

Management Board Remuneration Policy

2024

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Management Board Remuneration Policy

1. Foundation of our Remuneration Policy

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. We want to recruit 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. As such, each Management Board member has specific focus areas for sustainability and the Adyen Formula.

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 considered to determine remuneration decisions such as pay increases for each of the individual Management Board members 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 to uphold this standard. The annual equal pay audit includes a review ensuring that the employment conditions of the Management Board members are in line with those of the rest of the organization, unless compelling reasons exist to deviate.

- **Internal remuneration ratios**

On a yearly basis we look at our internal remuneration ratios to make sure Management 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. We are committed to make sure that each individual Management Board member has a specific area of focus linked to sustainability, which is reviewed and assessed on a yearly basis.

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

2. Our Remuneration Policy at a glance

We provide our Management Board members remuneration that is reflecting the foundation of our Remuneration Policy and adherent to the Adyen formula. Below, we summarize the main elements of our Management Board Remuneration Policy and explain how they align with our philosophy.

Element	Design	Purpose
Fixed remuneration	<p>Fixed payments in cash or (a combination of) cash and equity(-linked) instruments.</p> <p>Levels are set in accordance with various factors, including a reference to the market levels observed within our peer group.</p>	<p>Fixed remuneration levels are set to ensure we are able to recruit and retain Management Board members that make the right choices to build an ethical business and drive sustainable growth for our customers.</p>
Variable remuneration	<p>If awarded, variable remuneration is set in accordance with applicable regulatory requirements and capped at 20% of fixed remuneration.</p> <p>Pay-outs will be in equity.</p>	<p>Variable remuneration awards will further align the interests of our Management Board members with our customers and foster our team and entrepreneurial company culture.</p>
Share ownership	<p>Encouragement that Management Board members will build up an equity stake with a value of at least 50% of fixed compensation within five years.</p>	<p>Share ownership encouragement will further strengthen our focus on building for long-term success, independent of the Management Board member's tenure or history within Adyen.</p>
Pension and benefits	<p>Participation in collective pension plans.</p> <p>Benefits in accordance with the offering to our wider workforce.</p>	<p>We believe in treating the Management Board no other than other employees.</p>

3. Comparison with the external landscape

We consider various factors when determining the remuneration package for our Management Board members. One of the factors is the comparison with the external landscape to ensure that the remuneration offered remains competitive.

To make a meaningful comparison with the external landscape, we believe it is key to define the right peer group approach which reflects Adyen's relevant market for executive talent. We are competing with companies within various sectors for the best talent available in a global market. And although our direct competitors are part of our talent market, it is not necessarily restricted to the payment industry only. We have defined four different categories we believe are together forming the foundation of our talent market and thus should be represented in our peer group:

Category	Description	Rationale
Payment platforms	Combination of our direct (business) competitors and (FinTech) companies active in the payment, cryptocurrency and banking platform sector.	Comparison against companies operating in similar industry dynamics as Adyen.
Financial sector	Selection of relevant banks.	Comparison against companies acting in a similar governance environment and where remuneration is subject to (broadly) similar regulation as for Adyen.
High-Tech	Companies active in software, platform or (digital) services related sectors.	Comparison against companies active in innovation-driven and fast-moving industries, like the payment industry.
Listing index	AEX listed companies.	Comparison against companies that are operating within similar Dutch stakeholder environment.

We determine the composition of the peer group balancing the weight of the different categories appropriately. Individual peer companies are selected based on an objective approach, whereby quantitative and industry criteria such as market capitalization and revenue are used to ensure comparability in terms of size and structure. We aim to position around the median of the peer group in terms of size, while the spread between the smallest and largest companies is kept within reasonable boundaries.

A significant part of our direct competitors and other payment platforms are located in North America. In addition, a growing part of our revenue is generated in North America. As a result, North America is one of Adyen's key geographies for recruiting (executive) talent. Nevertheless, we are also aware of the different pay levels and practices in North America and we acknowledge our Dutch heritage and the local, Dutch, environment we operate in. In order to balance these factors, the proportion of North American peers will be limited to maximum 40% of the peer group composition.

