration</td>
<td>Variable remuneration</td>
<td>Extraordinary items</td>
</tr>
<tr>
<td>Core Leadership Team</td>
<td>Base salary €3,258,159</td>
<td>Foreign director fees €133,333</td>
<td>Other benefits €391,091</td>
</tr>
</tbody>
</table>
Base salary
The base salary reflects role responsibilities, job characteristics, experience, and skill sets.

Variable salary
Variable salary consists of an STI component and a Long-Term Incentive (LTI) component, both delivered in cash.

Variable remuneration, if any, vests on 31 December of the performance year. Therefore, such variable remuneration is reported for the year it vests and not for the (subsequent) year it is paid.

Annual Bonus
It is Barco’s ambition to continue to build a pay for performance culture where performance makes a difference and is truly recognized and rewarded with an annual bonus as set forward by the global Barco Bonus Policy. The individual bonus for the CLT members is governed by the same policy. The main conditions for the annual bonus are (i) the creation of the bonus pool and (ii) the achievement of bonus targets:

- Profitability of the Barco group is the basis for creating the bonus pool. A minimum of 70% of the 2021 Profit Plan EBITDA (excluding results on divestments and discontinued operations and excluding growth initiatives) should be achieved on group level before bonuses are paid.
- A strong focus on performance at Group, divisional/regional/functional and individual level is reflected in the annual Barco bonus program, which is directly linked to the annual business objectives.

Payment is capped at 150% of the target award.

### Barco Bonus performance matrix

<table>
<thead>
<tr>
<th>bonus target clusters</th>
<th>Performance criteria</th>
<th>relative weight</th>
<th>a) Minimum target performance b) corresponding award payment level(*)</th>
<th>a) on-target performance and b) corresponding payment level(*)</th>
<th>a) Maximum target performance b) corresponding payment level(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Threshold for bonus pool</td>
<td>company</td>
<td>70% of Group EBITDA PP target: yes / no</td>
<td>100%</td>
<td>a) 70% b) 1</td>
<td>a) NA b) 1</td>
</tr>
<tr>
<td>Payment level</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2) Bonus targets</td>
<td>company</td>
<td>EBITDA</td>
<td>20%</td>
<td>a) 70% b) 0.08</td>
<td>a) 100% b) 0.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FCF</td>
<td>20%</td>
<td>a) 70% b) 0.08</td>
<td>a) 100% b) 0.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>a) 100% b) 0.2</td>
<td>a) 150% b) 0.3</td>
</tr>
<tr>
<td>business</td>
<td></td>
<td>- Division EBITDA</td>
<td>30%</td>
<td>a) 70% b) 0.12</td>
<td>a) 100% b) 0.3</td>
</tr>
<tr>
<td>region or function</td>
<td></td>
<td>- Division Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Division Working Capital %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regional Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regional Sales Cost vs Sales %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Group Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td>- WW functional budget</td>
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<tr>
<td>individual</td>
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<td>Individual performance targets: operational excellence, people leadership (engagement, culture), personal development</td>
<td>30%</td>
<td>a) 70% b) 0.12</td>
<td>a) 100% b) 0.3</td>
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<tr>
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<td></td>
<td></td>
<td>a) 100% b) 0.3</td>
<td>a) 125% b) 0.45</td>
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| Total Bonus Payment level individual bonus | | | | | | |
|--------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| 0.4 | 1.0 | 1.5 |

Total bonus: (individual OT bonus x (total payment level)
The Company does not disclose the actual targets per criterion, as this would require the disclosure of commercially sensitive information.

As explained in Part 1 of this report, no 2021 STI was vested in the hands of the CLT on 31 December 2021 as the 70% of Group EBITDA target, condition for creating the bonus pool was not met.

Long-term incentive Plan
In 2018 Barco implemented its revised LTI policy that exists of a combination of a LTI Cash Plan and stock options. The latter are dealt with in section 2, C, 2 below. The LTI Cash Plan incentivizes and rewards engagement and leadership in driving the performance of Barco’s business in accordance with its long-term strategic goals.

The long-term incentive cash bonus is a conditional right to receive a cash payment upon the achievement of long-term company performance indicators as determined by the Board:
- LTI Plan 2018 - 2020: sales CAGR, EBITDA margin increase and cumulated net earnings over the respective 3-year plan period and continued employment on the last day of the plan period.
- LTI Plan 2021 - 2023: cumulated net earnings, EBITDA % at End of Plan Period and sustainability drivers (Greenhouse Gas Emission reduction and Eco-labeled revenues) over the respective 3-year plan period and continued employment on the last day of the plan period.

Payment is capped at 150% of the target award.

Following the hard wide-ranging impact of the covid-19 pandemic on our company and our markets, the Board of Directors decided in 2020 to extend exceptionally the vesting period of the LTI Plan 2018-2020 with an additional year (thus extending the vesting period till 31 December 2021). No change was made to the performance criteria. The plan did not vest on 31 December 2021.

Pension
The CLT is entitled to a complementary pension benefit based on the provisions of the defined contribution plans for senior executives in their base countries.

Other components of remuneration
The other main components for all CLT-members are company car or car allowance, hospitalization or medical insurance and guaranteed income insurance in case of disability, next to occasional local benefits in accordance with local market practice.

Relative part of base pay and variable pay
Following what is stated above, the CLT’s entire 2021 pay consisted only of fixed remuneration and no variable remuneration. This relative weight is exceptional as it is heavily impacted by the fact that no STI nor LTI vested for 2021.

2.C.2 Share based remuneration
As stated above, part of the LTI is delivered as stock options.

No shares were granted to the CLT-members, nor was any other share-based remuneration provided to the CLT-members, during 2021. Reference is made to the explanation given in the Corporate Governance Statement on page 4 regarding the reason for this deviation from article 7.9 of the Belgian Corporate Governance Code.

In 2021, following authorization by the general meeting and at the proposal of the Remuneration and Nomination Committee, the Board of Directors allotted stock options to 13 members of the CLT. The exercise price amounts to EUR 17.80 per option, with a three-year vesting period. The number of options to be offered to each individual beneficiary is variable in part. The options are offered to the beneficiaries for no consideration. For CLT members on a Belgian payroll the stock options are taxable at the moment of grant in application of the Belgian tax regulations. 136,000 stock options were granted to and accepted by the members of the CLT.

All details on the stock options granted, vested, and exercised by the CLT members are provided in the table on page 25.

