

# 2020 Integrated annual report



## Governance & Risk Report

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This is the Governance & Risk Report section of Barco's 2020 Integrated annual report. Other sections are available via the download center at [ir.barco.com/2020](http://ir.barco.com/2020).

**CORE**

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# Corporate governance



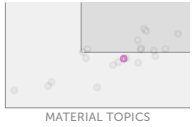
## Declaration regarding the information given in the Annual Report 2020

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.

Jan De Witte, CEO

Ann Desender, CFO



# Corporate governance statement

In Spring 2019, the Belgian legislator adopted a new Code of Companies and Associations. Further, in the same timeframe, the Corporate Governance Commission adopted the 2020 Belgian Code on Corporate Governance which the Belgian legislator subsequently designated as the reference code for listed companies [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be). Both entered into force on 1 January 2020.

Following this entry into force, Barco has updated its articles of association as well as its corporate governance charter. The Board of Directors decided not to submit to the shareholders' approval some of the novelties introduced by the new code, such as a two-tier governance structure or dual voting rights for certain shareholders. At their meetings of 30 April 2020, the shareholders have approved the revised drafts of the articles of association and corporate governance charter. Both are available for download at [www.barco.com/corporategovernance](http://www.barco.com/corporategovernance).

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 as their remuneration package is sufficiently balanced with various components to incentivize the executives to pursue a strategy of sustainable profitable growth.

Art. 7.12: The Board of Directors endeavors to insert a 'claw-back provision' in contract of employment with executives to the extent permissible by the law governing such contract.

## Board of Directors



Charles Beauduin



Jan De Witte



Ashok K. Jain



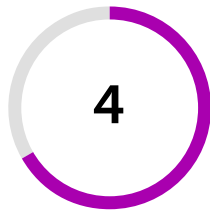
Hilde Laga



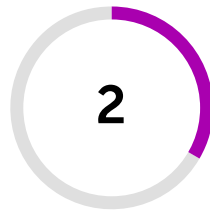
Frank Donck



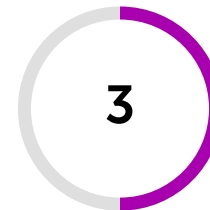
An Steegen



Directors with 5 years of seniority



Female members of the Board



Independent directors

**Charles Beauduin (\*1959)**

has been CEO and owner of Michel Van de Wiele NV since 1993. Van de Wiele 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.

**Jan De Witte (\*1964)**

is CEO of Barco and member of the Board as of September 2016. He is a global leader who has served in a variety of global operational and business leadership roles over the past 30 years, delivering operational excellence, product development and growth in services, solutions and software businesses for technology companies.

Prior to joining Barco, Mr. De Witte was an officer of General Electric Cy (GE), and CEO of the Software and Solutions business in its Healthcare Division. During his 17-year tenure with GE, he worked in global management roles in manufacturing supply chain, Quality/Lean Six Sigma, services and software solutions and lived in Chicago, Milwaukee and Paris.

Prior to GE, Mr. De Witte held operational management positions in supply chain and manufacturing at Procter & Gamble in Europe. He also served as Senior Consultant with McKinsey & Company, serving clients in airline, process and high-tech industries across Europe. He holds several positions in educational and business incubation organizations and is a member of the Board of Directors of ResMed Inc.

Mr. De Witte holds a Master's degree in Electromechanical Engineering from KU Leuven (Belgium), and an MBA from Harvard Business School (USA).

**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.

**Frank Donck (\*1965)**

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 System Operator 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 vice-chairman of Vlerick Business School and is a member of Belgium's Corporate Governance Commission. Mr. Donck is member of the Board of Directors of Barco NV since April 2015.

**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 2010, 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. She is in charge of Umicore's R&D in the areas of clean mobility materials, recycling and sustainability and she is responsible for Umicore's new business incubation in adjacent and new opportunity markets. She is also Executive Vice President of the Electro-Optical Materials and Metal Deposition Solutions business units.



**Board of Directors**

Situation on 8 February 2021

Chairman	<b>Charles Beauduin</b>	2023*
Directors	<b>Jan De Witte</b>	2023*
	<b>An Steegen (1)</b>	2023*
	Adisys Corporation (represented by <b>Ashok K. Jain</b> )	2023*
	<b>Hilde Laga (1)</b>	2021*
	<b>Frank Donck (1)</b>	2023*
Secretary	<b>Kurt Verheggen</b> General Counsel	

(1) independent directors // \* date on which the term of office expires: end of the annual meeting

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.

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**

Mr Luc Missorten decided to resign from the Board of Directors of Barco in April 2020, while continuing to provide his support as senior advisor to the company. As a result, the number of Board members reduced from 7 to 6.

The General Meeting of 30 april 2020 has re-appointed Mr. Charles Beauduin, Mr. Jan De Witte, Mr. Frank Donck, Mrs. An Steegen and Adisys Corporation, represented by Mr. Ashok Jain, as directors for a period of three (3) years until the closing of the ordinary General Meeting of 2023.

Mr. Frank Donck and Mrs. An Steegen are re-appointed as independent directors.

## Core Leadership Team



Jan De Witte



Wim Buyens



Olivier Croly



Gerwin Damberg



Ann Desender



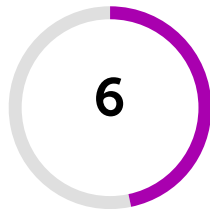
Stijn Henderickx



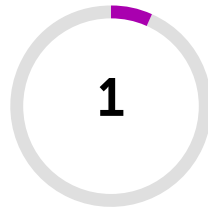
Anthony Huyghebaert



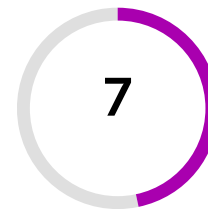
Rob Jonckheere



CLT members with 5 years of Barco seniority



Female CLT member



Non-Belgian CLT members



Filip Pintelon



Marc Spené



George Stromeyer



Iain Urquhart



Nicolas Vanden  
Abeele



Kurt Verheggen



Kenneth Wang

**Jan De Witte****CEO**

See biographies of Board of Directors (Page 9)

**Wim Buyens (\*1966)****CEO Cinionic**

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)****APAC**

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.

**Gerwin Damberg (\*1978)****Chief Technology Officer**

joined Barco in 2016 via the acquisition of MTT's Light Steering technology where he was co-founder and served as CTO. Dr. Damberg is an entrepreneur at heart and has advanced image technologies over the last decade both in start-up and established technology companies in R&D, business development and management roles. He holds a mechatronics engineering degree from the University of Applied Sciences in Karlsruhe, Germany as well as a PhD in Computer Science 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.

**Stijn Henderickx (\*1980)****EMEA**

joined Barco in 2013 and held several positions in Barco's Entertainment Division, including Vice President Cinema and Vice President Pro AV, Events & Simulation. As of early 2019, he became Senior Vice President of EMEA.

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 assignments, 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**

will join 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**

is Senior Vice President Global Operations managing Barco's worldwide manufacturing sites as well as the worldwide Logistics, Procurement, Quality and Facilities teams. He joined Barco in April 2016 as VP Global Procurement and brings 30 years of experience across R&D, Program- and General Management.

Prior to joining Barco he held various positions with increasing responsibility at Philips and TP Vision and was chairman of the Board of Directors of TP Vision Belgium. Mr. Jonckheere holds a Master of Science in Electromechanical Engineering from the University of Louvain .