We will review the composition of the peer group on an annual basis in accordance with the criteria as mentioned above. We have the intention to keep the peer group as stable as possible. The new peer group composition is disclosed in the Letter from the Chair of the Remuneration & Nomination Committee ahead of the 2023 AGM, and from 2024 onwards retrospectively disclosed in our annual report.

We aim at providing total remuneration for the Management Board members to not be above the median of the peer group. In exceptional circumstances, e.g. a deviating primary work location of the executive, we allow for different market positioning, up to the 75th percentile for total remuneration. Such an exceptional

circumstance will only occur to ensure we can successfully recruit and retain the best talent available in our global talent market and will not be applicable for our current Management Board members. Application, including a detailed rationale, of such a market positioning will be disclosed in our annual remuneration report.

In order to comply with applicable regulation, our pay mix compared will be aimed more towards fixed rather than variable remuneration compared with the external market.

4. Components of our Remuneration Policy

4.1 Fixed remuneration

Base salary levels are set at a level that allows us to recruit and retain Management Board members to execute on our long-term plans and realize long-term value creation for all our stakeholders. We will consider various factors when determining Management Board members' base salaries, including, but not limited to:

- The Management Board member's experience and profile;
- Our internal remuneration ratios;
- Salary increases for our other employees;
- Our financial and non-financial performance;
- Market compensation data;
- (Macro)-economic developments.

Base salary levels will be reviewed for every individual Management Board member on an annual basis, whereby we will consider the factors as mentioned above. We will disclose the level and (potential) salary increases in our annual remuneration report.

Fixed remuneration can be paid out in a combination of cash and equity(-linked) instruments. In case we will pay out base salary (partially) in equity(-linked) instruments, the value of the equity(-linked) instruments will be expressed as proportion of total base salary. Any pay-out in equity(-linked) instruments will be subject to a holding period of five years, in which it is not allowed to sell the equity(-linked) instruments other than for wage tax purposes (such as sell-to-cover).

4.2 Variable remuneration

We may award variable remuneration to our Management Board members. The purpose of our variable remuneration awards is to incentivize and reward long-term value creation for our company and our stakeholders. Eligibility for variable remuneration may vary between Management Board members and is typically dependent on the member's profile, history and tenure within Adyen. We will disclose eligibility for variable remuneration including rationale in our annual remuneration report.

Award

The amount of our variable remuneration awards is set in accordance with applicable regulatory requirements and our general Remuneration Policy and will not exceed 20% of fixed remuneration. We will pay variable remuneration in equity(-linked) instruments, to ensure alignment with long-term value creation for our company and our stakeholders. Only in exceptional circumstances, variable remuneration will be paid in cash.

Performance criteria

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:

- Net revenue;
- EBITDA Margin;

- Capital expenditure.