Barco
Integrated report 2021

Governance & Risk Report
CGR

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## Stock options

### Main provisions of the stock option plan

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Plan Identification</th>
<th>Grant Date</th>
<th>Vesting Date</th>
<th>End of retention period</th>
<th>Exercise period</th>
<th>Exercise price</th>
<th>Number of options at the beginning of the year</th>
<th>a) Number of options granted</th>
<th>b) value underlying shares @ grant date</th>
<th>a) Number of options vested</th>
<th>b) value @ exercise price</th>
<th>Number of options exercised</th>
<th>Number of options expired</th>
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### Stock options

Main provisions of the stock option plan

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Plan Identification</th>
<th>Grant Date</th>
<th>Vesting Date</th>
<th>End of retention period</th>
<th>Exercise period</th>
<th>Exercise price</th>
<th>Number of options at the beginning of the year</th>
<th>a) Number of options granted (b) value underlying shares @ grant date</th>
<th>a) Number of options vested (b) value @ exercise price</th>
<th>Number of options exercised</th>
<th>Number of options expired</th>
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<td>Rob Jonckeeere</td>
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## Stock options

**Main provisions of the stock option plan**

| Name               | Position       | Plan Identification | Grant Date | Vesting Date | End of retention period | Exercise period | Exercise price | a) Number of options at the beginning of the year | a) Number of options granted | b) Value underlying shares @ grant date | a) Number of options vested | b) Value @ exercise price | Number of options exercised | Number of options expired |
|--------------------|----------------|---------------------|------------|--------------|-------------------------|----------------|---------------|-------------------------------------------------|--------------------------------|----------------------------|--------------------------------|---------------------------|-----------------------------|--------------------------------|-----------------------------|
| Iain Urquhart, EVP |                | SOP 2021-P          | 06/12/2021 | 31/12/2024   | NA                      | 1/01/2025-5/12/2031 | 17.80 €        | 0                                                 | a) 13,800                        | b) 245,640 €                 |                               |                           |                             |                              |
|                    |                | SOP 2020-P          | 29/10/2020 | 31/12/2023   | NA                      | 1/01/2024-28/10/2030 | 12.76 €        | 21,150                                          |                                |                            |                               |                           |                             |                              |
|                    |                | SOP 2019-P          | 11/10/2019 | 31/12/2022   | NA                      | 1/01/2023-10/10/2029 | 24.83 €        | 42,000                                          |                                |                            |                               |                           |                             |                              |
| Kurt Verheggen, GC | General Counsel| SOP 2021-P          | 06/12/2021 | 31/12/2024   | NA                      | 1/01/2025-5/12/2031 | 17.80 €        | 0                                                 | a) 8,300                        | b) 147,740 €                 |                               |                           |                             |                              |
|                    |                | SOP 2020-P          | 29/10/2020 | 31/12/2023   | NA                      | 1/01/2024-28/10/2030 | 12.76 €        | 12,600                                          |                                |                            |                               |                           |                             |                              |
|                    |                | SOP 2019-P          | 11/10/2019 | 31/12/2022   | NA                      | 1/01/2023-10/10/2029 | 24.83 €        | 7,000                                           |                                |                            |                               |                           |                             |                              |
| Kenneth Wang, EVP  |                | SOP 2021-P          | 06/12/2021 | 31/12/2024   | NA                      | 1/01/2025-5/12/2031 | 17.80 €        | 0                                                 | a) 13,300                        | b) 236,740 €                 |                               |                           |                             |                              |
The details on the stock options granted, vested, and exercised by the CLT members who left Barco are provided in the table below.

**Stock options**

Main provisions of the stock option plan

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<tr>
<th>Name Position</th>
<th>Plan Identification</th>
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<th>Exercise period</th>
<th>Exercise price</th>
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<td>1/01/2022- 31/12/2022</td>
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<td>SOP2017-EEA</td>
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<td>1/01/2021- 19/10/2027</td>
<td>12.54 €</td>
<td>10,500</td>
<td></td>
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<tr>
<td></td>
<td>SOP2016-EEA</td>
<td>24/10/2016</td>
<td>31/12/2019</td>
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<td>1/01/2020- 23/10/2026</td>
<td>10.40 €</td>
<td>10,500</td>
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</tr>
<tr>
<td></td>
<td>SOP2015-EEA</td>
<td>22/10/2015</td>
<td>31/12/2018</td>
<td>NA</td>
<td>1/01/2019- 21/10/2025</td>
<td>8.16 €</td>
<td>1,400</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piet Candeel, left 31 March 2019</td>
<td>SOP2017-EEA</td>
<td>20/10/2017</td>
<td>31/12/2020</td>
<td>NA</td>
<td>1/01/2021- 19/10/2027</td>
<td>12.54 €</td>
<td>21,000</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Tet Jong Chang, retired 31 March 2021</td>
<td>SOP 2020-P</td>
<td>29/10/2020</td>
<td>31/12/2023</td>
<td>NA</td>
<td>1/01/2024- 28/10/2030</td>
<td>12.76 €</td>
<td>14,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>SOP2019-P</td>
<td>11/10/2019</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2023- 10/10/2029</td>
<td>24.83 €</td>
<td>11,900</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>SOP 2018-P</td>
<td>23/10/2018</td>
<td>31/12/2021</td>
<td>NA</td>
<td>1/01/2022- 22/10/2028</td>
<td>14.40 €</td>
<td>17,500</td>
<td>a) 17,500</td>
<td>b) 252,000 €</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP2017-ROW</td>
<td>20/10/2017</td>
<td>31/12/2020</td>
<td>NA</td>
<td>1/01/2021- 19/10/2025</td>
<td>12.54 €</td>
<td>28,000</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>An Dewaele, left 31 December 2020</td>
<td>SOP2019-P</td>
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<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2023- 31/12/2023</td>
<td>24.83 €</td>
<td>9,800</td>
<td></td>
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<td>SOP 2018-P</td>
<td>23/10/2018</td>
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<td>1/01/2022- 31/12/2022</td>
<td>14.40 €</td>
<td>14,700</td>
<td>a) 14,700</td>
<td>b) 211,680 €</td>
<td></td>
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<td></td>
<td>SOP2017-EEA</td>
<td>20/10/2017</td>
<td>31/12/2020</td>
<td>NA</td>
<td>1/01/2021- 19/10/2027</td>
<td>12.54 €</td>
<td>28,000</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Johan Heyman, left CLT 30 September 2020</td>
<td>SOP2019-P</td>
<td>11/10/2019</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2023- 10/10/2029</td>
<td>24.83 €</td>
<td>5,950</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>SOP 2018-P</td>
<td>23/10/2018</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2022- 22/10/2028</td>
<td>14.40 €</td>
<td>3,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>SOP2017-EEA</td>
<td>20/10/2017</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2021- 19/10/2027</td>
<td>12.54 €</td>
<td>3,500</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOP2016-EEA</td>
<td>24/10/2016</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2020- 23/10/2026</td>
<td>10.40 €</td>
<td>1,400</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Stock options