**Filip Pintelon (\*1964)****GM Healthcare**

joined Barco in 2008 and has been successively President of Avionics & Simulation, President of Media, Entertainment & Simulation, and COO. As of early 2015, he became General Manager of the Healthcare division. Prior to joining Barco, he held top positions at Siemens, Accenture and The Boston Consulting Group. After graduating from KU Leuven with a Master of Mathematics & Informatics in 1986, Mr. Pintelon earned an MBA from Vlerick Leuven Gent Management School. Mr. Pintelon also holds several positions in industry advisory boards related to Digital Innovation.

**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).

**George Stromeyer**

**GM Enterprise**

began his career with Raychem Corporation in 1988. Since then, he has assumed roles of increasing responsibility for global technology commercialization with Scientific Atlanta Inc., Cisco Inc. and Harmonic Inc.

Mr. Stromeyer joined Barco in February of 2016 to lead the Enterprise division, which integrates seven worldwide sites. A native of Silicon Valley, he has developed a multi-cultural, multilingual background, with extensive years living and working in Europe and Latin America. George Stromeyer holds a Bachelor of Science in Mechanical Engineering from Cornell University and a Master of Business Administration from the Tuck School at Dartmouth College.

**Iain Urquhart (\*1970)**

**Americas**

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 and services. Mr. Urquhart holds a BS in History and Communication from the University of Missouri-Columbia.

**Nicolas Vanden Abeele (\*1972)**

**GM Entertainment**

joined Barco in December 2017. Mr. Vanden Abeele has over 20 years of experience in the technology and process industry in global leadership roles across the globe, having been stationed during his career in the Americas, Asia (China/Singapore) and Europe.

Prior to joining Barco, he was a division head and part of the Executive Committee of the Etex Group. From 1997 until 2010, he held several top leadership positions in regional and business divisional roles at Alcatel-Lucent. He started his career at Arthur Andersen in management and strategy consulting.

Mr. Vanden Abeele holds a Degree in Business Administration from KU Leuven, a Masters' Degree in Business from the College of Europe and a Masters' Degree from the Solvay School of Management.

**Kurt Verheggen (\*1970)****General Counsel**

serves 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 clinical teacher at the law faculty of the KU Leuven.

**Kenneth Wang (\*1972)****MD Barco China**

rejoins 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.

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**Changes Core Leadership Team**

Barco NV is managed by a Core Leadership Team ('CLT') which comprises certain key officers from functions, businesses and regions. The CLT operates under the chairmanship of the Chief Executive Officer 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 limited number of changes in 2020:

- An Dewaele, Chief HR Officer, left at the end of 2020. Anthony Huyghebaert will join Barco on April, 1<sup>st</sup> 2021 as new Chief HR Officer and succeed An Dewaele
- Marc Spenlé joined Barco in August 2020 as Chief Digital & Information Officer, leading Barco's Digital Organization, combining IT and the GEAX organization, Barco's global software development team.

- Xavier Bourgois, Senior Vice President Information Technologies left Barco at the end of January 2021 and left the CLT in September 2020. His responsibilities are taken over by Marc Spenlé.
- Johan Heyman, head of Barco's Program Management Office "fit to lead" left the CLT at the end of October 2020 and will be reporting to the Chief HR Officer as Vice President Organizational excellence.
- Tet Jong Chang, Managing director for Barco China since 2017, will retire from Barco at the end of the first quarter 2021 and will be succeeded by Kenneth Wang.

## Annual General Meeting

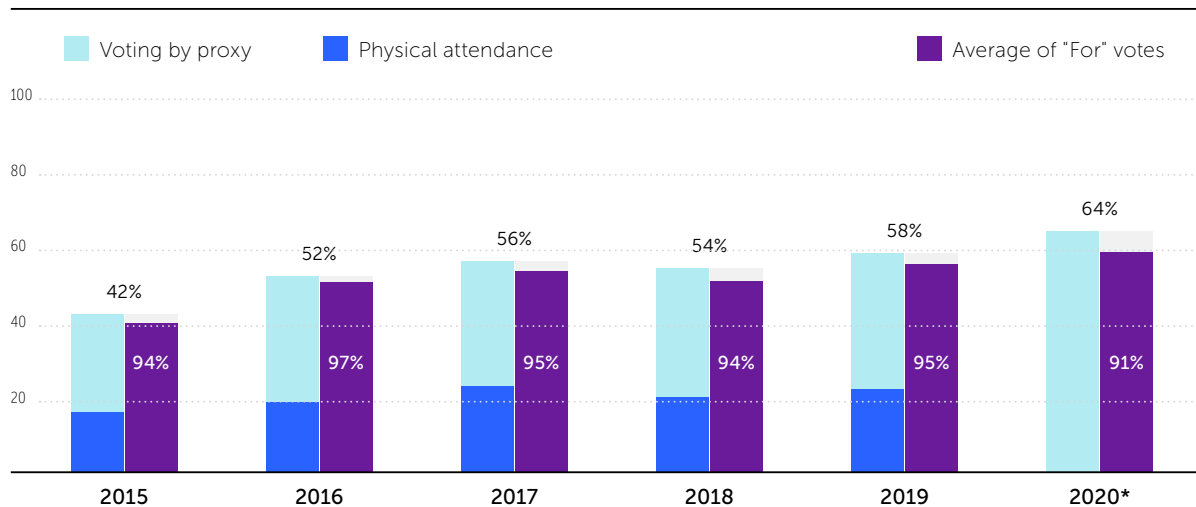
The annual general meeting (AGM) is held on the last Thursday of April. Shareholders can normally attend the meeting in person or vote by proxy. However, due to the corona virus outbreak in Spring 2020 and the government imposed measures to combat the epidemic, such as the prohibition on gathering, the Board of Directors has urged the individual shareholders not to physically attend the annual meeting but to submit their voting instructions in writing to the company secretary. Although the Belgian legislator exceptionally allowed listed companies to hold the general meetings behind closed doors, 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 updated articles of association as well as the split of the existing share into 7 new shares.

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 last years, shareholders' participation has gradually increased. Almost two thirds of the shareholders participated in the 2020 AGM.

Participation rate & Average of "For" votes



\* In 2020, physical attendance was not possible due to Covid-19.

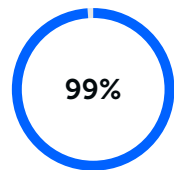


## Activity report on Board and Committee meetings

### Directors' attendance at Board and Committee meetings

	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION & NOMINATION COMMITTEE	STRATEGIC & TECHNOLOGY COMMITTEE	ATTENDANCE RATE
Charles Beauduin	6		5	4	100%
Jan De Witte	6	7	5	4	100%
Frank Donck <sup>(1)</sup>	6	7	4		100%
Ashok K. Jain	6			4	100%
Hilde Laga <sup>(1)</sup>	5	5	5		100%
Luc Missorten	1	1	1		100%
An Steegen <sup>(1)</sup>	6	6		4	95%

(1) independent directors



Average total attendance rate

### 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 on the left provides a comprehensive overview of the directors' attendance at Board of Directors and Committee meetings in 2020.

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 videoconference due to covid-related travel and sanitary restrictions.

One meeting was closed with a dinner attended by the executive management and several of their team members 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 2019 and proposed the dividend for approval by the shareholders.

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 2021 financial budget.

The Board closely monitored the impact of the corona epidemic on the company's operations and financial results.

