

COMPENSATION POLICY

ONWARD MEDICAL N.V.

INTRODUCTION

Article 1

- 1.1** This document sets out the Company's policy concerning the compensation of the Directors.
- 1.2** This policy shall be posted on the Website.

DEFINITIONS AND INTERPRETATION

Article 2

- 2.1** In this policy the following definitions shall apply:

Article	An article of this policy.
Board	The Company's board of directors.
Change of Control Benefit	Any compensation or other benefit comprised in a Compensation Package that becomes payable, vests, is settled, becomes exercisable or is triggered in any other manner as a result of a change of control over the Company (as such term may be defined in the applicable agreement, plan or arrangement providing for such compensation or benefit).
Company	ONWARD Medical N.V.
Compensation Committee	The compensation committee established by the Board.
Compensation Package	The total compensation package of a Director for services rendered in that capacity.
Director	A member of the Board.
Executive Director	An executive Director.
Fringe Benefit	Fringe benefits (other than Pension) comprised in a Compensation Package, including use of a cell phone, laptop and/or lease car, vacation pay, sick pay, accident and/or health insurance, social security contributions, housing allowance, reimbursement of travel costs and education assistance.
General Meeting	The Company's general meeting.

LTI	Long-term variable compensation comprised in a Compensation Package, including in the form of equity incentive awards.
Non-Executive Director	A non-executive Director.
Pension	Post-retirement income and/or other pension-related contributions or benefits comprised in a Compensation Package.
STI	Short-term variable compensation comprised in a Compensation Package, including in the form of cash bonuses and profit sharing arrangements.
Website	The Company's website.

2.2 Terms that are defined in the singular have a corresponding meaning in the plural.

2.3 Words denoting a gender include each other gender.

OBJECTIVES

Article 3

3.1 The amount, level and structure of Compensation Packages should contribute to the Company's strategy, long-term interests and sustainability by:

- a.** attracting, retaining and motivating highly skilled individuals with the qualities, capabilities, profile and experience needed to support and promote the growth and sustainable success of the Company and its business;
- b.** driving strong business performance, promoting accountability and incentivising the achievement of short and long-term performance targets with the objective of furthering long-term value creation in a manner consistent with the Company's identity, mission and values;
- c.** assuring that the interests of the Directors are closely aligned to those of the Company, its business and its stakeholders; and
- d.** ensuring overall market competitiveness of the Compensation Packages, while providing the Board sufficient flexibility to tailor the Company's compensation practices on a case-by-case basis, depending on the market conditions from time to time.

3.2 The Compensation Packages of the Non-Executive Directors should reflect the time spent and the responsibilities of their role on the Board.

3.3 In determining the amount, level and structure of Compensation Packages, the Board shall consider, among other matters:

- a. the employment conditions of the employees of the Company and its subsidiaries, including their compensation and the development of relevant internal pay ratios, compared to those of the Directors, in order to strive for a balanced and fair compensation practice while observing the objectives outlined in Article 3.1;
- b. scenario analyses carried out in advance;
- c. the financial and non-financial performance indicators relevant to the Company's long-term strategy with due observance of the risks for the Company's business which may result from variable compensation; and
- d. relevant market information such as industry standards and peer group data, pre-existing arrangements with the Directors, the respective positions which the Directors serve within the Company's organisation and any compensation payable by the Company or any of its subsidiaries to the Directors in any other capacity.

DETERMINATION OF COMPENSATION

Article 4

- 4.1 The amount, level and structure of Compensation Packages for Directors shall be determined by the Board at the recommendation of the Compensation Committee in accordance with this policy. No Executive Director shall participate in the decision-making concerning the determination of the Compensation Package for any Executive Director.
- 4.2 The Compensation Committee shall prepare its recommendations relating to the Compensation Packages in accordance with this policy and any such recommendation shall cover the compensation structure, the amount of the fixed and variable compensation components, the performance criteria used, the scenario analyses that have been carried out and the relevant internal pay ratio(s).
- 4.3 Before making a recommendation relating to the Compensation Package of any Executive Director, the Compensation Committee shall take note of the views of such Executive Director with regard to the amount, level and structure of that Compensation Package.