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Plan Identification</th>
<th>Grant Date</th>
<th>Vesting Date</th>
<th>End of retention period</th>
<th>Exercise period</th>
<th>Exercise price</th>
<th>Number of options at the beginning of the year</th>
<th>a) Number of options granted b) value underlying shares @ grant date</th>
<th>a) Number of options vested b) value @ exercise price</th>
<th>Number of options exercised</th>
<th>Number of options expired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filip Pintelon, left 22 October 2021</td>
<td></td>
<td>SOP 2020-P</td>
<td>29/10/2020</td>
<td>31/12/2023</td>
<td>NA</td>
<td>1/01/2024- 31/12/2024</td>
<td>12.76 €</td>
<td>16,100</td>
<td>2,520,000 €</td>
<td>17,500 a 252,000 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2019-P</td>
<td>11/10/2019</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2023- 31/12/2023</td>
<td>24.83 €</td>
<td>10,500</td>
<td>2,100,000 €</td>
<td>42,000 b 604,800 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2018-P</td>
<td>23/10/2018</td>
<td>31/12/2021</td>
<td>NA</td>
<td>1/01/2022- 31/12/2022</td>
<td>14.40 €</td>
<td>17500 a 252,000 €</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2017-EEA</td>
<td>20/10/2017</td>
<td>31/12/2020</td>
<td>NA</td>
<td>1/01/2021- 19/10/2027</td>
<td>12.54 €</td>
<td>35,000</td>
<td>2,800,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2016-EEA</td>
<td>24/10/2016</td>
<td>31/12/2019</td>
<td>NA</td>
<td>1/01/2020- 23/10/2026</td>
<td>10.40 €</td>
<td>28,000</td>
<td>2,350,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2015-EEA</td>
<td>22/10/2015</td>
<td>31/12/2018</td>
<td>NA</td>
<td>1/01/2019- 21/10/2025</td>
<td>8.16 €</td>
<td>5,250</td>
<td>3,250,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2014-EEA</td>
<td>23/10/2014</td>
<td>31/12/2017</td>
<td>NA</td>
<td>1/01/2018- 22/10/2024</td>
<td>7.86 €</td>
<td>12,250</td>
<td>9,000,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>George Stromeyer, left 20 October 2021</td>
<td></td>
<td>SOP 2020-P</td>
<td>29/10/2020</td>
<td>31/12/2023</td>
<td>NA</td>
<td>1/01/2024- 28/10/2030</td>
<td>12.76 €</td>
<td>21,000</td>
<td>2,100,000 €</td>
<td>42,000 a 604,800 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2019-P</td>
<td>11/10/2019</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2023- 31/12/2023</td>
<td>24.83 €</td>
<td>21,000</td>
<td>2,100,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2018-P</td>
<td>23/10/2018</td>
<td>31/12/2021</td>
<td>NA</td>
<td>1/01/2022- 28/02/2022</td>
<td>14.40 €</td>
<td>42,000</td>
<td>6,000,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2017-US</td>
<td>20/10/2015</td>
<td>31/12/2019</td>
<td>NA</td>
<td>1/01/2020- 3/03/2022</td>
<td>12.54 €</td>
<td>105,000</td>
<td>14,000,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nicolas Vanden Abeele, left 22 October 2021</td>
<td></td>
<td>SOP 2020-P</td>
<td>29/10/2020</td>
<td>31/12/2023</td>
<td>NA</td>
<td>1/01/2024- 31/12/2024</td>
<td>12.76 €</td>
<td>21,700</td>
<td>2,520,000 €</td>
<td>17,500 a 252,000 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2019-P</td>
<td>11/10/2019</td>
<td>31/12/2022</td>
<td>NA</td>
<td>1/01/2023- 31/12/2023</td>
<td>24.83 €</td>
<td>11,900</td>
<td>2,520,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOP 2018-P</td>
<td>23/10/2018</td>
<td>31/12/2021</td>
<td>NA</td>
<td>1/01/2022- 31/12/2022</td>
<td>14.40 €</td>
<td>17,500</td>
<td>2,520,000 €</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reference is made to page 71 in the Financial Statements for an overview of the stock options exercisable under the stock option plans.
Part 3: Redundancy payments

CLT members operate under an employment contract, concluded with the entity of the Barco group in the country where they live. Their contracts are governed by the local legal provisions. If the employment of a CLT member is terminated, local rules and legislation governing the contract of employment, including those pertaining to notice periods and severance payments, apply.

Upon proposal of the remuneration and nomination committee, the Board agreed on the departure compensation for 5 people, and the basis for its calculation as set forward below.

Tet Jong Chang, former SVP China, retired from the company on 31 March 2021. In accordance with the retirement agreement a prorated STI bonus on target has been paid for bonus year 2021.

Effective 31 August 2021, Jan De Witte, former CEO, left the company. In accordance with the severance agreement, he was granted a termination indemnity based on nine months of total remuneration.

Effective 20 October 2021, George Stromeyer, former SVP Enterprise, left the company. In accordance with the severance agreement, he was granted a termination indemnity based on six months of remuneration whereby the remuneration basis includes fixed pay, and continuation of Health Coverage (COBRA) for 6 months.

Effective 22 October 2021, Nicolas Vanden Abeele, former SVP Entertainment, left the company. In accordance with the provisions of his employment contract, the severance agreement included a termination indemnity based on six months of remuneration whereby the remuneration basis includes fixed pay, 65% of the on-target STI bonus, the annual pension contribution and other benefits.

Effective 22 October 2021, Filip Pintelon, former SVP Healthcare, left the company. In accordance with the provisions of his employment contract of 3 October 2008, the severance agreement included a termination indemnity based on eighteen months of on-target remuneration whereby the remuneration basis includes fixed pay, on-target STI bonus, annual pension contribution and other benefits.

Part 4: Use of the right to reclaim

There was no reason for the Board to reclaim any previously paid variable remuneration to the CEO or to any of the CLT-members.

Part 5: Deviations from the remuneration policy

All of the above was determined and paid in line with the existing company reward policies. It also reflects the measures taken by the Board of Directors at the initiative of the Remuneration and Nomination Committee as stated in Part 1 above.
Part 6: Evolution of remuneration and company performance

As requested by the Belgian Company Law, Barco reports the pay ratio of the CEO remuneration versus the lowest FTE employee remuneration in its legal entity Barco nv. The 2021 pay ratio is 25.58.

Part 7: Vote of the shareholder

The remuneration report 2020 was approved by the general meeting of 29 April 2021 with a 90% vote. As no comments were made to the previous remuneration report, there were no such comments to be considered for the remuneration paid or vested during 2021.

From conversations with shareholders, it appears however that the variable part of the remuneration packages for CLT members is complex, with many KPIs and too little attention to targets in the sustainability area. On the Remuneration and Nomination Committee’s proposal, the Board agreed to introduce an STI policy that is simple, transparent, and efficient. Hence an updated version of the remuneration policy will be presented at the next general meeting for approval.