Finally, the Board reflected on the novelties introduced by the new company code and brought the articles of association in line with the new law.

## Board Committees

### Audit Committee

The Audit Committee is composed of three members. An Steegen, who acts as Chairman, 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 7 / 12.

Changes to the composition of the Audit Committee during 2020: Luc Missorten was member and acted as Chairman of the Audit Committee until his resignation as board member of Barco on April 9<sup>th</sup> 2020. As a result Hilde Laga joined the Committee as a new member and An Steegen was appointed Chairman of the Audit Committee.

The Audit Committee met seven times during 2020. All Audit Committee members were present during all the meetings, except for Ann Steegen who was present in six of the seven 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 CEO, the CFO and the VP Corporate finance attended all regular meetings. The Group's internal auditor was present in 2 meetings and the Group's external auditor PwC Bedrijfs-revisoren/Accountants bcvba was present in 3 meetings. The overview below indicates a number of matters that were reviewed and/or discussed in Audit Committee meetings throughout 2020:

### Overview of the Board and Committee meetings in 2020

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Board of Directors		●		●		●	●			●	●	
Audit Committee		●		●			●		● ●	●		●
Remuneration Committee		●					●		●	●	●	
Strategic & Technology Committee		●		●		●				●		

- The Company's 2019 annual and 2020 interim financial statements, including non-financial information, prior to publication thereof. 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 potential 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, currency & treasury instruments, health, safety & environmental, insurance, GDPR, sustainability program).
- 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.
- With regard to the external audit, 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 23 Related party transactions in the Financial Statements 2020.
- 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 external auditor. The Committee also reviewed and approved its updated Audit Committee Charter, including the minor amendments thereto.

## 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. Effective April 9, Mr. Luc Missorten has resigned as director and Mr. Frank Donck has joined the Committee as a new member, next to Mr. Charles Beauduin, who continues to act as Chairman and Mrs. Hilde Laga.

The Committee has the necessary expertise to perform its mission

The Remuneration and Nomination Committee fulfills 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 is invited to meetings, except for matters that concern him personally. The meetings are prepared by the Chief HR Officer, who attends the meetings.

The Committee gives its opinion on appointments to the Board of Directors (Chairman, new members, renewals and committees) and to Core Leadership Team positions. Other topics for the agenda of the committee typically are remuneration policies, senior leadership remuneration, critical successions and nominations. In fulfilling its responsibilities, the Remuneration and Nomination Committee has access to all resources that it deems appropriate, including external advice.

The Committee is aware of the importance of diversity in the composition of the Board of Directors in general and of cultural and gender diversity in particular. For further reference on how the company deals with diversity and equal opportunities we refer to Report on Planet, people and communities..

In 2020, the Remuneration and Nomination Committee met six times.

In 2019, the Board of Directors instructed a reputable consultancy firm to conduct an in-depth board review and to prepare a report with recommendations on how to further improve the effectiveness of the Board of Directors and the different Committees. On the first meeting of the Remuneration and Nomination Committee in February 2020, the findings of the review on the functioning of the Remuneration and Nomination Committee was presented by the Chairman and discussed, resulting in an agreement about a few adjustments.

The Remuneration and Nomination Committee has reviewed the results on the 2019 bonus targets, for Barco, Core Leadership Team and CEO. For the Core Leadership Team, the evaluation on the individual bonus criteria was discussed and

an overall assessment on the performance was done linked with the salary review. The members of the Remuneration and Nomination Committee received detailed data for each individual CLT member before giving final approval on bonus and merit.

The allocations of Stock Options for 2020 has been prepared and brought to the Board for approval.

As from Q2, an update was given at each Remuneration and Nomination Committee meeting about the covid-19 crisis where topics such as employee health and wellbeing, temporary and structural measures taken and impact on short and long term incentives were discussed.

The Remuneration and Nomination Committee discussed and decided to use the legal options available for payback in case of fraud or other types of misconduct or irregularities in the results of the Company would be discovered in a period of 2 years following the payment of the bonus.

The Committee has discussed how the Core Leadership Team and the N-2 position holders have been assessed as part of the yearly Talent Review process in Barco and reviewed the talent vitality situation.

The Remuneration and Nomination Committee was informed and discussed about the Barco Culture Journey that has started, as an important element to support us in executing our strategy successfully.

Related to some shifts in the Core Leadership Team throughout the year, the new appointments were discussed by the Remuneration and Nomination Committee.

## Technology Committee

The Technology Committee is an advisory body to the Board of Directors. The Committee is composed of four members. Charles Beauduin, who acts as Chairman, Ashok Jain, An Steegen and Jan De Witte.

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 2020, 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](http://www.barco.com/corporategovernance)

End of 2019, the Board of Directors had instructed a reputable consultancy firm to conduct an in-depth board review consisting of an online, tailor-made questionnaire, to be completed by all directors, the CFO and the Company Secretary, and personal interviews of each respondent.

The Board review covers topics like the quality of the interactions within the Board (the relationship between the individual Board members and between the Board members and the Chairman) and between the members of the Board and the executive management; the quality and timing of 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 each Board member to the decision-making process of the Board.

In February 2020, the consultancy firm presented its findings to the Remuneration and Nomination Committee, and subsequently to the Board of Directors.

It concluded that the company has a well-functioning and cohesive board, adding real value to the company and operating in an atmosphere of trust and good collaboration. It also identified a few actions to further improve the functioning of the Board of Directors, which meanwhile have been implemented to the extent possible.

In 2020, the Audit Committee instructed the secretary of the Audit Committee to gather self-review feedback with the members of the audit committee and management. The feedback was gathered using an audit committee self-review questionnaire from PwC. The results of this questionnaire were shared in the Audit Committee meeting of July 2020. The conclusion of both the members as well as management were very positive on the functioning of the Audit Committee, which is operating in an atmosphere of mutual trust and good collaboration. A couple of recommendations linked to non-finance and compliance topics were agreed upon and implemented to the extent possible.

## Remuneration report for financial year 2020

### 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. At the time of preparation of this report the company's remuneration policy, as historically grown, is spread over several policy documents. These will be combined into one remuneration policy which will be submitted to the shareholders for their approval at the general meeting of 29 April 2021.

Where the new rules require the remuneration report to link up with the remuneration policy, such link will for this transition year be made to the various policy documents in existence at the time of the preparation of this report.

Also in the context of the transition, the company has decided to provide the information required in the remuneration report with respect to previous years only to the extent that this information was readily available.

This report covers the 2020 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 2020 remuneration report**

The covid-19 pandemic had wide-ranging impacts on our company, our markets and our people. 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 took a number of measures to reset expense levels, such as relying on temporary unemployment, redeploying people, a continued discretionary spending stop, hiring freezes and scaling back. While the impact on fixed remuneration was limited, we took salary/bonus actions and decided not to raise short-term incentive payment regardless of the achievements of group, divisional, regional, functional or individual targets. 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.

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

On 30 April 2020, 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 2020. 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.



