



## Adyen General Remuneration Policy 2020

### Scope and introduction

This remuneration policy applies to all employees of Adyen N.V. and all its affiliated companies, which includes staff members whose professional activities have a material impact on Adyen's risk profile (Identified Staff) pursuant to article 94(2) of Directive 2013/36/EU, and excluding the Management Board and Supervisory Board members (the "Remuneration Policy"). Together with Adyen's remuneration policy for Management Board and Supervisory Board members, the Remuneration Policy reflects Adyen's global approach to remuneration.

### Objective

The objective of our global remuneration policies is to recruit and retain the best talent worldwide by offering competitive payment structures that take account of our strategy to focus on our merchant's growth, to change the payment landscape and on having fun.

Since the start of the company, we have successfully recruited and retained talent in line with the Adyen Formula (see below). We want to attract and retain the best talent available in the market, which is not restricted to those who have a background in the payments industry.

Our remuneration policies are consistent with, and promote, sound and effective risk management and have always been aligned with our strategy and the Adyen Formula to create long-term value for our company and our merchants.

### Adyen background and Adyen Formula

Adyen is a global company with different offices around the world that competes in local labor markets. How we work together globally is guided by the Adyen Formula. These eight principles are not constant – but constantly evolving to keep pace with our merchants, our business and growth of the team.

- We build to benefit all merchants (not just one);
- We make good choices to build an ethical business and drive sustainable growth for our merchants;
- We launch fast and iterate;
- Winning is more important than ego; we work as a team – across cultures and time zones;
- We don't hide behind email, instead we pick up the phone;
- We talk straight without being rude;
- We include different people to sharpen our ideas;
- We create our own path and won't be slowed down by "stewards".

The Adyen Formula ensures speed, which we view as the foundation of our company. We think fast. We work fast. We launch fast. Our merchants' demands shape our development, and we never stop – that is our job. We're creating our own path, with a global team driving sustainable growth.

The way we work is crucial to our success. It guarantees that we continue to make good choices to build an ethical business and it secures integrity of our company culture. The Adyen Formula is key to how we recruit, grow and retain talent globally. It underscores our foundational spirit, and ensures we keep our focus on our merchant's growth, on changing the payment landscape, and on having fun while doing it.

Adherence to the Adyen Formula and the company's strategy, as well as delivering on specific areas of focus including for sustainability is taken into account to determine remuneration decisions such as pay increases for employees, including Identified Staff, based on the Remuneration Policy.

## Remuneration principles

### Equal pay

We value all perspectives, so we see no reason to reward one more than the other – same role, same pay. We are committed to ensuring equal pay, therefore we make sure this is included in our annual equal pay audit, to safeguard and to uphold this standard.

### Internal remuneration ratios

On a yearly basis we look at our internal remuneration ratios to make sure Management Board and Supervisory Board remuneration develops in line with the rest of the organization. For this ratio, we deem most relevant the total direct compensation of the CEO compared to the average total direct compensation of all Adyen employees worldwide. On an annual basis we track possible changes to the relevant pay ratio, to be able to take account hereof when reviewing remuneration levels. In our annual remuneration report, we report on the internal remuneration ratios.

### Level of support in society

We strive to make good choices to build an ethical and sustainable business and drive sustainable growth for our merchants, articulated in the Adyen Formula. Our Corporate Social Responsibility approach is three-pronged: i) sharing our knowledge and technology to make a positive impact on society, ii) limiting our impact on the environment, and iii) empowering our employees around the world to create their own local initiatives.

### Remuneration package

The size of a remuneration package is based on the scope of responsibilities and experience of the employee. If an employee has his or her principal place of business outside of the Netherlands, the remuneration package may take account of local market practice or requirements.

A remuneration package may consist of fixed remuneration (consisting of a base salary and share-based payments) and variable remuneration. Variable remuneration, if awarded (see below), will at all times not exceed the fixed to variable remuneration ratios as provided under Dutch law.

### Base salary

Base salaries are generally reviewed annually (see under "Review Process" below) and fixed for 12 months at the start of the financial year.

### Variable remuneration

For certain employees a remuneration package may also include variable remuneration. At the date of this 2020 Remuneration Policy, the following remuneration schemes provide for a variable remuneration component:

- The Sales Commission Plan for sales employees may trigger variable remuneration if a large sustainable contract with a merchant has been closed. In the Sales Commission Plan accelerated growth may be rewarded. Any variable remuneration awarded in accordance with the Sales Commission Plan will be deferred over four quarters to avoid short-term focus and risk-taking incentives.
- The Sales Manager Commission Plan for sales managers may trigger variable remuneration if his/her team closes large sustainable contracts with merchants. Any variable remuneration awarded in accordance with the Sales Manager Commission Plan will be paid out once a year.
- The General Bonus Plan is only applicable to very specific employees achieving extraordinary business objectives. Any variable remuneration awarded in accordance with the General Bonus Plan will be paid out once or twice a year.