COMPOSITION OF COMPENSATION PACKAGES

Article 5

- 5.1 Compensation Packages may consist of the following mix of fixed and variable compensation components as determined by the Board:

	Executive Directors	Non-Executive Directors
Base salary	✓	✗

Retainer fee	x	✓
Committee membership fee	x	✓
Chairperson fee	x	✓
Meeting attendance fees	x	✓
STI	✓	✓
LTI	✓	✓
Fringe Benefits	✓	x
Change of Control Benefits	✓	✓
Severance pay	✓	x
Pension	✓	x

- 5.2** Base salary, retainer fees, committee membership fees, chairperson fees and meeting attendance fees shall be fixed annual amounts that may be subject to indexation by the Board and may be increased or decreased by the Board from time to time, subject to the terms of any existing contractual arrangements with the Directors concerned.
- 5.3** The aggregate annual amount or value of the variable compensation components that are part of a Compensation Package shall not exceed 50% of the fixed compensation components comprised in that Compensation Package, assuming the achievement of all applicable targets, objectives and conditions underlying such incentive awards, in each case determined as of and by reference to the date of grant.
- 5.4** The Company shall not grant any loans, guarantees or similar benefits as part of a Compensation Package, provided that cash advances and use of a Company sponsored credit card in the ordinary course of business shall not be prohibited.

STI AND LTI

Article 6

- 6.1** The mix of STI and LTI comprised in a Compensation Package should support both long-term value creation and the achievement of short-term Company objectives, including by:
- a. contributing to corporate social responsibility;
 - b. rewarding the achievement of strategic milestones for the Company and its business;
 - c. providing award opportunities in consideration for substantial contributions to the success of the Company and its business; and/or
 - d. promoting and incentivising continued service of the Directors within the

Company's organisation.

- 6.2** With respect to all STI and LTI awards, subject to the terms of any existing contractual arrangements with the Directors concerned, the Board shall:
- a.** set and, if appropriate, amend the applicable financial and/or non-financial metrics, targets, objectives and/or conditions, including corporate social responsibility metrics, and their respective weighting, in each case in accordance with and subject to Annex A to this policy;
 - b.** set and, if appropriate, amend the maximum amount for any cash incentive and the maximum number of securities underlying any equity incentive which may be awarded as part of an STI or LTI, in each case subject to Article 5.3; and
 - c.** determine the extent to which the applicable targets, objectives and/or conditions are achieved and the extent to which and incentive awards vest, using clear, pre-defined and objective and verifiable methods, as described in Annex A to this policy.
- 6.3** Equity-based STI or LTI awards shall be subject to the following rules:
- a.** unvested and vested but unexercised awards shall expire no later than 10 years after the date of grant;
 - b.** shares acquired by Executive Directors under such awards must be retained by them for a period of at least five years, provided that shares may be sold and transferred in order to facilitate a cashless exercise of such awards (also with respect to applicable taxes) and provided further that the Board may decide that no retention period applies to some or all of such awards.
- 6.4** The Board may adjust the amount or value of an STI or LTI awarded to a Director to a suitable level, if payment or satisfaction of that award would be unacceptable under the standards of reasonableness and fairness.
- 6.5** The Company may reclaim payments made (in cash, in kind or in the form of securities) under an STI or LTI award, in whole or in part, to the extent that such payment was made on the basis of incorrect information regarding the achievement of the targets, objectives and/or conditions underlying the award or regarding the circumstances on which the award was dependent. The Non-Executive Directors, or a special representative designated by the General Meeting, may demand such repayment on the Company's behalf.