Part 2, A, 1  
Total remuneration

TABEL 1 - TOOTAL REMUNERATION NON-EXECUTIVE DIRECTORS										
Name - Position	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE COMPENSATION	ATTENDANCE FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				FIXED	VARIABLE
Charles Beauduin Chairman of the Board	€120,000	€0,00	NA	NA	NA	NA	NA	€120,000	100%	0%
Frank Donck Member of the Board	€30,000	€40,800	NA	NA	NA	NA	NA	€70,800	100%	0%
Ashok K. Jain Member of the Board	€30,000	€21,300	NA	NA	NA	NA	NA	€51,300	100%	0%
Hilde Laga Member of the Board	€30,000	€38,250	NA	NA	NA	NA	NA	€68,250	100%	0%
Luc Missorten Member of the Board *	7€500	€10,225	NA	NA	NA	NA	NA	€17,725	100%	0%
An Steegen Member of the Board	€30,000	€44,350	NA	NA	NA	NA	NA	€74,350	100%	0%
<b>Total</b>	<b>€247,500</b>	<b>€154,925</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>€402,425</b>	<b>100%</b>	<b>0%</b>

(\*) resigned from the Board with effect as of 9 April 2020

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, which is set separately by the Remuneration and Nomination Committee and approved by the Board.

The 2020 director's pay consists of:

- an annual gross fixed compensation of 120,000 euro for the Chairman of the Board
- an annual gross fixed compensation of 30,000 euro per director to non-executive directors and additionally an individual attendance fee of 2,550 euro gross per Board meeting attended
- 2,550 euro gross for members of the Audit Committee and 5,125 euro gross for its Chairman for each meeting of the committee attended
- 2,550 euro gross for members of the Remuneration and Nomination Committee for each meeting of the committee attended
- 2,550 euro gross per full day and 1,500 euro gross per half day for members of the Technology Committee for each meeting of the committee attended
- the Chairman of the Board, the CEO and the members of the CLT do not receive attendance fees for taking part in meetings of the Board and the committees

At the company's request, the following directors have taken up specific punctual assignments outside the scope of their directorship for which they have been compensated as described hereafter:

- Adisys Corporation, represented by Ashok K Jain: based on its director's extensive experience in Silicon Valley, Adisys Corporation is requested to invest

additional time in technology assessments and potential M&A identification as well as contract initiation: 3,000 euro (2 days at 1,500 euro per day)

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 7 regarding the application of Principle 7 of the 2020 Belgian Corporate Governance Code), nor to any supplementary pension scheme.

## Part 2, B Remuneration of the CEO

### Part 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 (see comment in the Corporate Governance statement on page 7 regarding the application of Principle 7 of the 2020 Belgian Corporate Governance Code).

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.

The amount of the remuneration and other benefits granted directly or indirectly to the CEO, by the Company or its subsidiaries, in respect of 2020 for his CEO role is set forth below.

Name - Position	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE SALARY	FOREIGN DIRECTOR FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				FIXED	VARIABLE
Jan De Witte CEO	€339,500	€240,000	€56,510	€0,00	€339,000	NA	€287,673	€1,262,683	73.15%	26.85%

### Base Salary

The base salary of the CEO consists of the actual salary paid by the company as well as of 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. The CEO is, contrary to other members of the CLT, not entitled to a long term incentive (LTI), other than stock options (see below).

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.

The amount of annual bonus is paid in cash and is subject to a deferral period of three years, i.e. the bonus for performance year N is paid out as follows:

- 50% during N+1
- 25% during N+2
- 25% during N+3

The deferred amounts are subject to the achievement of the Company's sustained EBITDA performance over the deferral periods and are therefore subject to upwards or downwards and capped at 130% (upwards) and 70% (downwards). These parts are reported as multi-year variable.

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 2020, the CEO base salary was reduced versus 2019 and the CEO renounced his bonus for 2020. No bonus for 2020 was vested in the hands of the CEO on 31 December 2020, except for the deferred payments of 2018 and 2019. Given the exceptional, and largely exogenous, impact of the Covid-19 pandemic on Barco's results the Board of Directors decided to not apply the adjustments to the 2018 and 2019 deferred payments.

### Pension

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

### Other components of remuneration

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

### Relative weight of base pay and variable remuneration

Following what is stated above, the CEO's entire 2020 pay consisted of 73.15% fixed remuneration and 26.85% (deferred) variable remuneration. This relative weight is exceptional as it is heavily impacted by the fact that no STI vested for 2020.

**Part 2, B, 2****Share based remuneration**

In line with the company's stock option policy, stock options were offered to the CEO during 2020 as detailed in the table below. The stock options granted under the 2017 scheme vested in the course of 2020. No stock options were exercised during 2020. For more detail, see the table below.

TABLE 2 - STOCK OPTIONS										
MAIN PROVISIONS OF THE STOCK OPTION PLAN							INFORMATION RELATED TO THE FINANCIAL YEAR 2020			
Name Position	PLAN IDENTI- FICATION	GRANT DATE	VESTING DATE	END OF RETE- TION PERIOD	EXERCISE PERIOD	EXERCISE PRICE	A) NUMBER OF OPTIONS GRANTED B) VALUE UNDER- LYING SHARES @ GRANT DATE	A) NUMBER OF OPTIONS VESTED B) VALUE @ EXCERSISE PRICE	A) NUMBER OF OPTIONS EXERCISED B) DATE OF EXERCISE	NUMBER OF OPTIONS EXPIRED
Jan De Witte CEO	SOP 2020-CEO	29/10/20	31/12/23	NA	1/01/2024- 28/10/2030	12.76 €	a) 182,000 b) 2,322,320 €			
	SOP 2017-CEO	20/10/17	31/12/20	NA	1/01/2021- 19/10/2027	12.54 €		a) 210,000 b) 2,633,400 €		

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.

## Part 2, C

### Remuneration of the CLT-members

The Core Leadership Team under analysis of this chapter includes 15 persons .

NAME	POSITION	EMPLOYER LEGAL ENTITY	JOINED/LEFT CLT 2020
Xavier Bourgois	CIO	Barco nv (BE)	left CLT : 30/09/2020
Tet Jong Chang	SVP China	Barco Visual Electronics Co., Ltd. (CN)	
Olivier Croly	SVP APAC	Barco Singapore Pte Ltd. (SG)	
Gerwin Damberg	CTO	MTT Innovation Inc. (CA)	
Ann Desender	CFO	Barco nv (BE)	
An Dewaele	CHRO	Barco nv (BE)	left CLT : 31/12/2020
Stijn Henderickx	SVP EMEA	Barco nv (BE)	
Johan Heyman	SVP Organizational Excellence	Barco nv (BE)	left CLT : 30/09/2020
Rob Jonckheere	SVP Operations	Barco nv (BE)	
Filip Pintelon	SVP Healthcare Division	Barco nv (BE)	
Marc Spenté	CDIO	Barco nv (BE)	joined CLT : 15/08/2020
George Stromeyer	SVP Enterprise Division	Barco Inc. (USA)	
Iain Urquhart	SVP Americas	Barco Inc. (USA)	
Nicolas Vanden Abeele	SVP Entertainment Division	Barco nv (BE)	
Kurt Verheggen	General Counsel	Barco nv (BE)	

The CLT-members are employed by local Barco companies in their respective countries of residence. Their compensation package therefor takes local market remuneration and benefit practice into account.

### Part 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.

There were no shares granted.

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 2020 is set forth below.

Name - Position	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE SALARY	FOREIGN DIRECTOR FEES	OTHER BENEFITS	ONE-YEAR VARIABLE	MULTI-YEAR VARIABLE				FIXED	VARIABLE

#### 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 culture where group, team and individual performance make a difference and are 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 base for creating the bonus pool. A minimum of 70% of the 2020 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.

