

General Remuneration Policy

2023

adyen

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Introduction

Together with Adyen's latest separate remuneration policies for Management Board and Supervisory Board members and the latest Terms of Reference of the Nomination and Remuneration Committee, the General Remuneration Policy reflects Adyen's global approach to remuneration.

Scope

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 ("CRD IV") and Commission Delegated Regulation (EU) 2021/923 and excluding the Management Board and Supervisory Board members (the "Remuneration Policy").

This Remuneration Policy is intended to ensure Adyen's compliance with provisions of applicable law and relevant guidance including:

- Chapter 1.7 of the Dutch Financial Supervision Act (Wet op het financieel toezicht, "DFSA")
- The Dutch Rules on Sound Remuneration Policies (Regeling beheerst beloningsbeleid)
- Articles 74 92 94 and 85 of CRD IV as implemented in the DFSA
- Commission Delegated Regulation (EU) 2021/923 and
- The Guidelines on sound remuneration policies issued by the European Banking Authority (EBA/GL/2021/04).

We only allow for local deviation from the General Remuneration Policy in case employees are covered by a conflicting CLA or in case of conflicting legislation.

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

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.

Guiding Principles

We have defined guiding principles of our Remuneration Policy to ensure that the components of the Remuneration Policy reflect the objective and are adherent to the Adyen Formula.

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. This is reflected in our employees' annual remuneration review amongst others by assessing their adherence to the Adyen Formula and if variable remuneration is in place delivered performance against relevant non-financial performance objectives.

Our General Remuneration Policy provides us with the opportunity to grant various elements to our employees. Each element contributes to the objective of the policy and is aligned with our guiding principles.

Identified Staff

We acknowledge that specific statutory requirements apply to the remuneration of Identified Staff. Excluding members of the Management Board and the Supervisory Board (who are not within scope of this General Remuneration Policy and instead are subject to their own remuneration policies). In order to determine its Identified Staff Adyen applies the criteria set out in the Commission Delegated Regulation (EU) No 604/2014 of March 2 2014 (the "Regulation") and has set internal definitions in order to identify roles within Adyen which are captured by the requirements.

Comparison with the external landscape

We consider various factors when determining the size of a remuneration package of our employees. One of the factors is the comparison with the external landscape to ensure that the remuneration offered remains competitive.

We determine the most relevant and meaningful comparison with the external landscape for every individual employee. This approach might differ across our employees and is dependent amongst others on their level role department and principal place of business they are based in. With such a tailored approach we ensure that we define the right reference market which reflects the relevant market for talent. And although our direct competitors are part of our talent market it is not necessarily restricted to the payment industry only.

Remuneration Policy

1. Fixed Remuneration

Base salary levels are set in accordance with the scope of responsibilities and experience of the employee and with reference to the relevant external landscape. The levels are set in such a manner it enables us to attract and retain the right talent while we remunerate for the professional services rendered.

We review the base salaries on an annual basis whereby we will consider amongst others factors such as the employee's performance development within the role our financial and non-financial performance market compensation data and (macro-)economic developments.

Through our Depository Receipt Award plan we have the possibility to pay (directly or through the relevant member of the group) the annual increase of the employee's net fixed salary in Depository Receipts corresponding to an equal number of ordinary shares in the capital of Adyen instead of in cash. Any pay-out in Depository Receipts will be subject to a holding period of five years.

2. Variable Remuneration

Within Adyen we have various variable remuneration schemes in place. Only selected employees are eligible for variable remuneration which is typically depending on factors such as but not limited to the employee's role department and principal place of business it is based in. We only award guaranteed variable remuneration such as a sign-on bonus to our employees if the award is consistent with the requirements and prohibitions as laid down in the applicable remuneration regulations.

Irrespective of the character of our variable remuneration scheme we carefully consider the amount of variable remuneration awards and the applicable performance criteria to ensure our variable remuneration practices are set in accordance with applicable legislation and the foundation of our General Remuneration Policy.