### Remuneration of Non-Executive Directors

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total annual remuneration (EUR)</td>
<td>499,175</td>
<td>512,725</td>
<td>430,449</td>
<td>416,825</td>
<td>402,425</td>
<td>426,475</td>
</tr>
<tr>
<td>Year-on-year difference (%)</td>
<td>3%</td>
<td>3%</td>
<td>-16%</td>
<td>-3%</td>
<td>-3%</td>
<td>6%</td>
</tr>
<tr>
<td>Number of Non-Executive Directors under review</td>
<td>9</td>
<td>11</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

### Remuneration of CEO

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total annual remuneration (EUR)</td>
<td>1,600,800</td>
<td>1,209,183</td>
<td>1,424,544</td>
<td>1,672,362</td>
<td>1,262,683</td>
<td>1,086,038</td>
</tr>
<tr>
<td>Year-on-year difference (%)</td>
<td>1%</td>
<td>-24%</td>
<td>18%</td>
<td>17%</td>
<td>-24%</td>
<td>-14%</td>
</tr>
</tbody>
</table>

### Remuneration of CLT

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total annual remuneration (EUR)</td>
<td>4,169,396</td>
<td>4,570,778</td>
<td>5,866,025</td>
<td>6,163,243</td>
<td>4,819,145</td>
<td>4,211,170</td>
</tr>
<tr>
<td>Year-on-year difference (%)</td>
<td>13%</td>
<td>10%</td>
<td>28%</td>
<td>5%</td>
<td>-22%</td>
<td>-13%</td>
</tr>
<tr>
<td>Number of CLT Members under review</td>
<td>10</td>
<td>14</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

### Barco Group Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET SALES (M euro)</td>
<td>1,102,342</td>
<td>1,084,706</td>
<td>1,028,531</td>
<td>1,082,570</td>
<td>770,083</td>
<td>804,288</td>
</tr>
<tr>
<td>Year-on-year difference (%)</td>
<td>7%</td>
<td>-2%</td>
<td>-5%</td>
<td>5%</td>
<td>-29%</td>
<td>4%</td>
</tr>
<tr>
<td>EBITDA (M euro)</td>
<td>88,002</td>
<td>107,126</td>
<td>124,466</td>
<td>153,022</td>
<td>53,563</td>
<td>58,509</td>
</tr>
<tr>
<td>Year-on-year difference (%)</td>
<td>19%</td>
<td>22%</td>
<td>16%</td>
<td>23%</td>
<td>-65%</td>
<td>9%</td>
</tr>
<tr>
<td>Net income attributable</td>
<td>11,023</td>
<td>24,776</td>
<td>74,965</td>
<td>95,363</td>
<td>-4,393</td>
<td>8,881</td>
</tr>
<tr>
<td>Year-on-year difference (%)</td>
<td>137%</td>
<td>125%</td>
<td>203%</td>
<td>27%</td>
<td>-105%</td>
<td>302%</td>
</tr>
</tbody>
</table>

### Average remuneration per FTE employee

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average employee cost per FTE (EUR)</td>
<td>76,316</td>
<td>76,821</td>
<td>76,505</td>
<td>77,192</td>
<td>65,570</td>
<td>75,003</td>
</tr>
<tr>
<td>Year-on-year difference (%)</td>
<td>0.0%</td>
<td>0.7%</td>
<td>-0.4%</td>
<td>0.9%</td>
<td>-15.1%</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

---

(1) As indicated in Part 2.A of the Remuneration Report the remuneration for non-executive directors depends only on the number of meetings and is reported aggregated for this table.

(2) Average remuneration of employees is calculated on the basis of “wages and direct social benefits”, including company cars, divided by the number of employees on a year-over-year basis.

(3) Employee cost 2021 increase due to (a) less unemployment and wage subsidies following enacted covid release acts, (b) merit and COL increases versus only mandatory COL increases in 2020, (c) higher attrition combined with recruiting in an overheated labor market.
Policies of conduct

Transparency of transactions involving shares or other financial instruments of Barco

The company has issued a Market Abuse Prevention Policy which is being enforced as part of its compliance management program, available for review on the company’s website (www.barco.com/corporategovernance). It meets the requirements of the EU Regulation of 16 April, 2014 n° 596/2014 on market abuse. Persons discharging managerial responsibilities and persons closely associated with them must notify the Financial Services Market Authority ("FSMA") of any transactions involving shares or other financial instruments of Barco within three business days after the transaction. Such transactions are made public on the website of the FSMA (www.fsma.be) as well as the company’s website, the latter on an aggregate basis.

Managing sustainability

At Barco, we see sustainability as one of the drivers of our corporate strategy. We design and act towards sustainable outcomes for our planet, the community we operate in and our colleagues. Governance keeps our corporate sustainability strategy on track, ensuring that our strategy remains effective, and that accountability for our results sits right at the top of our company. A more detailed description of our sustainability governance is available in our Planet-People-Communities chapter and on Barco’s corporate website.

Conflicts of interest

The company has laid down the rules for conflicts of interest, applicable to its directors and executive managers, in its Corporate Governance Charter.

These rules complement the procedures set by the Code of Companies and Associations for conflicts of interest of a financial nature and related party transactions (Article 7:96 and 7:97 CCA).

In 2021, no conflicts of interest of a financial nature or related party transactions falling within the scope of these procedures arose.

Statutory auditor

Barco refers to note 22 Related party transactions in Financial Statements 2021.
Risk management and control processes
Barco is exposed to a wide variety of risks that can affect its ability to achieve its business objectives and to execute its corporate strategy successfully. To anticipate, identify, prioritize, manage and monitor the risks that impact its organization, Barco has put a sound risk management and control system into place in accordance with the Code of Companies and Associations and the 2020 Corporate Governance Code. Our risk management and control processes are actively supported by the Board of Directors. They understand the risks that Barco faces, and assure that these risks are effectively managed by requiring that the co-CEOs and the Core Leadership Team (CLT) are fully engaged in risk management. Risk mitigation and control is a core task of the executive management and all employees with managerial responsibilities.

Barco’s risk management and control system was set up to achieve the following objectives:

- Correct and timely financial reporting
- Compliance with all applicable laws and regulations
- Operational and strategic objectives
- Operational excellence
- Risk management and control system
- Control Environment
- Objectives
- Identification
- Risk response
- Control activities
- Information & communication
- Monitoring
- Analysis & evaluation

The risk management and control system is based on the principles of the COSO reference framework and the ISO 31000 risk management standard.
Barco strives for a strong compliance culture and risk awareness attitude by defining clear roles and responsibilities in all relevant domains. In this way, the company fosters an environment in which it pursues its business objectives and corporate strategy in a controlled manner. This environment is created by implementing various company-wide policies and procedures, such as:

- The Code of Ethics
- Decision and signature authority rules
- The Barco culture building blocks
- Quality and other management systems
- Risk profiling, reporting and mitigation processes

Risk management is firmly embedded into Barco’s processes, at all levels. For every key management, assurance and supporting process, Barco has developed and implemented a systematic risk management approach. It consists of five steps: identification, analysis, evaluation, response and monitoring.