	BONUS		BUSINESS DIVISIONS	REGIONAL SALES & SERVICE	
	TARGET CLUSTERS	WEIGHT		ORGANISATIONS	FUNCTIONAL DEPARTMENTS
1) Threshold for bonus pool		100%	70% of Group Ebitda PP target : yes / no		
	company	20%	Ebitda		
		20%	FCF		
2) bonus targets	business	30%	- Division EBITDA - Division Sales - Division Working Capital %	- Regional Sales - Regional Sales Cost vs Sales %	- Group Sales - WW functional budget
	individual	30%	Individual performance targets: operational excellence, people leadership (engagement, culture), personal development		
	total	100%			

As explained in Part 1 of this report, no 2020 STI was vested in the hands of the CLT on 31 December 2020 as the 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 certain long-term company performance indicators as determined by the Board: sales CAGR, EBITDA margin increase and cumulated net earnings over the respective plan period

comprising 3 financial years (2018, 2019, 2020) and continued employment on the last day of the plan period. Payment is capped at 150% of the target award.

For the reasons set out in Part 1 above, no STI was earned in 2020. For the same reasons, the LTI under the 2018-2020 LTI plan did not vest. As the Board of Directors feels that it is important to still incentivize executives for leading performance over a multi-year period, the vesting period for the 2018-2020 LTI, has been exceptionally extended with an additional year (thus extending the vesting period till 31 December 2021). No change was made to the performance criteria. This extension coincides with the start of the new 2021-2023 LTI plan.

**Pension**

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

**Other components of remuneration**

The main other components for all CLT-members are company car or car allowance, hospitalization or medical insurance and a 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 2020 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 2020.

**Part 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 2020. Reference is made to the explanation given in the Corporate Governance Statement on page 7 above regarding the reason for this deviation from article 7.9 of the Belgian Corporate Governance Code.

In 2020, following authorization by the general meeting and at the proposal of the Remuneration and Nomination Committee, the Board of Directors allotted stock options to 12 members of the CLT. The exercise price amounts to EUR 12,76 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.

220,650 stock options were granted to and accepted by the members of the CLT.



All details on the stock options granted, vested and exercised are provided in the table below.

TABLE 2 - STOCK OPTIONS										
MAIN PROVISIONS OF THE STOCK OPTION PLAN							INFORMATION RELATED TO THE FINANCIAL YEAR 2020			
Name Position	PLAN IDENTIFICATION	GRANT DATE	VESTING DATE	END OF RETENTION PERIOD	EXERCISE PERIOD	EXERCISE PRICE	A) NUMBER OF OPTIONS GRANTED B) VALUE UNDERLYING SHARES @ GRANT DATE	A) NUMBER OF OPTIONS VESTED B) VALUE @ EXERCISE PRICE	A) NUMBER OF OPTIONS EXERCISED B) DATE OF EXERCISE	NUMBER OF OPTIONS EXPIRED
Ann Desender, CFO	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 29,400 b) 375,144 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 42,000 b) 526,680 €		
Marc Spenlé, CDIO	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 19,600 b) 250,096 €			
Filip Pintelon, SVP Healthcare Division	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 16,100 b) 205,436 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 35,000 b) 438,900 €		
George Stromeyer, SVP Enterprise Division	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,000 b) 267,960 €			
Nicolas Vanden Abeele, SVP Entertainment Division	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,700 b) 276,892 €			
Tet Jong Chang, SVP China	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 14,000 b) 178,640 €			
Olivier Croly, SVP APAC	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,000 b) 267,960 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 28,000 b) 351,120 €		
Stijn Henderickx, SVP EMEA	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 15,500 b) 197,780 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 4,200 b) 52,668 €		

TABLE 2 - STOCK OPTIONS

Name Position	MAIN PROVISIONS OF THE STOCK OPTION PLAN						INFORMATION RELATED TO THE FINANCIAL YEAR 2020			
	PLAN IDENTIFICATION	GRANT DATE	VESTING DATE	END OF RETENTION PERIOD	EXERCISE PERIOD	EXERCISE PRICE	A) NUMBER OF OPTIONS GRANTED B) VALUE UNDERLYING SHARES @ GRANT DATE	A) NUMBER OF OPTIONS VESTED B) VALUE @ EXERCISE PRICE	A) NUMBER OF OPTIONS EXERCISED B) DATE OF EXERCISE	NUMBER OF OPTIONS EXPIRED
Iain Urquhart, SVP Americas	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 21,150 b) 269,874 €			
An Dewaele, CHRO	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 28,000 b) 351,120 €		
Gerwin Damberg CTO	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 16,100 b) 205,436 €			
Rob Jonckee, SVP Operations	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 12,500 b) 159,500 €			
Johan Heyman, SVP Organizational Excellence	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 3,500 b) 43,890 €		
	SOP 2016-EEA	24/10/16	31/12/19	NA	1/01/2020-23/10/2026	10.40 €			a) 2,100 b) 19 and 20 May	
Kurt Verheggen	SOP 2020-P	29/10/20	31/12/23	NA	1/01/2024-28/10/2030	12.76 €	a) 12,600 b) 160,775 €			
	SOP 2017-EEA	20/10/17	31/12/20	NA	1/01/2021-19/10/2027	12.54 €		a) 21,000 b) 263,340 €		

Reference is made to page 66-69 in the Financial Statements for an overview of the stock options exercisable under the stock option plans.

**Part 3**

**Redundancy payments**

No such payments were made to the CEO nor to other CLT-members during 2020.

**Part 4**

**Use of the right to reclaim**

There was no reason for the board to reclaim any previously paid variable remuneration to 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.

In alignment with these measures the CEO renounced his bonus for 2020 and the Board of Directors decided to not apply the adjustments to the 2018 and 2019 CEO bonus deferrals and pay the deferred bonus parts at 100%.

With reference to the LTI Plan for CLT, the board has exceptionally extended the plan with an additional year (thus extending the vesting period till 31 December 2021) as stated above.

## Part 6

### Evolution of remuneration and company performance

IN THOUSANDS OF EURO	2015	2016	2017	2018	2019	2020
<b>Remuneration of Non-Executive Directors (1)</b>						
Total annual remuneration	483,667	499,175	512,725	430,449	416,825	402,425
Year-on-year difference (%)		3%	3%	-16%	-3%	-3%
Number of Non-Executive Directors under review	9	9	11	9	6	6
<b>Remuneration of CEO</b>						
<b>Jan De Witte</b>						
Total annual remuneration (EUR)			1,209,183	1,424,544	1,672,362	1,262,683
Year-on-year difference (%)			-	18%	17%	-24%
<b>CEO remuneration</b>						
Total annual remuneration (EUR)	1,587,988	1,600,800	1,209,183	1,424,544	1,672,362	1,262,683
Year-on-year difference (%)		1%	-24%	18%	17%	-24%
<b>Remuneration of CLT</b>						
Total annual remuneration (EUR)	3,683,587	4,169,396	4,570,778	5,866,025	6,163,243	4,819,145
Year-on-year difference (%)		13%	10%	28%	5%	-22%
Number of CLT Members under review	9	10	14	13	15	15
<b>Barco Group Performance</b>						
NET SALES (M euro)	1,029,969	1,102,342	1,084,706	1,028,531	1,082,570	770,083
Year-on-year difference (%)		7%	-2%	-5%	5%	-29%
EBITDA (M euro)	74,080	88,002	107,126	124,466	153,022	53,563
Year-on-year difference (%)		19%	22%	16%	23%	-65%
*Net income attributable	-29,563	11,023	24,776	74,965	95,363	-4,393
Year-on-year difference (%)		137%	125%	203%	27%	-105%
<b>Average remuneration per FTE employee (2)</b>						
average employee cost per FTE (EUR)	76,316	76,316	76,821	76,505	77,192	65,570
Year-on-year difference (%)		0.0%	0.7%	-0.4%	0.9%	-15.1%

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

(2) Average remuneration of employees is calculated on basis of "wages and direct social benefits", including company cars, divided by the number of employees on year over year bases

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 2020 pay ratio is 29.97.