Consistent with law and regulations regarding remuneration, any variable remuneration is for at least 50% based on non-financial performance criteria, which includes the degree to which an employee adheres to the Adyen Formula. The variable remuneration is maximized at the maximum provided by law. Variable remuneration awarded is subject to hold back and claw back instruments. When granting variable remuneration to employees, Adyen makes sure that it doesn't negatively affect its regulatory capital requirements.

### **Variable remuneration Identified Staff**

At the date of this 2020 Remuneration Policy, no variable remuneration is awarded to Identified Staff. Adyen may award variable remuneration to Identified Staff members that will be subject to financial and non-financial criteria, aligned with the company's strategy, long term goals and sustainability. The relevant rules regarding all employees also apply to Identified Staff. In addition, any variable remuneration will be subject to vesting and retention periods as determined by the Supervisory Board and consistent with relevant laws and regulations on remuneration. Furthermore, a minimum of 50% of the variable remuneration will be awarded in equity or equity-linked instruments (Depository Receipts (see below) or ordinary shares).

Adyen only awards guaranteed variable remuneration, such as a sign-on bonus, to its employees, if the award is consistent with the remuneration regulations.

The figures on total variable remuneration paid out to Adyen employees, which includes Identified Staff are disclosed in the Remuneration Report.

### **Share-based payments**

Adyen has four types of share-based payments for employees, including Identified Staff. The purpose of the share-based payments is to put employees in a financial ownership-like position where shares are concerned and for them to obtain an economic interest in the pursuit of Adyen's long term objectives such as sustainable growth, development, profitability and financial success of Adyen. As such, the share-based payments link to the company's strategy, long-term interests and sustainability as this part of the remuneration package drives long-term performance, supports retention and encourages long-term value creation.

#### **I. Depository Receipts (phasing out after listing)**

Adyen has granted the possibility to purchase Depository Receipts at fair market value to employees.

#### **II. Equity settled option plan (granted until 2018)**

Adyen has an option plan for employees. Exercisable options give the opportunity to acquire Depository Receipts. The exercise price of the granted options is equal to the market price of the shares at grant date. Options will vest over a period of four years. The vesting period starts on the grant date. 25% of the options will vest on the first anniversary of the grant date. The remaining 75% of the options will then vest monthly, in equal proportions at the end date of each month, over the following 36 months. Options can be exercised at any time from the vesting date until the 8th anniversary of the grant date. Adyen has no legal or constructive obligation to repurchase or settle the options in cash.

#### **III. Equity plan (granted as of 2018)**

Adyen has a Depository Receipt Award plan for specific employees. This plan provides the company with the possibility to pay (directly or through the relevant member the group) the annual increase of the employee or Identified Staff members net fixed salary (if any) in Depository Receipts corresponding to an equal number of ordinary shares in the capital of Adyen instead of in cash. The Depository Receipts granted under the plan will be subject to a lock up period in line with laws and regulation.

#### **IV. Phantom Share plan (granted as of 2018)**

Adyen has a Phantom Share plan for employees. Phantom shares may be granted to newly hired employees as a sign-on bonus, provided that the award is consistent with the remuneration regulations (i.e. Adyen has a sound and strong capital base and the sign-on bonus is limited to the first year of employment). Phantom shares will vest over a period of four years. The vesting period starts on the grant date. Every year 25% of the phantom shares vest and are paid out in cash on the anniversary of the grant date.

### **Review process**

Once a year, Adyen's Management Board will review the remuneration of the employees (for the avoidance of doubt, excluding the Management Board itself) and determine whether, and if so, to what extent the base salary and share-based payments need to be adjusted. Any yearly remuneration adjustments of the base salary and share-based payments of the employees will be in accordance with this Remuneration Policy.

The remuneration of senior officers in the independent control functions, including Internal Audit, Risk and Compliance are approved on a yearly basis by the Supervisory Board.

### **Responsibility**

The Supervisory Board strives to keep the Remuneration Policy up to date with market circumstances and requirements set by local laws.

The Remuneration Policy is reviewed on a yearly basis by the different control functions within Adyen and is discussed within Adyen's Nomination and Remuneration Committee. Changes to the Remuneration Policy need to be approved by the Supervisory Board.

Any material exemptions from the Remuneration Policy for individual staff members are not made without approval from the Supervisory Board.

The Supervisory Board is responsible for an annual risk assessment on Adyen's remuneration framework to identify potential risks. As part thereof, the Supervisory Board is responsible for an annual assessment that identifies the members of staff whose professional activities have a material impact on the institution's risk profile (Identified Staff).

Internal Audit performs an annual review of the remuneration framework including this policy.