PENSION AND SEVERANCE PAY

Article 7

- 7.1** Service agreements between the Company and the respective Directors shall remain in force for the duration of their term of office (including reappointments for consecutive terms). These agreements may be terminated by either party at any time with due observance of a

one month notice period. The Company may also terminate service agreements at any time for cause, as determined under the applicable agreement, with immediate effect.

7.2 At the discretion of the Board:

- a.** the Company shall (i) provide for a pension arrangement for the Executive Directors with a pensionable salary that is based on their annual gross base salary and (ii) contribute to the pension premiums concerned up to an amount or percentage as determined by the Board (with the Executive Director concerned being obliged to pay the remaining part of such premiums); or
- b.** the Executive Directors shall be eligible to participate in the collective pension scheme that the Company has taken out for the benefits of its employees.

7.3 The Executive Directors may be eligible for such severance payment upon termination of office as determined by the Board from time to time, subject to Article 7.4.

7.4 A Executive Director's severance pay shall not exceed his annual gross base salary and shall not be paid if his service agreement is terminated early at the initiative of the Executive Director concerned, or in the event of seriously culpable or negligent behavior on the part of the Executive Director concerned.

AMENDMENTS AND DEVIATIONS

Article 8

- 8.1** Pursuant to a resolution to that effect, the General Meeting may (re)adopt, amend or supplement this policy on the basis of a proposal by the Board at the recommendation of the Compensation Committee, subject to ongoing compliance with applicable law and stock exchange requirements.
- 8.2** The Board, at the recommendation of the Compensation Committee, may decide to deviate temporarily (and ultimately until the General Meeting adopts an amended compensation policy following the occurrence of such deviation) from any element of this policy, if this is necessary to serve the long-term interests and sustainability of the Company or to assure its viability and subject to ongoing compliance with applicable law and stock exchange requirements.

GOVERNING LAW AND JURISDICTION

Article 9

This policy shall be governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute arising in connection with this policy shall be submitted to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.

ANNEX A - OVERVIEW OF POTENTIAL METRICS

	Description	Method to measure performance	Contribution to policy objectives
Financial Metrics			
1.	Adjusted EBITDA	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Encourages optimization of the Company's valuation without distortion by irregular gains, losses, or other non-recurring items.
2.	Volume-weighted average price (VWAP)	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Encourages optimization of the Company's share price.
3.	Earnings per share (EPS)	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Reinforces the importance of earnings, which are expected to have a direct relationship to the Company's share price.
4.	Adjusted free cash flow (FCF)	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Captures the potential impact of all types of business transactions on the generation of adjusted free cash flow; encourages prudent balance sheet management.
5.	Return on invested capital (ROIC)	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Encourages effective management of the Company's assets to generate profitability.
6.	Return on equity (ROE)	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Encourages effective management of the Company's assets to generate profitability.

7.	Relative total shareholder return (TSR)	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Encourages delivery of a superior total shareholder return relative to competitors.
Non-Financial Metrics			
8.	Strategic milestones	Achievement of pre-defined milestones by reference to Company's business plan.	Encourages delivery on relevant milestones consistent with the Company's long-term strategy.
9.	Diversity, including gender equality	Achievement of pre-defined diversity targets.	Fosters commitment to a corporate environment which values diverse viewpoints and underscores the importance of gender equality.
10.	Client satisfaction	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Encourages client-centric behaviour.
11.	Employee satisfaction	Fixed target at a pre-determined date and/or target increase compared to a pre-determined prior period.	Encourages employee-centric behaviour.
12.	Social investment	Achievement of pre-defined actions.	Encourages actions which have a (positive) social impact.
13.	Carbon footprint	Fixed target at a pre-determined date and/or target decrease compared to a pre-determined prior period.	Fosters commitment to mitigate the impact of the Company's business on the environment.
14.	Energy and water consumption	Fixed target at a pre-determined date and/or target decrease compared to a pre-determined prior period.	Fosters commitment to mitigate the impact of the Company's business on the environment.