



wherever people pay

Adyen Remuneration Policy 2018

Scope

The Adyen remuneration policy applies to Adyen N.V. and all its affiliate entities. As a global policy it covers every employee, including board members, of the Adyen group and every business line within the group.

Objective

The objective of Adyen's remuneration policy is to recruit and retain the best payment experts in the world. Since the start of the company Adyen has successfully recruited and retained a team of experts. Adyen's remuneration policy is consistent with, and promotes, sound and effective risk management and has always been aligned with Adyen's strategy to create long-term value for its customers. As such, this policy does not contain incentives that exclusively benefit the payment experts themselves.

Adyen background and Adyen formula

- Adyen is a global company with different offices around the world that competes in local labor markets
- Adyen wants to attract the best employees available in the market. This is not restricted to employees who have a background in the payments industry.
- Adyen has a high growth track record. To continue the high growth path, it is necessary to maintain the unique company culture.
- Adyen has created the Adyen formula, which makes the company culture more explicit.

- Adyen expects employees to act according to the Adyen formula. The formula consists of 8 points on how we are successful to create long term value for our customers:
 - ✓ 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 will be adjusted over time if needed. Employees are incentivized to discuss the formula.
- In the recruitment process senior management assesses employees to the extent they fit the Adyen culture.
- The Adyen remuneration policy has the Adyen formula at heart.

Remuneration principles

- The size of a remuneration package is based on the scope of responsibilities, the employee's experience and the local market circumstances. Labor market differences may differ from country to country.
- A remuneration package may consist of a base salary and (phantom) shares. For certain sales employees (under the Sales Commission Plan), sales managers (under the Sales Managers Commission Plan) as well as certain specific employees (under the General Bonus Plan) a remuneration package may also include variable income (as addressed in the Adyen Variable Income Policy).

- The Sales Commission plan for sales employees may trigger variable income if a large contract with a sustainable customer has been closed. In the Sales Commission Plan accelerated growth may be rewarded. The commission pay is deferred over four quarters to avoid short-term focus and risk-taking incentive.
 - The Sales Manager Commission Plan for sales managers may trigger variable income if his/her team closes large contracts with sustainable customers. The commission pay will be once a year.
 - The General Bonus Plan for non-commercial roles is only applicable to very specific employees achieving extraordinary business objectives. This bonus is paid out once or twice a year.
- When determining variable income, 50% of the variable income will, in all cases, be based on non-financial performance criteria, which is the degree to which an employee adheres to the Adyen formula.
- Variable income may be paid in cash, as determined by Adyen. In principle, Adyen will restrict variable income to 20% of the base pay. In respect of certain key employees exceptions may apply. Variable income will never exceed the base salary. Moreover, the total of variable pay to key employees will not exceed 20% of the total base salary of this group.
- All variable income plans contain hold back and claw back instruments in case the contract performance decreases and also in case of certain negative one-off events.
- When granting a variable income to its employees Adyen makes sure that it does not negatively effect its regulatory capital requirements.
- Adyen does not grant guaranteed variable income or discretionary pension benefits to its employees.
- Base salaries are reviewed once a year.
- Adyen may grant a sign-on bonus in phantom shares to a newly hired staff member where Adyen has a sound and strong capital base and where the sign-

on bonus is limited to the first year of employment. If these conditions are met, the grant of such sign-on bonus is not considered for the purpose of the calculation of the ratio between base pay and variable pay.

- For employees that do not deliver the expected results or do not act according to the formula, Adyen manages performance in an active way. If performance management is not successful, Adyen terminates contracts according to the relevant local law. In case a severance payment is due to an employee, Adyen monitors that the amount of such severance is in line with applicable laws and regulation.
- The remuneration of the Management Board as well as the Head of Internal Audit are approved on a yearly basis by the Supervisory Board.
- The figures on total variable compensation paid out to Adyen employees form part of the annual accounts.

Responsibility

The Adyen Board is responsible to keep the Remuneration Policy up to date with market circumstances and requirements set by local laws.

Changes to the Remuneration Policy need to be approved by the Supervisory Board.

This policy is reviewed on a yearly basis by the different control functions within Adyen and is discussed within Adyen's Compliance Committee.

The Management Board performs an annual risk assessment on Adyen's remuneration framework to identify potential risks.

Adyen runs an annual assessment that identifies the members of staff whose professional activities have a material impact on the institution's risk profile.

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