

Clarifying note relating to the Remuneration Policy Supervisory Board of NN Group N.V



This clarifying note serves as a further explanation to the process followed in reviewing the Remuneration Policy Supervisory Board of NN Group N.V (SB Remuneration Policy) and provides more details related to the following elements:

- Background
- Regulatory update
- Stakeholder engagement
- Main changes

This clarifying note forms an integral part of the SB Remuneration Policy.

1. Background

- The SB Remuneration Policy needs to be submitted to the General Meeting of NN Group (General Meeting) for adoption every four years based on Dutch law.
- The SB Remuneration Policy, including an amendment to the level of the fixed annual fee for the members of the Supervisory Board (SB members) has been adopted with a positive vote of 99,06% by the General Meeting in 2 June 2023.
- A broad stakeholder outreach was conducted. All feedback, views and interests of the various stakeholders were carefully considered in the review of the SB Remuneration Policy.

2. Regulatory update

- No relevant changes in laws and regulations occurred that require any updates on the SB Remuneration Policy.
- The Dutch Corporate Governance Code (the Code) has been updated, including an increased focus on sustainable long-term value creation.

3. Stakeholder engagement

The Supervisory Board is aware that the SB members' remuneration is a topic of high interest to a broad group of stakeholders. NN Group therefore has invited this broad group of stakeholders to give their view on the SB Remuneration Policy. This resulted in numerous interactions with stakeholders to obtain their feedback about the policy and its intended amendments. The stakeholder outreach was performed in accordance with NN Group's [stakeholder engagement policy](#). These interactions took place amongst others via virtual meetings, face-to-face meetings and panel discussions. Stakeholders involved were shareholders, proxy advisors, shareholder lobbying groups, employees and the Central Works Council of NN Group, regulators and clients/public via panel discussions.

During the stakeholder engagement process the following feedback was provided relating to the SB Remuneration Policy:

- Sustainability and alignment with the strategy
- Simplicity and transparency of the policy

During these sessions, concerns were expressed on the SB fees level, considering that the primary objective of the SB Remuneration Policy is to attract and retain highly qualified SB members via a transparent and market-based pay practice.

NN Group has carefully considered all feedback, views and interests of the various stakeholders as received in the numerous interactions as well as the input received from shareholders during previous meetings and voting in which no questions were asked. The changes made following this feedback are reflected in paragraph 4.

4. Main changes

A thorough review of the SB Remuneration Policy took place in which all remuneration elements were considered. In this review, the update of the Code, the feedback received from stakeholders, since the previous vote on the remuneration policy, as well as external market practice were taken into account. In general, it was concluded that the policy operates as intended. Therefore, most changes consist of efforts to improve transparency and to align with (market) practice.

The following changes were made to the SB Remuneration Policy:

- Added more focus in wording on sustainable long-term value creation.
- Changed the benchmark analyses frequency in paragraph 3.e from every two years to at least every two years to be in line with the NN Group practices and for transparency purposes.
- Further to the concerns expressed, the increased tasks and responsibilities and the annual benchmark analyses performed the fixed fees levels have been increased with the following amounts.

SB Chair:	+ EUR 9,000
Vice Chair:	+ EUR 6,500
Members fees:	+ EUR 4,000

- Removed the reference to the application of VAT on the SB fees since this is no longer relevant.
- Made minor adjustments to the SB Remuneration Policy to provide further clarifications where necessary.

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