The CLT fully endorses this approach. Employees are regularly informed and trained on these subjects to ensure sufficient risk management and control at all levels and in all areas of the organization.

Every year in the fourth quarter, we perform a company-wide risk assessment and compliance gap analysis. This exercise, which involves the CLT members, the legal & compliance responsible of the subsidiaries and other key employees, aims to strengthen and formalize risk awareness throughout Barco. It encourages the employees with managerial responsibilities to actively think about the risks that impact our business and provides them with a clear view on how their peers around the world perceive risk.

The yearly risk assessment and compliance gap analysis is a joint effort of the Risk Manager, the Global Compliance Manager and Internal Audit.

Identification

The Barco risk universe is reviewed on a yearly basis, based on insights from interviews with the CLT members and a benchmarking against the risk reports published by the top global insurers and international organizations.

In 2021, ‘product portfolio and innovation’ was defined as a new risk in the Barco risk universe. In previous years, it was part of the ‘Macroeconomic, geopolitics and market’ risk and the ‘Digital transformation and new technologies’ risk. Accordingly, these two risks have been re-defined.
**Analysis**

Once identified, the risks are scored using inherent risk (‘likelihood’ and ‘impact’) and control level scales. The scales for impact, likelihood and control level are based on the acceptable level of risk exposure determined by the Board of Directors and laid down in the Barco corporate risk evaluation system.

The scoring of Barco’s risks was done via an online questionnaire in 2021. All 16 CLT members and all 23 senior managers from different subsidiaries completed the questionnaire.

**Evaluation**

In the ‘evaluation’ phase, a risk matrix is drawn up, resulting in Barco’s inherent and residual risk profile.

To set the right priorities, the risk is first evaluated in terms of impact and likelihood. The resulting inherent risk does not yet consider any management activities or control measures developed to mitigate it.

The residual risk level is then determined by taking into account the control level (control measures and their effectiveness) of each risk.

The CLT then reviews the results. The top risks are identified and divided into risks to be accepted, monitored or improved. For each top risk, a risk sponsor is designated.

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*‘Nth’ party risk: An order of magnitude broader than the traditional third-party risk. Every party that a company utilizes is likely to use a large number of other parties of its own. This then becomes a chain of downstream relationships with fourth, fifth parties and eventually Nth parties, introducing a new risk factor to the ecosystem.*
Risk response

Management response to the top risks

- ‘Risks to improve’ are contained by means of an enhanced mitigation plan next to the continuous improvement actions and existing control measures. This plan must minimize the effect of these risks on the organization’s ability to achieve its objectives and results. For these types of risks, if any, a CLT risk sponsor is appointed.

- ‘Risks to monitor’ are contained by means of the ongoing continuous improvement actions and existing control measures. These types of risks reside under the sponsorship of a CLT member who monitors them.

- ‘Acceptable risks’ and ‘risks to optimize’ are recorded in the risk register of the related process.

The outcome is summarized in a report that is presented to the Audit Committee and made available to the Board of Directors.

The Risk Manager supports the adoption of clear processes and procedures for a wide range of business operations. In addition to these control activities, an insurance program has been implemented for selected risk categories that cannot be absorbed without material impact on the company’s balance sheet.

Monitoring

Risk monitoring helps to ensure that mitigation plans and internal controls continue to operate effectively. Progress of action plans and related status KPIs are tracked on a regular basis to remediate gaps in mitigation and monitoring activities.

Risks in the ‘improve’ and ‘monitor’ quadrants are subject to a quarterly review by the CLT risk sponsor, the Risk Manager and a delegation of CLT members. A semi-annual review is conducted during a CLT meeting which is formalized by Internal Audit and reported to the Audit Committee.
Control activities

The **continuity and the quality** of Barco’s risk management and control system is assessed by following actors:

- **Internal Auditor** – the tasks and responsibilities assigned to Internal Audit are recorded in the internal audit charter, which has been approved by the Audit Committee. The key mission of internal audit as defined in the internal audit charter is "to add value to the organization by applying a systematic, disciplined approach to evaluating the internal control system and providing recommendations to improve it".
- **External Auditor** – in the context of the external audit review of the annual accounts and their assessment of key internal controls.
- **Compliance Officer** – within the framework of the company’s Corporate Governance charter.
- **Risk Manager** – plays a pivotal role in the organization by ensuring appropriate coordination and follow-up of risk management activities.
- **Global Compliance Manager** – coordinates between different compliance roles, functionally and regionally. The compliance status and gaps are mapped on a regular basis in order to define compliance risks, priorities and mitigations as needed.
- **Audit Committee** – the Board of Directors, assisted by its Audit Committee, has the final responsibility with respect to internal control and risk management.

Information and communication

A timely, complete and accurate information flow – both top-down and bottom-up – is a cornerstone of effective risk management.

In operational domains, Barco has implemented a **management control and reporting system (MCRS)** to support efficient management and reporting of business transactions and risks. This system enables the Barco management to capture relevant information on particular areas of business operations at regular time intervals. The process enforces the clear assignment of roles and responsibilities, thus ensuring consistent communication to all stakeholders regarding external and internal changes or risks impacting their areas of responsibility.

In addition to the MCRS, the company has put several measures into place to ensure the **security of confidential information** and to provide a **communication channel** for employees to report any (suspected) violation of laws, regulations, the company’s code of ethics or policies.
Top risks

On the right are the top risks, identified by the 2021 risk management process, along with the trends and related material topic/strategic lever. Certain risks have been slightly regrouped and renamed compared to last year following the most recent risk identification process.

We refer to the extra risk section regarding the consequences and impact of the covid-19 pandemic and to the management discussion and analysis in the ‘results’ section for an update on the impact of covid-19 and the impact of supply constraints on the full year 2021 results.