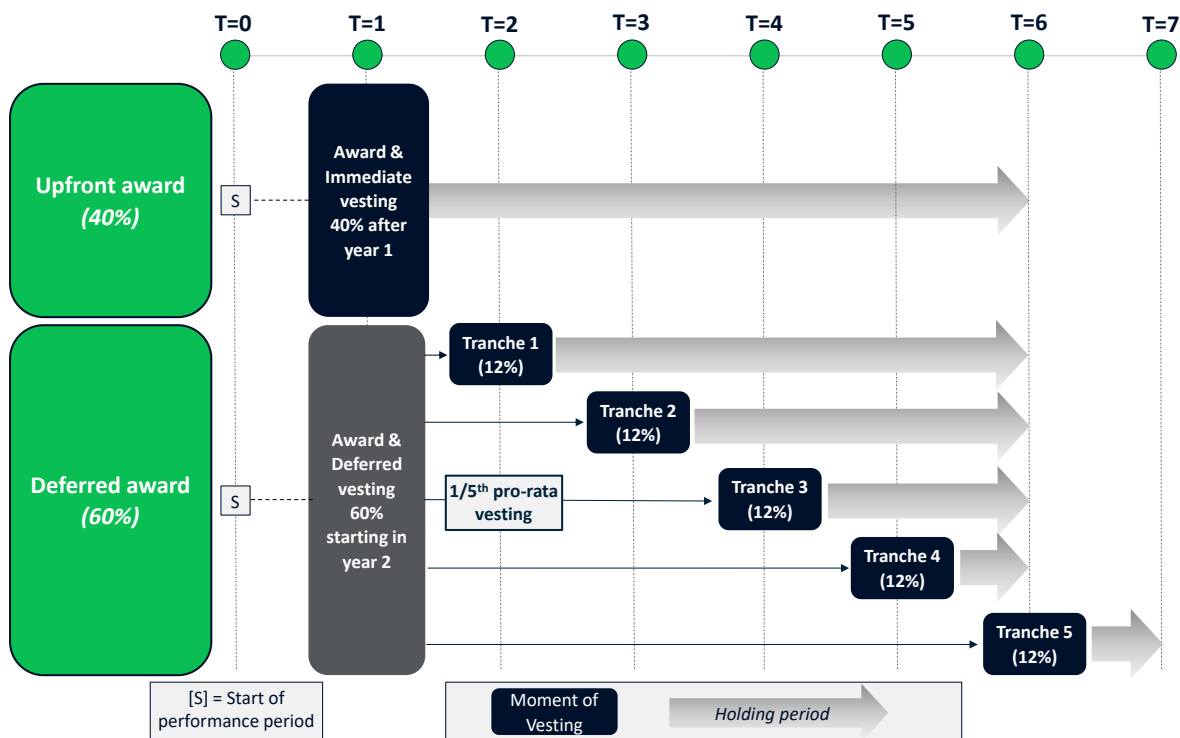
Non-financial performance criteria are selected in accordance with our ambition to deliver long-term and sustainable value creation for all our stakeholders. The non-financial performance criteria may include, but are not limited to:

- 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. We will disclose on retrospective basis the selected criteria, including rationale, and outcomes in the remuneration report. In case none of the performance criteria are met, we will decrease the variable remuneration award to zero. The Supervisory Board 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. We will disclose the details of such an adjustment, including rationale, in the annual remuneration report.

Vesting scheme

Vesting of any of our awards is set in accordance with applicable regulations. Currently, this means that 40% of the award vests immediately and 60% is deferred over a period of five years, whereby the deferral vests in 5 equal tranches over the deferral period. As our awards are paid in equity(-linked) instruments, all variable remuneration is subject to a holding period of five years. 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 is allowed to adjust the vesting and pay-out schedule in order to ensure compliance with applicable regulations. We provide an illustrative overview of the current vesting scheme in the figure below.



Risk adjustments

We will conduct both ex-ante and ex-post risk assessment to mitigate the risk associated with variable remuneration.

Before date of the award, we will ensure that the award does not negatively affect our capital requirements. In addition, both financial and non-financial performance criteria may be used to assess performance against capital and risk related objectives.

In addition, the Supervisory Board may adjust or reclaim, in whole or in part, variable remuneration awards and pay-outs. Malus or claw back will only be applied in case circumstances require this and in accordance with regulation and internal rules and regulation. Any application of malus and claw back will be disclosed and explained in the annual remuneration report.

4.3 Encourage share ownership

Within Adyen we believe in the importance of putting our employees including our Management Board members in a financial ownership-like position where shares are concerned to obtain an economic interest in our company. This will create further alignment with Adyen's long-term objectives such as sustainable growth development profitability and financial success. Therefore, we stimulate the Management Board members to retain (a proportion of) the equity (-linked instruments) awarded under the various remuneration components during employment until the value of ownership is at least 50% of fixed remuneration.