Award

The amount of our variable remuneration awards is set in accordance with applicable regulatory requirements and will not exceed the maximum as provided by law. As a consequence, caps on variable remuneration may differ across the countries we are active in. This is presented in the table below:

The Netherlands (on average)	The Netherlands (maximum)	Other EU member states (maximum)	Other countries (maximum)
20%	100%	100%	200%

Performance criteria

In principle all of our variable remuneration awards are subject to performance against financial and non-financial performance criteria. The criteria and their weightings are determined at the beginning of the financial year. The selection of the performance objective is based on our strategy long-term goals and to ensure sustainable outcomes. Consistent with regulation variable remuneration will for at least 50% be based on non-financial performance criteria.

Financial performance criteria are selected in accordance with our strategy and to drive our long-term value creation. The financial performance criteria may include but are not limited to:

- Sustainable gross margin
- Margin increase

Non-financial performance criteria are selected in accordance with our ambition to deliver long-term and sustainable value creation for all our stakeholders. The non-financial performance criteria may include but are not limited to:

- ESG related objectives aligned with our The Adyen way of building an ethical business guidance
- The Adyen formula
- Risk and compliance objectives
- Operational objectives
- Strategic objectives.

Performance may be based on both individual business or group level and will be measured after the end of the performance year after which the award amount will be determined. Performance criteria for Control Functions may not be based on the financial results of the part of the business they oversee in their monitoring role. Performance assessment will be conducted by the employee's team lead. In case none of the performance criteria are met we will decrease the variable remuneration award to zero. The Supervisory Board (in case of Identified Staff) or Management Board (in case of employees other than Identified Staff) has the discretionary authority to adjust the performance objectives and subsequent outcomes to reflect exceptional circumstances corporate events or account for significant one-off items.

Identified Staff variable remuneration plan

We may award variable remuneration to our employees classified as Identified Staff. The purpose of variable remuneration awards, if any, is to incentivize and reward long-term value creation for our company and our stakeholders.

Vesting of any of our awards is set in accordance with applicable regulations. Currently, this means that 60% of the award vests immediately and 40% is deferred over a period of four years, whereby the deferral vests in 4 equal tranches over the deferral period. Our awards have a 50/50 split between cash and equity(-linked) instruments.

In any case, after vesting, it is not allowed to sell the equity(-linked) instruments for a year, other than for wage tax obligations following from the equity award (such as sell-to-cover). The Supervisory Board or Management Board (dependent on type of employees) is allowed to adjust the vesting and pay-out schedule in order to ensure compliance with applicable regulations.

Staff in control functions

The remuneration of independent control functions is fixed only, to reflect the nature of their responsibilities. Our Supervisory Board directly oversees the assessment of the performance of senior staff in control functions to ensure their objectivity and independence.

Retention bonus

In exceptional circumstances we may offer our employees a retention as part of variable remuneration. Such an award will be only made in the context of lasting changes to our organization whereby the purpose of the award is solely the retention of our employees. We will set the event or justification for the retention bonuses (concerns that lead to the risk of employees leaving, the reasons why the retention of the employee is crucial for us, the consequences if the employee leaves and the necessity and proportionality of the awarded amount) the award and vesting conditions in accordance with applicable regulatory requirements. The award of retention bonuses will be subject to our risk adjustment cycle.

Shareholders mandate on maximum variable remuneration

Pending approval of our shareholders at the 2023 AGM we are allowed to award variable remuneration up to 200% of fixed remuneration for our employees outside the European Economic Area (EEA). The purpose of this mandate is to enable us to attract and retain the best talent available in a global environment and highly competitive talent market acknowledging the significant differences in pay levels and structures within the various regions we are active in. We will carefully consider the use of this mandate and award variable remuneration up to 200% in exceptional circumstances only and in acknowledgement of applicable capital requirements.

Disclosures

The figures on total variable remuneration paid out to Adyen employees which includes Identified Staff and our approach on the shareholders' mandate on maximum variable remuneration are disclosed in the Remuneration Report.

