



InnoEnergy.com



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Terms of Reference

KIC InnoEnergy SE (“**EIT InnoEnergy**”) is a European company fostering the integration of education, technology, business and entrepreneurship and strengthening the culture of innovation. The challenge is big, but our goal is simple: to achieve a sustainable energy future for Europe. Innovation is the solution. New ideas, products and services that make a real difference, new businesses and new people to deliver them to market. At EIT InnoEnergy we support and invest in innovation at every stage of the journey – from classroom to end-customer. With our network of partners we build connections across Europe, bringing together inventors and industry, graduates and employers, researchers and entrepreneurs, businesses and markets.

We work in three essential areas of the innovation mix:

- Education to help create an informed and ambitious workforce that understands the demands of sustainability and the needs of industry.
- Innovation Projects to bring together ideas, inventors and industry to create commercially attractive technologies that deliver real results to customers.
- Business Creation Services to support entrepreneurs and start-ups who are expanding Europe’s energy ecosystem with their innovative offerings.

Bringing these disciplines together maximises the impact of each, accelerates the development of market-ready solutions, and creates a fertile environment in which we can sell the innovative results of our work.

For more information about our company please visit the following website:

<http://www.innoenergy.com/about-innoenergy/>

1. Scope of work

EIT InnoEnergy is on a commercialization Journey and as part of our growth our processes, policies and ways of working are all adapted to reflect an increasing revenue, sales, and cash approach. EIT InnoEnergy wishes to prepare their employees more for a future where we may also incentivize employees.

As such EIT InnoEnergy wishes to design and prepare to implement an employee incentive plan that supports engagement and retention of eligible employees as EIT InnoEnergy continues to grow its international business. The employee incentive plan should, one way or another, be linked to EIT InnoEnergy's share value.

For the sake of this document please note that the options plan needs to be applicable in nine countries: Netherlands, Belgium, Luxembourg, Poland, Sweden, Germany, France, Spain and Portugal. The corporate legal seat of EIT InnoEnergy is in The Netherlands. Its offices in some of the countries mentioned operate as branch offices (Netherlands, Belgium, Luxembourg and France). In other countries the offices are created as separate legal entities, in which EIT InnoEnergy has a decisive vote (Poland, Sweden, Germany and Spain and Portugal jointly).

General Objectives :

Phase 1: Advice as to the type of plans. October – December 2020.

As there are several ways to shape an employee incentive plan, EIT InnoEnergy would like to produce a document that can be used to advise the management and Supervisory Boards to the type of plans available and what would be most suitable for EIT InnoEnergy. And once that document has been reviewed by the management and Supervisory Board, EIT InnoEnergy wishes to choose the best solution available.

The advice in Phase 1 should consist of:

- A) Analysis of the situation and future plans for options for EIT InnoEnergy.
- B) A document with specific plans , and based on the analysis, presenting a top four choice to choose from with pro's and con's, cost projections, generic tax advantages, country implications for the eight countries
- C) Two discussions and review meetings with management to clarify the implications and costs, as well how it will incentivize employees and be beneficial to EIT InnoEnergy at the same time.
- D) Presentation to the supervisory board to clarify the implications and costs as well how it will incentivize employees and be beneficial to EIT InnoEnergy at the same time.

Phase 2: selection of plans and parameters

It is likely that EIT InnoEnergy will seek to implement two types of plans :

- (i) A plan that will be offered in the form of an investment opportunity and
- (ii) an Employee Stock Option Plan

Both plans would entitle participants to a proportionate portion of the share value increase upon a future Exit or settlement of the plans.

Detailed work scope with deliverables:

Phase 3: Plan preparation step 1 : 2- 3 weeks.

1. Draft the term sheets for two plans containing the essential key features of the two plans to be operated for the benefit of the employees of EIT InnoEnergy;
2. Review with EIT InnoEnergy HR the conditions that will apply for being eligible for the two plans as well as the maximum amounts per employee group and produce a market aligned advice;
3. Prepare working numerical example of various vesting options (e.g. graded vesting, cliffvesting on pre-determined settlement date);
4. Prepare with the help of EIT InnoEnergy HR a costing of the plan and investment;
5. Review relevant legal documents, such as articles of association and shareholders agreement to identify potential adjustments for implementation of the two plans;
6. Organize one information session to discuss the final term sheet and working examples of the two plans;
7. Weekly review meetings with EIT InnoEnergy HR, Legal and CFO.