4.4 Pension and benefits

The pensions and other benefits for which Management Board members are set in line with typical market practice and in accordance with Adyen's benefits proposition offered to the wider workforce.

Benefits

We deeply believe in treating the Management Board no other than the other employees. To reflect that we provide similar general employment conditions to all our employees - including the Management Board - and we offer the same benefits to everyone. In addition, we provide the Management Board members benefits specifically required for their position as Managing Director such as insurances. We do not provide any loans or guarantees to the Management Board members.

Pension

The Management Board members generally participate in the applicable pension plans available to other employees in the country of employment. We do not grant guaranteed discretionary pension benefits to our Management Board members.

Further information regarding the benefits and retirement arrangements are disclosed in the annual remuneration report and financial statements.

4.5 Agreements and termination

Management agreements

All Management Board members have entered into a service agreement with Adyen N.V., with a notice period of six months for Adyen and three months for the Management Board members. The terms and conditions of the service agreements have been aligned with the Dutch Corporate Governance Code. The service agreements are entered into for a term of four years.

Termination

The service agreements of the Management Board provide for a severance of one annual base salary if the Management Board member is not re-appointed or otherwise terminated by Adyen (for any reason other than urgent cause in the meaning of article 7:678 of the Dutch Civil Code), in accordance with the Dutch Corporate Governance Code.

At the time of departure, treatment of variable remuneration, if any, will depend on the leaving status of the Management Board member and is upon approval of the Supervisory Board:

- In case the Management Board member is qualified as bad leaver (for example, but not limited to, in case of voluntary resignation, fraud, gross misbehavior), all awards will lapse.
- In case the Management Board member is qualified as good leaver (for example, but not limited to, in case of [early] retirement, disability, redundancy, business divestiture in the normal course of business), - partial- vesting may occur.

Details the of treatment of variable remuneration in case of early termination will be disclosed in the annual remuneration report.

New hire policy

Generally, the Supervisory Board will seek to align the new Management Board member's remuneration package to the Remuneration Policy.

In the case of external hires, the Supervisory Board may decide in certain circumstances to grant a sign-on award in cash and/or equity(-linked) instruments.

Examples of such circumstances could be, but are not limited to:

- Competition in hiring a candidate;
- Significant differences in our remuneration offering compared with the candidate's current package (e.g., due to applicable regulation).
- Forfeiture of outstanding variable remuneration;
- Loss of income due to cooling down period.

When establishing the terms of the sign-on award, the Supervisory Board will consider, amongst others, the structure, time horizons, value and performance targets associated with arrangements forfeited and will be in accordance with applicable regulation. Details and rationale of such an award will be disclosed in the annual remuneration report.

In case of internal hires, we may decide to grandfather (contractual) arrangements upon which was agreed before date of appointment as Management Board member and payment or awards are not related to the appointment.

4.6 Governance

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, and every four years by three fourth (3/4th) of the votes cast of the Annual Meeting of Shareholders. The Remuneration Policy and the results of the votes cast will be published on the Adyen website directly after the Annual Meeting of Shareholders.

Under exceptional circumstances, the Supervisory Board can temporarily and ultimately until the new Remuneration Policy is adopted, deviate from the Remuneration Policy. For this purpose, exceptional circumstances are limited to those circumstances that require deviation to serve the long-term interests and sustainability of the company as a whole or to assure its viability. In the event of such circumstances, Adyen's Nomination and Remuneration Committee will assess the situation and make a proposal to the Supervisory Board, who may decide whether derogation of the Remuneration Policy is allowed in the relevant circumstances, or not. Such a deviation will be reported in the annual remuneration report.

The Supervisory Board has decided to include scenario analysis, back-tests, pay ratios and the development of the market price of the shares in the annual remuneration report. 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. Internal Audit performs an annual review of the remuneration framework including this Policy.