3. Risk adjustments

Our variable remuneration awards are subject to ex-ante and ex-post risk assessments.

Malus and claw back

The Management Board (or the Supervisory Board if it concerns senior officers in the independent control functions) can decide to reduce the deferred parts of the individual remuneration of employees awarded in past years or claw back variable remuneration that has been paid or vested. Application of malus and claw back will be done in accordance with the information as incorporated in the annex of our General Remuneration Policy.

4. Share-based payments

We have various types of share-based payments for our employees, including Identified Staff. The purpose of the share-based payments is to put our 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.

In addition to our Depository Receipt Award plan as part of our fixed remuneration, we have a Restricted Stock Units (RSU) plan for employees. RSUs 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).

RSUs will vest over a period of four years. The vesting period starts on the grant date. Every year 25% of RSUs vest on the anniversary of the grant date.

5. Pension and benefits

The pensions and other benefits offered to our employees are set in line with typical market practices and local requirements.

Benefits

We deeply believe in applying the same approach to all employees. To reflect that we provide similar general employment conditions to all our employees and we offer the same benefits to everyone.

Pension

We have a Collective Defined Contribution with respect to the maximum fiscal pensionable salary in place for all our employees in the Netherlands. For employees outside the Netherlands we provide pension arrangements in accordance with local practices and requirements. We do not provide discretionary pension benefits to our employees.

6. Agreements and termination

Severance pay

No severance is paid in case of voluntary resignation of the employee or in any of the other cases mentioned in article 1:125 (1) DFSA, including dismissal of the employee for an urgent reason as laid down in article 7:677 jo. 7:678 of the Dutch Civil Code, failure by the employee, seriously culpable behavior/negligence.

Severance payments to daily policy makers as determined in the DFSA are capped at 100% of the person's annual fixed remuneration. No severance shall be paid to daily policy makers in case of dismissal due to a failure of the institution, in cases such as a request for state aid or if substantial sanctions are imposed by the regulator.

Outstanding variable remuneration

Treatment of outstanding variable remuneration awards, if any, will depend on the reason for employment termination of the employee. The treatment will be established and laid down in writing as an annex to this Policy.

7. Review process

Remuneration packages

Once a year, Adyen's Management Board, with support from the Nomination and Remuneration Committee where required, will review the remuneration packages 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.

Remuneration framework

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 of Identified Staff.

Internal Audit performs an annual review of the remuneration framework including this policy. The outcome of this review is annually discussed in Q1 with Adyen's Supervisory Board.

8. Governance and review

Market circumstances and local requirements

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

Policy review and changes

The Remuneration Policy is reviewed on a yearly basis by the different Control Functions within Adyen. The yearly review is discussed within Adyen's Nomination and Remuneration Committee. Changes to the Remuneration Policy are proposed by the Nomination and Remuneration Committee and approved by the Supervisory Board. Any material exemptions from the Remuneration Policy for individual staff members are not made without the approval from the Supervisory Board.

Annex to our General Remuneration Policy

Annex I: Malus and Claw Back

Malus

The Management Board (or the Supervisory Board, in case of senior officers in the independent control functions) can decide to reduce the deferred parts of the individual remuneration of employees awarded in past years in case of:

- evidence of fundamental misconduct, error and integrity issues by the staff member (e.g. breach of code of conduct, if any, and other internal rules, especially concerning risks);
- a staff member having caused a considerable deterioration in the financial performance of Adyen, especially to the extent this performance was relevant to the award of variable remuneration;
- a significant deficiency in the risk management of Adyen; or
- significant changes in the overall financial situation of Adyen.

The Supervisory Board, advised by the Nomination and Remuneration Committee, monitors any malus decisions taken by the Management Board.

Claw back

The Management Board (or the Supervisory Board if it concerns senior officers in the independent control functions) can claw back variable remuneration that has been paid or vested. Claw back may be applied to all employees (including Identified Staff and former employees). The Management Board (and the Supervisory Board) also retains discretions in this regard.