Phase 4: Plan preparation step 2: 4-6 weeks

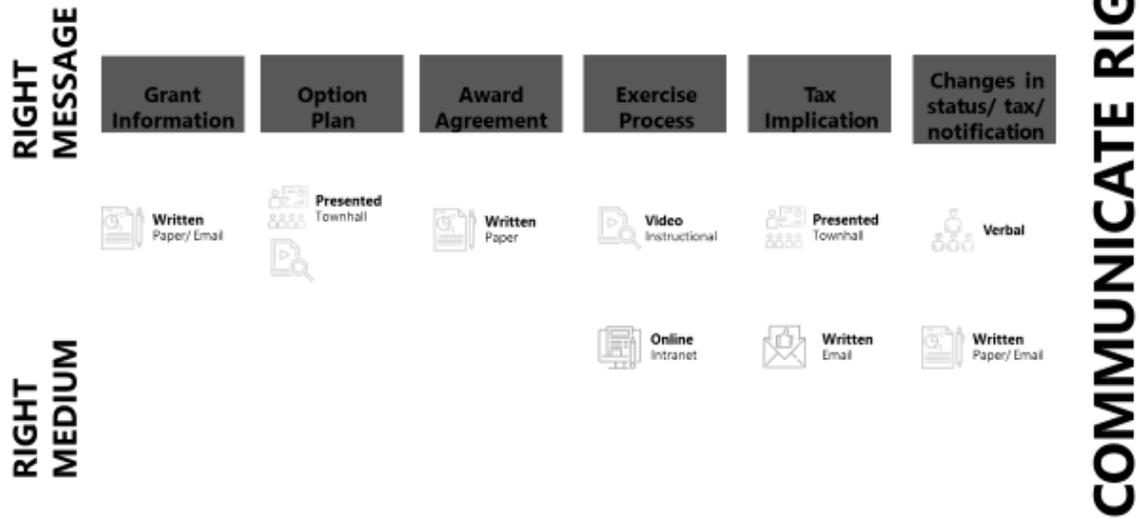
1. Design of draft plan rules and investment agreement based on the final term sheet for the two plans;
2. Evaluation of draft plan documentation for the two plans and discuss with EIT InnoEnergy during one meeting/telephone conference;
3. Adjustment of the draft plan documentation for the two plans as a result of the outcome of the meeting with EIT InnoEnergy;
4. Finalization of the documentation for the two plans;
5. Advice on adjustment of shareholders agreement and articles of association, if needed;
6. Weekly review meetings with EIT InnoEnergy HR, Legal and CFO.

Phase 5: Plan Preparation step 3: 3-6 weeks & PREPARE TO COMMUNICATE

1. Advice on the preferred Dutch tax structuring of the two plans as EIT InnoEnergy is a Dutch based company.
2. International tax review of two plans requesting input on local tax treatment and potential preferred tax structuring options in various jurisdictions EIT InnoEnergy intends to offer the PSUP/ESOP; more specifically Spain, Portugal, Poland, Germany, France, Netherlands, Belgium, Luxembourg, Sweden.
3. Based on the outcome of the international tax review, legal and social security review draft communication materials including a tax information sheet per relevant jurisdiction and an FAQ (both for the PSUP and ESOP), more specifically Spain, Portugal, Poland, Germany, France, Netherlands, Belgium, Luxembourg, and Sweden. For all these countries a legal, tax a social security review must take place and be documented with guidelines for two plans and instructions for legal, tax and social security compliance.
4. Weekly review meetings with EIT InnoEnergy HR, Legal and CFO.
5. Provide the following communication documents and guidance documents for all elements below:

74% of the employees were dissatisfied with organizations' measures to communicate.

 - Ragan Survey, 2014



Phase 6: Implementation 3-6 weeks

1. Assist EIT InnoEnergy with the implementation of the PSUP/ESOP by way of organizing one information session at the 8 countries.
2. Implement two plans' administration tool (ELVIS) that supports EIT InnoEnergy with the administration of the two plans (also from an accounting perspective) in all 10 countries
3. Draft initial paper on accounting considerations with respect to the 2 plans.
4. Ongoing support with respect to fair value and cost allocation calculations in compliance with the requirements of IFRS 2 (within the ELVIS environment), if needed.
5. Weekly review meetings with EIT InnoEnergy HR, Legal and CFO.