## 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](http://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](http://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](#).

## Part 7

### Vote of the shareholder

As no comments were made to the previous remuneration report in the general meeting of 30 April 2020, during which that report was approved, there were no such comments to be considered for the remuneration paid or vested during 2020.

### 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 2020, 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 23 Related party transactions in Financial Statements 2020.

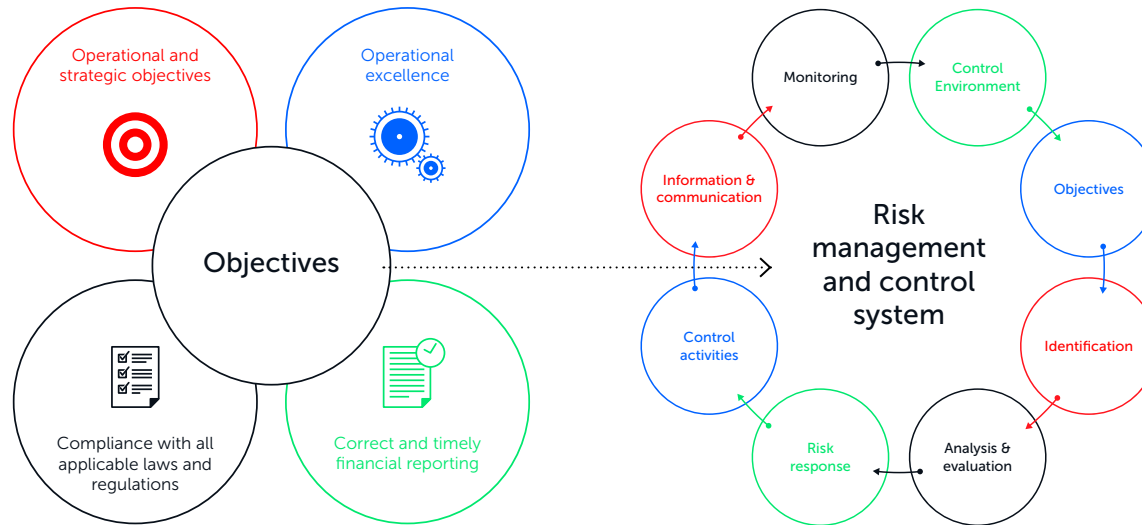
# Risk management and control processes

Within the context of its business operations, Barco is exposed to a wide variety of risks that can affect its ability to achieve its objectives and to execute its strategy successfully. To anticipate, identify, prioritize, manage and monitor the risks that impact its organization, Barco 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 CEO and the Core Leadership Team (CLT) are fully engaged in risk management. Risk control is a core task of the executive management and all employees with managerial responsibilities.

## Objectives

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

The principles of the **COSO reference framework** and the **ISO 31000 risk management standard** have served as sources of inspiration to Barco in setting up its risk management and control system.



## Control environment

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 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 process

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, Barco performs a company-wide risk assessment and compliance gap analysis. This exercise, which involves the CLT members, the managers 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 Risk Manager and the Global Compliance Manager, supported by Internal Audit, are in charge of the yearly risk assessment and compliance gap analysis.

### Identification.

Barco identifies the risks to its organization based on risk interviews, market research, the results of the material assessment and the outcome of earlier risk assessments.

For 2020, the results were consolidated in 13 well-defined risks for Barco.



**Barco risk universe:**

The following risks are taken into consideration.

- Information security
- Business Ethics
- Product quality
- Supply chain & 'Nth' party
- Financial & liquidity risk
- Data governance & privacy
- Macroeconomic, geopolitics and market
- Human capital & talent management
- Contingency & crisis response
- Local compliance & regulatory change
- Corporate governance & strategy
- Sustainability & environmental impact
- Digital transformation & new technologies

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

**Analysis**

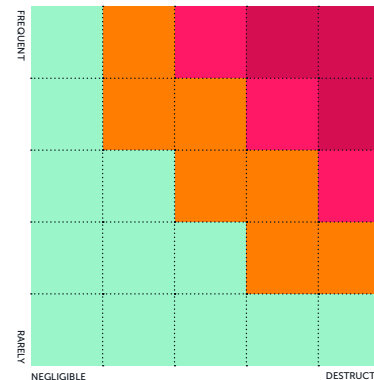
Once identified, the risks are scored using inherent risk ('likelihood' and 'impact') and control level scales. The scales for impact, likelihood and control level are based on the acceptable level of risk exposure determined by the Board of Directors and laid down in the Barco corporate risk evaluation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

In 2020, the **scoring of Barco's risks** was done via an online questionnaire, which was completed by all 15 CLT members as well as 20 senior managers from different subsidiaries.

**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.



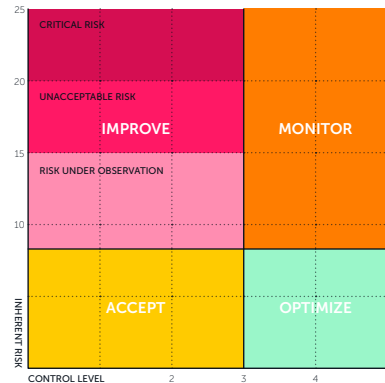
The **residual risk** level is then determined by taking into account the control level (control measures and their effectiveness) of each risk.

The results are then **reviewed by the CLT**. The top risks are identified and divided into risks to be monitored in light of the existing mitigation measures, and risks to be further improved. For each top risk, a risk owner is nominated.

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

### 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. These types of risks, if any, reside under the ownership of the CEO.

- **'Risks to monitor'** are contained by means of the ongoing continuous improvement actions and existing control measures. These type of risks reside under the ownership of a CLT member and are monitored by the CEO.

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

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 bi-monthly review by the risk owner, 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 Barco's 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, or the company's code of ethics or policies.

## 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 division
- The profit and loss and operating results
- The financial condition
- Cash flows

### 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**

As of February-March 2020 timeframe and taking into account local or regional sanitary & health regulations, the company strengthened personal hygiene measures throughout the organization, as well as business travel restrictions. Barco also expanded its home-work protocol and implemented social distancing measures

for employees in all its facilities. In addition, a track-and-trace system has been put in place to slow down a possible future spread of the virus. In 2020, Barco registered approximately 110 infected cases among its global employee force for which none of the infection sources appear to be within the company. All related people have meanwhile recovered.

- **Hybrid way of working**

Some of Barco's offices have been closed for short periods during the year but have gradually reopened. 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. The company 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

Mainly in the first half of 2020, Barco has experienced disruptions to its ability to operate its production facilities in some countries, and in the future, further disruptions to Barco's ability to operate production facilities or distribution operations cannot be excluded as a result of regulatory restrictions, safety protocols and heightened sanitation measures.

While the Company experienced disruptions, Barco's proactive approach limited the delays towards our customers.

