

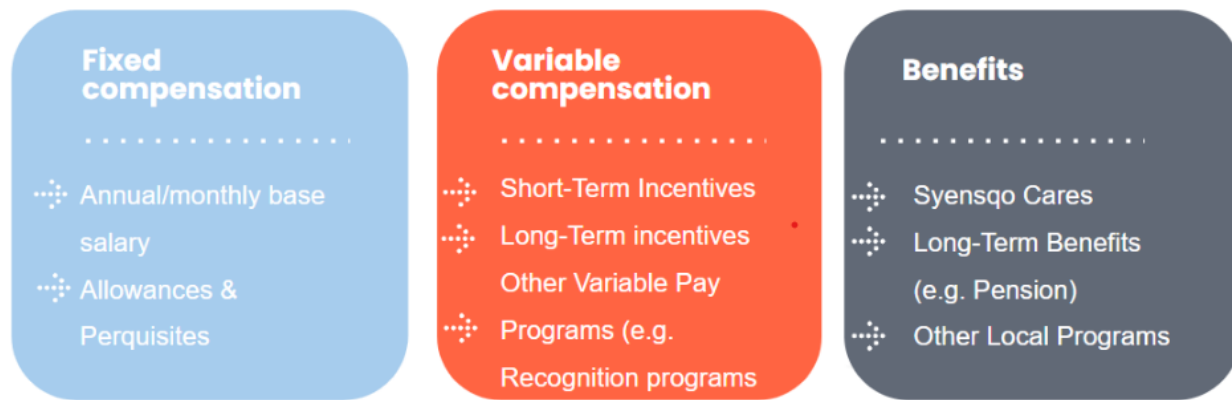
# Fixed Compensation & Annual Salary Review

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### INTRODUCTION

Syensqo Rewards is a set of principles and practices we apply to ensure the Group is able to attract, develop, retain and motivate its talents. Syensqo Rewards is aligned with the Group's structure, organizational needs, priorities and market in different countries and it's based on the common practices in the industry.

Fixed compensation, variable compensation and benefits are the key principles and elements that we refer to as "rewards":



Each of these 3 elements will change and evolve over time following both career advancements and market developments. We are committed to keep it up-to-date and relevant to employees and their needs!

General principle, the higher a job level, the more complex and results driven the rewards package will become, with more emphasis on variable pay and long term commitments.

## GUIDING PRINCIPLES OF SYENSQO REWARDS

The Syensqo Rewards framework is built to support the Group's long term business strategy and is based on and supported by 8 guiding principles:



The 8 guiding principles of Syensqo Rewards are a set of key considerations applied when any compensation and benefits related decision is taken by managers and leaders as well as at all times when any existing or new program or process is being created, reviewed or improved.

Consistent application of these principles enables Syensqo to reward employees for their contribution to the achievement of the Group's mission, goals and objectives in a way that is compatible with the company culture, thus helping to build employee engagement.

### employee's personal rewards package

An employee's personal rewards package is built considering the level of accountability, complexity, know-how and scope of his/her role in the organization.

### wards for locally graded positions

the role of an employee is mainly focused on the achievement of local results, either on a site or at the team level, the role is locally graded and is ed considering local practices, bargaining agreements and other legal requirements.

### wards for globally graded positions

the scope of the role expands to multiple sites or has a more direct impact on the GBU or Function, then the job is graded according to the [Syensqo grading structure](#) and the rewards package is aligned to the performance of the GBU/Function or the entire Group. Global reward programs then e a dominant part of the rewards package, while remaining competitive on the local market and compliant with legal requirements of the country.

ire information on Variable Compensation - click [here](#).

ire information of Syensqo's Benefits Plans & Programs - click [here](#).

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## ED COMPENSATION

### Salary

ise salary depends on many factors including but not limited to the size, scope and impact of the employee's position (organizational design its), the market value of the role (local market pay practices), and the employee individual performance and contribution while in that role.

ke sure that the salary remains attractive and competitive it is compared to the latest market studies results and reviewed regularly (at least once a s part of the performance evaluation process).