<table>
<thead>
<tr>
<th>Risk</th>
<th>TREND</th>
<th>MATERIAL TOPIC</th>
<th>STRATEGIC LEVER</th>
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<td>Supply chain &amp; ‘Nth’ party risk</td>
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<td>Responsible supply chain management</td>
<td>Focus to Perform &amp; Go for sustainable impact</td>
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<td>Sustainable profitable growth</td>
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<td>Product quality, safety and security</td>
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<td>Product portfolio &amp; Innovation</td>
<td>New</td>
<td>Innovation management</td>
<td>Innovate for Impact &amp; Offer outcome-based solutions</td>
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<td>Market reach</td>
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<td>Human capital &amp; talent management</td>
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<td>Employee engagement</td>
<td>Focus to Perform &amp; Go for sustainable impact</td>
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<td>Macroeconomic &amp; geopolitics risk</td>
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<td>Information security risk</td>
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<td>Information security and data protection</td>
<td>Focus to Perform &amp; Go for sustainable impact</td>
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<td>Data governance and privacy</td>
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<td>Innovation management</td>
<td>Go for sustainable impact</td>
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</table>
Supply chain & 'Nth' party risk

Risk description

The dependency on suppliers, partners, integrators and distributors creates a vulnerability that might impact our product portfolio in terms of quality, availability and cost. Next to the covid-19 pandemic, the global chip shortage has put high pressure on the global supply chain and caused an additional burden on Barco’s resources, inventory, manufacturing and delivery performance.

Trend:

Supply chain and Nth party risks were identified as a main risk in 2020 and became the key risk in 2021, especially in light of the global electronics component shortage.

Mitigation plan:

We maintained mitigation actions that we had defined in the past years and further developed these to meet the challenges going forward, focusing on:

- War rooms and day-to-day alignment processes across our global operations to ensure business continuity.
- 24/7 monitoring of component shortages by the procurement teams around the world.
- Multi-sourcing of key components and design-in of available alternatives.
- Component selection in line with state-of-the-art supplier’s product and technology roadmaps.
- Early supplier involvement during the development of new products.
- Supplier contingency plans for our key and core suppliers.

More information can be found in “Supply chain responsibility”
Product portfolio & innovation

Risk description

If competitors outperform Barco with new technologies, new business models, faster time-to-market, lower costs or enhanced product features, this can result in missed business opportunities and thus eventually a decline in revenue.

The inability to balance between core and transformational innovation with real breakouts may lead to poor product portfolio management and weakened competitive power.

Not being able to identify customer needs and to successfully convert these into value-adding products and solutions might impact market share and profitability of our business.

Trend:

Product portfolio and innovation is one of the top risks in Barco ranked as number 2.

Mitigation plan:

In 2021, we implemented organizational changes to enhance market responsiveness and fully empower business unit execution of strategic priorities combined with focused accountability. In the past, Barco worked with a matrix organizational structure consisting of geographic regions which handled sales, marketing and customer service functions. These interacted with business units in the operational divisions. Under the revised organizational structure, regional sales is folded into the company’s business units together with product management and research & development.

A thorough and continuous review of the R&D investment portfolio to define priorities and ensure a healthy balance between maintenance R&D and breakthrough innovation must ensure that Barco preserves a frontrunner position in its key technologies.
Human capital & talent management

Risk description

A skilled workforce and agile organization are essential for the continued success of our business. Difficulties in attracting, retaining and developing employees could lead to continued vacancies in certain critical areas, higher employee dissatisfaction and turnover, lower performance and underutilization of existing skills. Staffing issues could result in a skillset not able to meet all competency requirements in view of rapidly moving technologies, changing business models and operational agility.

In times when employees are required to work from home, they may become disconnected from the work environment. That could lead to mental fatigue, stress and anxiety. It is therefore crucial to protect employees’ health and wellbeing to avoid labor incidents, burnouts and long-term sickness.

Trend:

Human resources management has been identified as an important risk in the last three years.

Mitigation plan:

The Human Resources team commits to investing in workforce strategy and organizational effectiveness as key focus domains, in addition to delivering professional Human Resources services to attract, develop, reward and engage a diverse and global workforce, while ensuring timely and clear communication to employees.

The HR-related priorities start from the Barco business objectives, translating these into main HR actions in the following domains:

- **Culture, people & leadership development**: HR provides employees and people leaders with the proper tools and solutions to work on employee development, engagement and wellbeing through an employee engagement measurement tool, a dedicated Barco University training offering (classroom, online, e-learning or hybrid) and continuing the culture journey with focus on a global and diverse culture.

Read more in the Report on People.
Digital transformation & new technologies

Risk description
The inability to embrace technological advancements quickly could impact Barco’s ability to accelerate growth. Technologies such as machine learning, robotics, artificial intelligence and the use of big data and analytics can improve business processes and increase efficiency. The failure to adopt these will impair operational resilience and the ability to face current and future challenges and may result in missed revenues and missed business opportunities. In Barco’s environment, a rapid time to market is the key to ensuring competitiveness.

Mitigation plan:
To mitigate this risk, Barco developed a master plan, which it launched in March 2021 together with the new ‘Digital and Information Organization’: the centralization of both the corporate marketing and the SW R&D functions with IT.

Major blocks of the mitigation plan are:

- (Digital) Customer journey & experience: customer journey mapping exercises and active use in the business units.
- Roll out of Salesforce as a global Customer relationship management tool.
- Mindset, culture and leadership transformation: define marketing blue-print program and train internal stakeholders on value streams and design thinking.
- Data governance, management and strategy: Definition of the data collection/monetization metrics. See also ‘Data governance and privacy risk’.
- IT stability, quality, flexibility & speed: re-organization based on the helix model with five business-centric value streams and separate Center of Excellences. Implementation of a Strategic Global Portfolio Prioritization methodology to decide on investments and to generate transparency on projects and capacity.

Trend:
Digital transformation and new technologies were one of our main risks in 2020 and remains key in 2021.
Macroeconomic & geopolitics risk

Risk description

Serious political and (macro)economic evolutions and fluctuations can heavily impact the investment climate and could even slow business in a country or region to a complete halt. Geopolitical tensions, deteriorating trade relations and trade policy uncertainties impact global economic activity and could translate into constraints to Barco’s operations (tariffs, intellectual property restrictions, data ownership, investment restrictions, staff mobility restrictions due to travel limitations; but also quarantine restrictions impacting the company and its people).

Trend:

The “Macroeconomic, geopolitics and market” risk was identified as the key risk in 2020. The risk was redefined in 2021, moving the market-related elements to the new risk ‘Product portfolio & innovation’, in the risk universe. Accordingly, the ‘Macroeconomic and geopolitics’ risk dropped in ranking in 2021.

Mitigation plan:

• The company closely monitors the macroeconomic and geopolitical developments in the regions in which it is active. Their potential impact on the company’s business operations (geographical footprint, supply chain, operations, import and export activities, commercial and go-to-market strategy, cash management, etc.) and possible remedial actions are assessed in business review meetings for the short term, and in the strategic Management Plan and Profit Plan for the mid to long term.

• The wide spread of activities across different regions and industries contributes to absorbing the risk.
Product quality

Risk description

Barco’s reputation as a business partner relies heavily on its ability to supply high-quality products. Failure to comply with the internal quality processes and stage gate requirements can lead to the market introduction of immature products – resulting in loss of sales and market share, additional cost and reputational damage. Product quality issues and delivery issues such as the inability to fulfill orders in a timely way leading to reputational damage, customer dissatisfaction and loss of business.