- Barco's parts supply base, its subcontractor operations and the logistics chain has seen disruption mainly in the months March and April 2020 but recovered near full operational capacity.

- For Barco's operations:
  - In China, operations were disrupted during February but recovered to near full capacity by the end of the first quarter 2020.
  - For the manufacturing sites in Europe, the operations team has organized production in order to match regulatory requirements with the objective of ensuring manufacturing capacity needed to support market demand. The respective logistics teams were able to secure a continued receiving of components and shipping of finished goods.
  - The India site (manufacturing of videowalls) was closed for a limited number of weeks in 2020 as a result of the regulatory lockdown-measures but production recovered and was able to meet market demand.

#### **Business health**

In the first quarter 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.

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.

- **Aligning activity rate with market realities and customer demand**

Consequently, the company has 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.

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 entail shifts in the planned investment patterns on selected long-term initiatives 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, the Company was able to apply for wage subsidies under the newly enacted covid-19 relief legislation in APAC, Canada and Cinionic US.

- **Strong funding and liquidity structure in place**

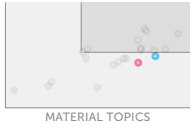
Barco has a strong balance sheet and ample liquidity. We refer to note 14 for more details on Barco's net cash position. Barco has sufficient headroom to enable it to conform to covenants on its existing borrowings. The Group complied with all requirements of the loan covenants on its available credit 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.

## Top risks

Below are the top risks identified by the 2020 risk management process, along with the trends and related material topic/strategic lever. Certain risks are slightly regrouped and renamed compared to last year following the most recent risk identification process and market intelligence.

RISK	TREND	MATERIAL TOPIC	STRATEGIC LEVER
MACROECONOMIC, GEOPOLITICS AND MARKET	▲	Market Reach Brand	Focus to perform
INFORMATION SECURITY	▼	Information security and data protection Product quality, safety and security	Focus to Perform & Go for sustainable impact
DIGITAL TRANSFORMATION AND NEW TECHNOLOGIES	▲ ▲	Innovation management Learning and development	Innovate for Impact & Offer outcome-based solutions
HUMAN CAPITAL AND TALENT MANAGEMENT	▲	Employee engagement Learning and development Employee health, safety and wellbeing Diversity and inclusion	Focus to Perform & Go for sustainable impact
PRODUCT QUALITY	=	Product quality, Safety and security Customer engagement Brand	Innovate for Impact & Offer outcome-based solutions
DATA GOVERNANCE AND PRIVACY	=	Innovation management Information security and data protection	Go for sustainable impact
SUPPLY CHAIN AND 'Nth' PARTY RISK	=	Responsible supply chain management Sustained profitable growth Product quality, safety and security	Focus to Perform & Go for sustainable impact



## Macroeconomic, geopolitics & market risk

### Risk description

All Barco divisions face **competition** due to lower barriers for entry following the further globalization of our markets. Competitors could outperform Barco in terms of product innovation, time to market, product quality, cost price or new business models, leading to loss of revenue, margins and profit. Moreover, Barco's competencies could be perceived as less valuable to its customers compared to those of other players on the market. Competition risk could also be impacted by prospects for additional government stimuli and any provisions that would benefit an organization or sector.

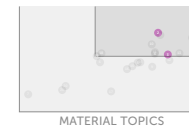
In addition, serious **political and (macro) economic evolutions and fluctuations** can heavily impact the investment climate and could even completely stop business in a country or region. Geopolitical tensions, deteriorating trade relations and trade policy uncertainties impact global economic activity 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:

Market/competition risk and geopolitics/macroeconomic risk were identified as main risks in 2019 and topped the risk ranking in 2020 driven by covid-19 which has since priorities in 2020 as a result of the covid-19 impact. Since 1Q2020, the covid-19 impact has been affecting business all over the world – including Barco. We refer to the separate chapter 'Extra Risk-section regarding the consequences and impact of the covid-19 pandemic' in the beginning of this risk chapter.

### 2020 main actions:

- Barco developed a **strategic management plan (SMP)**, a roadmap on how to further roll out the customer journey program across all divisions.
- We **increased our focus on market and competitor insights** to face and outperform competition.
- We regularly **assess supply chain flexibility** by considering the manufacturing footprint of Barco and its suppliers to enable risk spreading for any critical event that could cause business interruption.



## 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 a main risk in 2019 and remained a top priority in 2020, bearing in mind the increasing number of cyberattacks and threats.

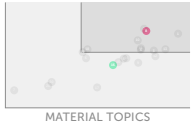
### 2020 main actions:

To mitigate the higher inherent risk, Barco increased its control level via diverse security improvements:

- Expansion of the **Barco Security Council** – a multi-disciplinary council of experts who coordinate, monitor and manage all information security efforts – with representatives of the divisions.
- Raising security levels to adapt to the new normal with **safe remote working** through VPN and multi-factor authentication (MFA) for all employees.
- Finalizing the **IT disaster recovery plan** and making it available to ensure Barco is well prepared in case of an emergency due to an information security incident.
- Closing an updated **agreement with Microsoft** to enable additional security via its Microsoft365 toolset, including cloud solutions.
- Extending **ISO27001 certification** for ClickShare products to cloud-related products.
- Launching several initiatives to **educate employees** on information security, such as a cyber hygiene e-learning course and one covering fake phishing emails.
- **Highlighting challenges** through a red team and the use of penetration tests. Periodic external reviews of the cybersecurity risk showed improvements over the past year on diverse identified weaknesses.

Read more on “Corporate security and data privacy” and [“Customer and product responsibility”](#)





## 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 revenue and missed business opportunities. In Barco's environment, a rapid time to market is the key to ensuring competitiveness.

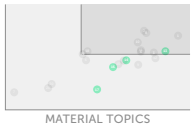
### Trend:

The covid-19 pandemic has increased the importance of digital transformation and new technologies, which was already identified as a risk in 2019.

### 2020 main actions:

- Our organizational structure was transformed by **merging the software and IT departments** into one Digital Organization.
- The role of **Chief Digital & Information Officer ('CDIO')** was created and filled through external recruitment. The new CDIO has extensive experience in operating SaaS models, software development, data management and analytics, IT technology, cross-functional business transformation and change leadership.
- The new CDIO further identifies and integrates digital skills and competences via **cross-functional teams** within the Digital Organization, which is responsible for accelerating our offering of true end-to-end experiences for our customers and end users.
- In response to the growing number of people working and learning remotely to combat the covid-19 pandemic, Barco **repositioned its product offerings** and accelerated its marketing campaigns for conferencing and digital technologies like Click-Share Conference and weConnect.

The ongoing engagement, commitment and sense of urgency in converting strategic decisions into practice will help Barco in this journey.



MATERIAL TOPICS

## 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 and may become disconnected from the work environment, leading to mental fatigue, stress and anxiety, it is crucial to **protect employees' health and wellbeing** to avoid labor incidents, burnouts and long-term sickness.

### Trend:

Human resources management was identified as an increasingly important risk in 2019 and was confirmed as one of the main risks in 2020.

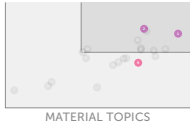
### 2020 main actions:

- Timely and emphatic communication and a solid company culture, employee-manager relationships and remote digital working conditions became key to ensuring **employee wellbeing** during the covid-19 pandemic.
- The broader human resources action plan consists of 3 main pillars: 'attract', 'develop & retain' and 'reward' with 'strengthen the foundation' as general support base for all pillars. In 2020, Barco's HR team focused primarily on **'strengthening the foundation'** by communicating candidly and in a timely way about the impact of the pandemic, offering support

and insights on how to engage in strong employee-manager relationships and staying connected with(in) the teams in a remote or hybrid work system.