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### Compa-Ratio

r to ensure the competitiveness of the rewards package on the market, the compa-ratio value is used.

Compa-ratio is a ratio between the salary of the Employee and the midpoint of salary pay range of the specific grade expressed as a percent.

$$\text{Compa-ratio} = \frac{\text{Your Annual Base Salary}}{\text{Your S-grade pay range midpoint}}$$

our overall rewards positioning to market is set to be at market median, the compa-ratio for each employee can vary within compa-ratio zones.

**Reflection of the diversity of our talents, their background, and contribution, we expect pay of our employees to be evenly distributed s the entire pay range and in exceptional instances (like unique skills, talent scarcity or regional pay differences) it can even be above or the pay structure minimum or maximum.**

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### Allowances

- Allowances are defined as any regular cash income in addition to the base salary for a specific matter related to the employment that is not linked to individual or company performance.
- Allowances may be required or encouraged by labor or tax laws, bargaining agreements or local market customs such as, for example: meal vouchers, night shift allowance, overtime pay, commuter allowance, housing allowance, holidays allowance, educational allowance and similar.
- To learn more about local specific allowances, please contact the local HR representative.

### Perquisites

- Perquisites are non-cash benefits and privileges, which an employee receives from the employer during the course of employment.
- Perquisites are always country/site specific and, similar to allowances, they can be required or encouraged by local laws or market practices. They can vary greatly from country to country and from one role/job/location to another.

- Some examples of perquisites are: mobile phones, home office equipment or installation, gifts due to jubilee, flexible work-time arrangements, company paid cafeteria or drinks (e.g. free coffee/tea), personal or shared/pool vehicles (cars, bicycles, electric scooters, etc), club or interest group memberships or on-site fitness facilities and similar.
- To learn more about country specific rules and programs, please contact the local HR representative.

## WHAT IS AN ANNUAL SALARY REVIEW?

A salary review is part of the Compensation campaign (usually in March/April of each year) salaries are being reviewed by the Line managers for alignment with pay for performance, internal pay fairness and external market competitiveness.

Compensation Campaign Line managers recommend salary increases for direct reports within allocated Total Merit Budget, review calculation of **variable compensation** as in STI or SIP on the basis of Group and Employee results and communicate Compensation Statement to the direct reports.

## WHAT IS THE PROCESS?

The process for carrying out the annual salary review includes using the EasyComp tool.

EasyComp is part of the SuccessFactors system that is available to all Line Managers, Business and Site HRs.

Follow the links below or the Useful links from the right hand of this page:

- [Detailed Compensation Campaign User Guide - 2026](#)
- [Manager's Guide - Compensation Campaign 2026](#)

## AS A MANAGER - HOW CAN I PREPARE FOR A MEANINGFUL CONVERSATION ON COMPENSATION RESULTS?

A compensation discussion is one of the most important discussions between line manager and employee, so it's pivotal to have it transparent, meaningful and encouraging, with a clear reference on employees contribution for previous year, which reflects in his/her salary increase and bonus payout.

### KEY TIPS:

- Plan sufficient time for the conversation to ensure that employees have the opportunity to ask any questions/express any concerns they may have.
- Be aware of how the **STI** or **SIP** was calculated and how it relates to the person's, entity's and Group's performance and explain how it is linked to the payout percentage. Be specific about the contribution the employee made during the year.
- Be prepared to explain the reasons behind the salary review process and general principles that apply to all Reward programs in Syensqo (that can be performance related and/or not related to performance such as internal/external equity). Explain how the decision was made so that the employee understands you're being fair. Feel free to use the **Manager's Guide - Compensation Campaign 2026**.
- If a salary increase is applicable, make sure to communicate not only the percentage, but also the amount in the employee's local currency.
- Don't worry if you don't have all the answers on the spot; make notes and make sure to follow up after discussing with your manager and/or HR.



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- [Compensation Campaign Calendar - 2026](#)
- [Detailed Compensation Campaign User Guide - 2026](#)
- [Manager's Guide - Compensation Campaign 2026](#)
- [Variable Compensation](#)

**Other material**

- [Benefits Plans & Programs](#)
- [Company Car Program](#)