Trend:

Product quality was one of our main risks in 2020 and remains so in 2021.

Mitigation plan:

Product quality is guaranteed by rigorously executing and monitoring the Barco processes covering the complete product life cycle – from product planning, to design and development and sales, all the way to customer services. These processes are embedded in Barco’s quality management system, which is audited by independent external parties and customers. The product quality is monitored through a set of quality-related indicators covering the different interrelated processes.

In close collaboration with the dedicated quality teams, the business unit executive teams draw up a mitigation plan centered around the following themes:

- Regular review of the product quality dashboards and key performance indicators (KPIs) by the quality teams incorporating regional and customer feedback.
- Strict evaluation of product maturity, reliability and manufacturability, but also the need to schedule adherence and scope completeness at the different product design milestones.
- Specific product quality and process improvement programs based on internal quality indicators and customer feedback.

Read more on Product quality, safety & security.
Information security

Risk description

Barco relies considerably on its IT systems: infrastructure, networks, operating systems, applications and databases. Failure of an information technology system due to an internal or external event (terrorism, crime, violence, vandalism, theft or human error) could impact employees, sites, assets, critical information, or intellectual property and have negative consequences for the business (business interruption, reputational damage and/or liability claims).

Ensuring information security includes, among others, processes that:
• protect IT infrastructure, IT governance, prevention and remediation of IT failure and security awareness.
• ensure the development and sale of secure products.

Trend:

Cyber risk was identified as one of the top priorities in 2020. This year it dropped in the ranking.

Mitigation plan:

Despite its lower ranking, information security remains an important risk. This risk stays marked as ‘to be further monitored by the CLT sponsor’. No additional actions were defined in 2021, given the recently updated roadmap on cyber security improvements, which focuses on:
• Refining cyber security incident response.
• Increasing management controls on privileged accounts.
• Improving network segmentation.
• Revisiting back-up and recovery strategies.
• Monitoring, preventing, detecting, analyzing and responding to cybersecurity threats and incidents.
• Enhancing overall patch management.

Read more on Corporate security and data privacy and Product quality, safety & security.
Data governance & privacy

Risk description

Insufficient governance regarding data assets, data confidentiality and data ownership could lead to loss or improper use of business-critical or personal data, causing a loss of process efficiency, vulnerabilities, prosecution, fines and reputational damage. Lack of data governance may also lead to data leaks outside of the organization, which could benefit competing players on the market.

Insufficient IP awareness and a lack of IP strategy can lead to the inability to safeguard and monetize our IP and a disconnected strategy towards filing and protection. Other risks could come from IP infringements by suppliers or unclear IP agreements. Critical IP or know-how may get lost when key employees or consultants leave the organization.

Trend:

Data protection was one of our main risks in 2020 and ranks lower in 2021.

Mitigation plan:

The mitigation plan is split in terms of ownership: there are actions around intellectual property (IP) and actions around data governance and privacy.

The IP mitigation plan is composed of two blocks:

- **Strategic protection of our technologies and innovations with patents.** The Intellectual Property team was strengthened with a new colleague in 2021. The patent prosecution strategy has been refreshed (more focus on strategic inventions, earlier filing, selection of a panel of patent attorneys).
- **Boost culture and awareness** about the way confidential information is treated both internally and externally.

The data governance and privacy plan contains the following elements, which are all key in Barco’s digital business transformation journey:

- Data architecture within Barco through the establishment of a Center of Excellence in Data
- Governance around the data model.
- Continuous implementation of measures aimed at protecting data privacy, such as release and update of relevant policies and procedures, awareness creation among employees through online learning courses and classroom trainings, designation of security and privacy champions, security and privacy assessments of suppliers, and GDPR audits.

Read more on Corporate security and data Privacy.
Extra risk section regarding the consequences and impact of the covid-19 pandemic.

Since Q1 2020, the covid-19 pandemic has been affecting businesses all over the world – including Barco.

Risk description
The public health crisis caused by the covid-19 pandemic, as well as measures taken in response to contain or mitigate the pandemic, have had, and are expected to continue to have, certain negative impacts on Barco’s business including, without limitation, the following:

• The demand, reflected by impact on orders and sales mainly in Barco’s Entertainment and Enterprise divisions.
• Supply constraints, reflected by impact on sales mainly in Barco’s Healthcare division.
• The profit and loss and operating results.
• Cash flow issues (mainly in 2020).

Approach
In this section, Barco addresses its risk mitigation plan related to the covid-19 pandemic impact.

Overall approach
Since the start of the corona virus outbreak (in China in January 2020) Barco has set up a dedicated global response team that is monitoring and supporting Barco’s operations and is focusing both on the safety and health of its employees, as well as on ensuring business continuity.

Measures to keep employees safe
• Hygiene, social distancing and track-and-trace measures
  Ensuring health and safety in the work environment remained a top priority in 2021. Following the lessons learned in 2020, Barco was able to prepare and respond in an agile and upfront way. The global response team reviewed the impact of the worldwide pandemic, the resulting legal obligations and how global communication on measures taken within the Barco premises was handled.

> Please refer to the ‘Planet, People and Communities‘ report for more details. A wide range of measures aimed at avoiding the spread of the covid-19 virus were established. This included warning employees in the case of an infection, ensuring social distancing, ventilation, working from home, and many others. These measures were largely successful, although the Barco Noida site was hit severely when covid-19 infections in India peaked.

• Hybrid way of working
  Some of Barco’s offices have been (partially) closed for short periods throughout 2021. As far as regulations and the local situation allowed, the company applied unlocking measures and started bringing back employees while still taking into account local or regional regulations and recommendations. Barco implemented a hybrid way of working with an alternate home-work protocol for its white collars. All offices have been updated according to the strengthened social distancing and sanitary measures to ensure a covid-proof and flexible work environment.

Operations and supply chain
2020 had proven to be a real test for Barco’s supply chain resilience, given the trade wars and regional/global lockdowns resulting from the covid-19 pandemic. While business regained momentum in 2021, there were still the occasional sudden lockdowns disrupting the supply chain. The new worldwide shortages in different commodities in 2021 made further demands on Barco’s supply chain resilience. Our strong, long-term supplier relationships and agile approach have proven to be key in finding solutions to the shortages in many cases. Nevertheless, the order to sales conversion was and will not be fully immune to the impact of supply chain constraints.
Business health
In the first quarter of 2020 and as a result of lockdowns in China, Barco’s sales in China were halted during February and gradually resumed as of March. Since then, the covid-19 pandemic has spread internationally, with negative effects mainly in Barco’s Entertainment and Enterprise markets. The negative impact was caused by both the economic impact of the pandemic on some of its markets as well as by the lockdown measures and related restrictions. In 2021, supply chain disruptions, including higher component prices, increased freight broker rates and higher logistics costs negatively impacted the company’s results.