- Barco **increased internal mobility and redeployment** to create individual opportunities and to adapt to changing market conditions.
- To boost efficiency in the recruitment process and better engage hiring managers in the total flow, the **recruitment flow** is now integrated in **new integrated human capital management software**.
- In the field of learning, we increased learning possibilities via Barco University through **remote training sessions**.
- Two new 'Pulse' surveys were launched to **measure employee engagement** and to identify critical areas that require further actions.
- To gain insight into capability needs for the short and long term, **human resources is more involved in Barco's strategic management plan**. This proactive position seeks to enable a healthy organizational design where people with the right skillsets can be found both through internal development and external recruitment.
- The **culture rejuvenation project** to revive Barco's DNA via five building blocks was successfully introduced and implemented before the global lockdowns, helping the organization to be more resilient in crisis situations.

Read more in the "[Report on People](#)"



## 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 development process 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 lead to reputational damage, customer dissatisfaction and loss of business.

### Trend:

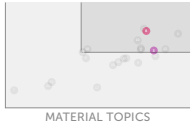
Quality – new product introduction (NPI) was one of our main risks in 2019 and remains so in 2020.

### 2020 main actions:

Five focus areas had to ensure that our product quality was and remained at the desired level.

- **We took efforts to safeguard product reliability:** the reliability of the deviating products was brought to the desired level and the reliability of new products was assured.
- **Software quality assurance was fully integrated** in the software development teams. Cyber security expertise was in-sourced and we achieved IEC62304 certification in Noida, India.
- We strengthened **adherence to processes and quality requirements** in new product introduction stage gates and global process owners were coached on to integrate processes within the quality management system (QMS) and take up the correct level of process accountability.
- **Key performance indicator (KPI) dashboards** were monitored and missing dashboards were implemented. The global audit program was monitored to have better control over the overdue actions.
- A **quality assurance and regulatory assurance organization and process** was developed for our new medical device product base in Suzhou, China.

Read more on ["Customer and product responsibility"](#)



## 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.

As a technology company, Barco may **fail to register intellectual property rights** in a timely manner or fail to protect its critical patents. Patents can be challenged and invalidated after they are granted.

**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.

Barco monitors changes in intellectual property rights. However, it cannot exclude the possibility of inadvertently infringing on a party's intellectual property rights, which could result in claims and litigation.

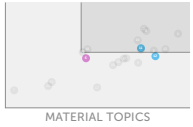
### Trend:

Data protection was one of our main risks in 2019 and ranks among the top risks in 2020.

### 2020 main actions:

- We implemented a **simplified and strengthened innovation process for new technologies**, including increased focus on early-stage patenting in a more strategic way.
- **Patent delegates** ensure better visibility and tracking of the IP status for new innovations.
- We continued to **invest in awareness on the importance of data and IP governance**. To further highlight the importance of confidentiality and the value of IP, we developed and refreshed role-based courses that touch on our IP rights (principle aspects, incl. non-disclosure agreements (NDAs), confidential information, patents, trademarks, copyrights, design rights, trade secrets and know-how). Designated training plans are being developed through Barco University to provide tailored key learnings by target group.
- Data governance and data strategy are key in Barco's digital business transformation journey.

Read more on ["Corporate security and data Privacy"](#)



## Supply chain & 'Nth' party risk

### Risk description

A **strong dependency** on suppliers, manufacturers, or the technology or knowledge of consultants and suppliers, partners, integrators, distributors or end customers creates a vulnerability that might impact our product portfolio and the competitive pricing of Barco products, disruptions in the supply chain, market share and profitability of our business. The covid-19 pandemic has put **high pressure on the global supply chain** and caused financial constraints, forcing some suppliers to phase out products or even relocate activities. This caused an additional burden on Barco's resources and inventory.

### Trend:

Dependency and contingency risks were identified as main risks in 2019 and remained important in 2020, especially in light of the trade wars and regional/global lockdowns.

### 2020 main actions:

- **War rooms and day-to-day alignment processes** across our global operations were installed to ensure business continuity.
- The procurement team **further improved and extended the supplier contingency plans** for its key and core suppliers, including those which are 'single source'. The covid-19 pandemic urged the team to bring the plans, which include financial exposure, back-up suppliers and decision trees defining the way forward in case of failure, to life. We took advantage of strategic stock, consignment models, liabilities in different parts of the product lifecycle and regional and global dual sourcing.
- Geopolitical risks and trade wars leading to additional certifications and regionalization requirements have pushed us to **rethink our supply base** in certain segments. We enabled multi-site production for our main products, of which the manufacturing is out-sourced, also addressing the certification requirements of specific countries.
- To foster 'early supplier involvement' (ESI) in the introduction stage of any new products, we **extended the involvement of supplier quality assurance (SQA)** in the new product introduction process. We added the **supplier readiness assessment** as part of the review criteria to underpin output, quality and yield.
- Business review meetings (BRM) and supplier performance ratings (SPR) were enhanced with **sustainability and cyber security ratings**. To date, the cybersecurity behavior of more than 60 key and core Barco suppliers has been monitored by using external cybersecurity screening data and consumer audits. The audits did not highlight any major findings.

More information can be found in "[Supply chain responsibility](#)"

## 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 CO<sub>2</sub> 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 capital**. 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.

#### Approach:

- Barco has set ambitious targets to reduce greenhouse gas emissions, increase the energy efficiency of its products and increase revenues from products with improved eco-design.
- To highlight our dedication to improving sustainability, we joined the Science Based Targets initiative and signed the business ambition for 1.5°C commitment.
- Each year, we respond to the CDP Climate Change questionnaire, disclosing our climate transition risks and low carbon opportunities.

Read more in the [Report on planet, people and communities](#)

### Business ethics

#### 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.

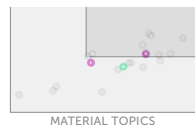
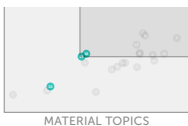
Barco is directly exposed to **risks in the area of human rights** as an employer in the first place, but also through its operations in the regions where it conducts business. Barco may source raw materials from suppliers which may not respect their employees' human rights, such as the freedom of association.

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 at Work" help educate our people and remind 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.



**Supplier assurance:**

- 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 and the International Labor Organization (ILO). Our anti-discrimination policy is available on our intranet (BarcoZone) and governed by the HR department.
- Both the HR department in the headquarters and the Internal Audit team -regularly check labor practices and human rights with the local HR teams.
- Barco includes all 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.

Read more on "[Ethics and compliance](#)" and "[Supplier assurance](#)"

## 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. Action plans are defined for all key risks. The results of the analysis are discussed with the statutory auditor.
- The **accounting teams** are responsible for producing the accounting figures (closing books, reconciliations, etc.), whereas the controlling teams check the validity of these figures. These checks include coherence tests by 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 judgments and uncertainties are periodically reported to the **Audit Committee**.
- **Specific internal control activities** concerning financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist 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** throughout the organization ensures a consistent flow of financial information, which allows the detection of potential anomalies.
- To provide Barco's 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 CLT and then announced to external stakeholders.



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