Claw back period

In general, Adyen may exercise claw back for up to two years from the date of payment or vesting and, in circumstances involving a person under investigation, for up to four years from the date of payment or vesting (to the extent permitted by law and having regard to regulatory requirements).

This does not limit the terms and conditions providing for the repayment or recovery of awards provided to an employee under any specific variable remuneration plan.

Claw back trigger events

The events that may result in a claw back include:

- the employee did not comply with the appropriate standards concerning competence and proper behavior. This includes situations in which an employee acts fraudulently or dishonestly or in a manner that otherwise adversely affects Adyen's reputation or which is otherwise – in the opinion of the Management Board or the Supervisory Board (as the case may be) – characterized as gross misconduct, as well as other situations in which the employee is in breach of his/her obligations to Adyen through error, omission or negligence;
- variable remuneration was awarded on the basis of incorrect information about achieving the objectives underlying the variable remuneration, or the circumstances on which the variable remuneration was made dependent;
- the employee was responsible or accountable for significant matters with material customer and/or shareholder impact;
- the employee was responsible or accountable for behaviors that have led to a marked deterioration of the Adyen's financial position;
- the employee was responsible or accountable for situations requiring material restatement of Adyen's financial statements;
- the actions or omissions of the employee directly led to regulatory intervention (e.g. legal action, administrative fines or restrictions on Adyen's regulatory authorizations); and

- any other circumstance relating to a serious risk or misconduct event where Adyen determines that the award of all or part of the variable remuneration was not justified.

This list is not exhaustive and does not limit the circumstances in which claw back may be applied under the specific terms of a staff member's variable remuneration plan(s) (if applicable).

Claw back approach

At a minimum, Adyen will appropriately reduce unvested variable remuneration (i.e. apply a malus) when a claw back trigger event occurs. When determining the quantum of any claw back adjustment, consideration will be given to the nature and severity of the event, accountability for the event and the total value of any variable remuneration (cash and instruments) awarded (or to be awarded) to relevant current or former employees.

Individual accountability

In determining whether employees should be subject to a claw back adjustment on the basis of individual or collective accountability, relevant factors may be considered, including in relation to any failure of risk management or misconduct, which may include the following:

- culpability for, proximity to or responsibility for oversight of the matter(s);
- level of participation in (including failure to participate) and responsibility for the matter(s);
- whether the employee was aware or could have been reasonably expected to be aware of the circumstances related to the event;
- actions that were taken or could have been taken to prevent the matter(s) from occurring, including any failures to internally supervise and oversee employee(s);
- the root cause of the matter(s) triggering the review; and
- financial, regulatory, reputational or client impacts.

Circumstances leading to application of claw back of all variable remuneration

Adyen will in any case demand full repayment of the variable remuneration by an employee, if the employee has committed fraud and/or in case of material integrity issues and/or has had close involvement in the award of variable remuneration (i) based on misleading information or (ii) in breach of applicable remuneration regulations.

Discretion not to exercise the claw back in specific cases

Where Adyen has the right to claw back all or part of a (former) employees variable remuneration, there may be occasions where the Management Board determines exercising a claw back is ultimately not appropriate. For example, the decision may be made that a claw back will not be exercised (or that the amount of a claw back will be reduced) if:

- exercising the claw back is considered unreasonable in view of all relevant circumstances of the case;
- the likelihood of successful enforcement of the claw back under applicable law is limited and/or the cost and effort involved are too onerous;
- the matter is subject to or connected with pending legal action;
- exercising the claw back may prejudice the interests of Adyen; and
- a significant amount of time has lapsed since the relevant event occurred.

If a claw back is exercised, the relevant (former) employee will be required to repay all or part of the relevant variable remuneration award(s) as determined by the Management Board

Under no circumstances may the application of claw back be offset by an increase of other variable remuneration. The Supervisory Board, advised by the Nomination and Remuneration Committee, monitors any claw back decisions taken by the Management Board.