Barco remained focused on business continuity and protection of the business health.

The company executed on a plan to align both its activity rate and spending with the impacts of the pandemic by resetting indirect cost levels, next to temporary measures and resource redeployments. We also raised prices across our portfolio and regions, which we expect to benefit gross profit margins as of the first half of 2022.

- Aligning activity rate with market realities and customer demand
  Barco implemented temporary work arrangements and economic unemployment measures for both white and blue collars, in conformity with country-specific legal frameworks, support mechanisms and regulations, mainly in 2020 and to a limited extent in the first half of 2021. The new work conditions varied depending on the region, and Barco’s covid-19 response team reviewed the situation site by site, with the same objective to ensure business continuity while also considering all applicable covid regulations.

  The activity rate and cost containment measures also include ensuring a strong commitment to our customers through sales and servicing.

- Adjusting the cost base and discipline in discretionary spending
  These measures – which can be adjusted again in line with future changes in the pandemic situation – also entailed shifts in the planned investment patterns on selected long-term initiatives in 2020 and a sustained strict discipline on discretionary spending.

  The company made deliberate choices on the continuation and timetable of selected development projects based on current needs in the market and adjusting internal support levels in function of the focus shift. Furthermore, we were able to apply for wage grants under the newly enacted covid-19 relief legislation in APAC, Canada and US in 2020.

Strong funding and liquidity structure in place
Barco has a strong balance sheet and ample liquidity. We refer to note 14 for more details on Barco’s net cash position. Our company has sufficient headroom to be able to conform to covenants on our existing borrowings. The group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

While the future may still bring some levels of headwind, Barco’s strong funding and liquidity structure in place should be more than sufficient to ensure the going concern of the company. In addition, we refer to note 8 where we explain how we tested goodwill and all other non-current assets for impairment and concluded no impairment losses need to be recognized.
Risks to be disclosed pursuant to the rules regarding non-financial information
Environmental impact

Risk description

Climate transition and the environmental footprint in general holds a series of risks for Barco. The inability to meet (future) environmental legislation to limit CO₂ emissions and increase energy and material efficiency could lead to **regulatory fines** (such as a carbon tax). More importantly, failure to adapt to changing customer behavior and address environmental concerns could **negatively impact Barco’s reputation** with customers and investors, thus leading to **loss in sales or even shareholder value**. Physical climate change risks include impacts of extreme weather events on production facilities and/or equipment and disruptions in the supply chain due to these events.

Read more in the ‘Report on planet, people and communities’.
Risk description

Insufficient fair practice and business behavior (according to the ethical standards and principles set by the Barco Code of Ethics), including fraud, corruption, bribery, abuse and violations of human rights leads to reputational damage, decrease of sales and legal investigations and prosecutions.

Barco is directly exposed to risks in the area of human rights as an employer in the first place, but also through its operations in the regions where it conducts business. Barco may source raw materials from suppliers which may not respect their employees’ human rights, such as the freedom of association.

The increased pressure on management and employees could raise the temptation to deal with unscreened partners without any diligence procedures. The inability to foster an environment of equality and equal opportunities regardless of gender, race, ethnicity, age or sex could harm Barco’s reputation and could lead to noncompliance with applicable laws and regulations.

Approach:

Code of Ethics:

- Barco’s Code of Ethics is fully endorsed and applies to everyone employed by Barco and its partners, regardless of position and level of responsibility.
- The mandatory training on “Standards@Work” helps educate our people and reminds them about the group’s ethical principles and values.
- The ethics mailbox is available to everyone who wishes to report, even anonymously, any issue to the Ethics Committee.

Suppliers:

- Our suppliers must comply with the Responsible Business Alliance (RBA) code of Conduct, including labor, ethics and health and safety standards. Before engaging in a business relationship, we screen new suppliers, considering the risk profile and reputation of each partner as well as their adherence to ethical standards. Existing key partners are screened periodically. Key principles such as the four-eyes principles ensure segregation of duties in our procurement and buying processes.

Human rights and anti-discrimination:

- Barco applies a human rights policy in line with the standards and policies set by the Universal Declaration of Human Rights, the International Labor Organization (ILO), the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our Human Rights pledge and our anti-discrimination policy are available on our intranet.

- To oversee this pledge, we use the company-wide compliance management system. Adherence to the anti-discrimination policy is monitored by the HR department.
- Barco includes all its employees in collective bargaining agreements by complying with all necessary local workforce regulations in the countries where Barco operates. Barco handles specific workforce-related topics by closing off company-specific collective bargaining agreements. Where applicable, Barco organizes workers’ councils (both national and international).
- We promote equal opportunity and do not discriminate against any employee, candidate, contractor or supplier based on nationality, race, age, physical disability, social, political or religious preference or other personal characteristics. Barco encourages social and cultural diversity, and our recruitment, remuneration, evaluation and supplier tender processes are based solely on professional qualifications.

Anti-corruption:

- In order to limit the risk of money laundering, a process to screen incoming payments is in place under the Payment Processing Policy.
- Employees in sales functions and dedicated corporate functions across the world have to follow a mandatory anti-bribery course as part of the “Standards@Work” level 2 training.

Read more on ‘Ethics and compliance’ and ‘Supply chain responsibility’.
Financial risk management and internal control

- **Finance and accounting manuals**, which are available to key accounting sections, ensure the accurate and consistent application of accounting rules throughout the company.
- Specifically, within the financial domain, a **quarterly bottom-up risk analysis** is conducted to identify and document current risk factors (up-down sides reporting) that have potential impact on the forecasted results. Action plans are defined for all key risks. The results of the analysis are discussed with the statutory auditor at least every half year.
- The **accounting teams** are responsible for producing the accounting figures (closing books, reconciliations, etc.), whereas the business partnering (controlling) teams check the validity of these figures. These checks include analytical reviews through comparison with historical and budget figures as well as sample checks of transactions according to their materiality.
- All material areas of the financial statements concerning critical accounting judgements and estimates are periodically reported to the Audit Committee.
- **Specific internal control activities** concerning financial reporting are in place, as documented in the financial closing and reporting procedure. This procedure assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities. Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.
- **Uniform reporting** and a standard chart of accounts throughout the organization ensures a consistent flow of financial information, which allows the detection of potential anomalies.
- To provide Barco’s investors and other (external) stakeholders with the information necessary for making sound business decisions, financial reporting is shared with the outside world. The **external financial calendar** is planned in consultation with the Board of Directors and the Core Leadership Team and then announced to external stakeholders.
- **Financial reporting and analyses are shared** with Barco’s co-CEOs, the CLT and divisional and regional excoms in order to drive actions towards short-term (forecast), mid-term (budget) and long-term targets in accordance with the strategy set forward.
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