

Minutes annual general meeting NN Group N.V.

28 May 2020



Agenda

1.	Opening	4
2.	2019 Annual Report	5
3.A	Proposal to adopt the annual accounts for the financial year 2019	14
3.B	Explanation of the profit retention and distribution policy	17
4.A	Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2019	18
4.B	Proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2019	19
5.	Profile of the Supervisory Board	20
6.A	Proposal to reappoint Clara Streit as member of the Supervisory Board	21
6.B	Proposal to reappoint Robert Jenkins as member of the Supervisory Board	22
7.A	Proposal to give a positive advice on the 2019 Remuneration Report	23
7.B	Proposal to adopt the remuneration policy for the members of the Executive Board	23
7.C	Proposal to adopt the remuneration policy and remuneration for the members of the Supervisory Board	23
7.D	Proposal to amend the articles of association of the Company	26
8.A.(i)	Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares	27
8.A.(ii)	Proposal to designate the Executive Board as the competent body to resolve to limit or exclude pre-emptive rights of existing shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares pursuant to agenda item 8.A.(i)	28
8.B	Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares by way of a rights issue	29
9.	Proposal to authorise the Executive Board to acquire ordinary shares in the Company's share capital	30
10.	Proposal to reduce the issued share capital by cancellation of ordinary shares held by the Company	31
11.	Any other business and closing	32
Annex	Unofficial translation of joint explanation of agenda items 7.A, 7.B and 7.C	33

Agenda item 1

Opening

Mr David Cole, Chair of the Supervisory Board of NN Group N.V. (Company), acts as Chair of the meeting.

The **Chair** opens the meeting, welcomes all online guests to the annual general meeting of NN Group and explains the unusual setting of this meeting. Due to measures in place for COVID-19 and based on the Temporary Act COVID-19 Justice and Security (Tijdelijke Wet COVID-19 Justitie en Veiligheid), the annual general meeting takes place virtually – via a video connection.

The Chair introduces the members of the Management Board and Supervisory Board who are physically present: Mr Dick Harryvan, Vice-Chair of the Supervisory Board, Ms Hélène Vletter-van Dort, member of the Supervisory Board and Chair of the Supervisory Board's Remuneration Committee, Mr David Knibbe, CEO of NN Group, and Mr Delfin Rueda, CFO of NN Group.

Ms Janet Stuijt, Company Secretary and member of the Management Board as General Counsel, participates in this meeting via video connection. The other members of the Supervisory Board and Management Board are following the meeting via the webcast.

In addition, the Chair introduces two other guests, namely: Mr Peti de Wit, representing the Company's external auditor KPMG, who is participating in the meeting via video connection, and civil-law notary Ms Manon Cremers of Stibbe, who is also joining the meeting online.

The Chair states that the meeting will be conducted in English, but some of the members of the Management Board and Supervisory Board will be speaking Dutch. The webcast, however, is available in both English and Dutch, so participants can listen to the meeting entirely in their preferred language. The presentation which will be projected is in English, in consideration of international stakeholders.

The Chair confirms that the shareholders have been convened in accordance with applicable legislation and NN Group's articles of association. The General Meeting is thus able to validly adopt resolutions. No shareholders have submitted proposals to be included on the agenda.

At the Record Date, 30 April 2020, the issued share capital consisted of 343,556,121 ordinary shares. 31,802,814 ordinary shares were held by NN Group N.V., so no votes can be cast on these shares. A total of 311,753,307 votes are eligible for casting.

The represented share capital amounts to 74.99%, which means 233,772,731 votes will be cast during the meeting by Ms Cremers, civil-law notary in Amsterdam, by means of proxy via the electronic voting platform.

An audio recording will be made of the entire meeting, as it is necessary for the purpose of drawing up the minutes.

The Chair provides a general outline on the procedure and order of the meeting. The Chair explains that shareholders have been given the opportunity to submit questions on agenda items in advance of the meeting. The questions received will be answered during this meeting and the answers will be available on the Company's website via the webcast which will continue to be available for replay. The answers will also be included in the minutes of the meeting. Only those shareholders who have asked questions on agenda items in advance of the meeting may ask follow-up questions during the meeting. Questions must relate to the respective agenda item.

Some voting items will be briefly summarised, referring to the detailed explanation of these items included in the convocation notice. The proposals that will be put to a vote regard the full proposals as included in the convocation notice. The Chair closes agenda item 1 and moves to agenda item 2.

Agenda item 2

2019 Annual Report

The **Chair** addresses the Annual Report for the financial year 2019 and refers to the 2019 Annual Review (part 1 of the 2019 Annual Report) and the 2019 Financial Report (part 2 of the 2019 Annual Report), pages 1 through 31 and page 39. The Chair then gives the floor to David Knibbe to comment on the Annual Report.

Mr **Knibbe** welcomes the participants to this virtual annual general meeting of NN Group, also on behalf of his colleagues on the Management Board.

Mr Knibbe starts his presentation by describing the significant changes in the world since the beginning of this year and the impact the coronavirus has on everyone. Mr Knibbe expresses his wish to be able to meet and speak in person again soon.

Mr Knibbe proceeds by describing the current state of affairs and states that this is a time to cherish a traditional value in insurance; solidarity. An opportunity for NN and the sector to show support to people, businesses and communities in the moments that really matter.

NN puts the well-being of its employees, customers, and the wider communities in which NN operates first, and focuses on how to best support them.

NN has taken steps to ensure an uninterrupted service to its customers and partners. With many tailor-made solutions. Such as extending payment terms, temporary extensions, inspections and preventive measures, and payment breaks, during which customers temporarily do not pay interest or make repayments on their mortgage.

NN supports its own people with tools and platforms, so they can work from home. Only a very small number of NN employees work at the NN premises. And NN supports partners in society. For example, through donations for ventilators in Romania, respirators in Slovakia, to the foodbank in the Netherlands, education in Greece, Czech Republic and Spain, and to different partners in the arts.

Mr Knibbe mentions that the overall, global economic impact of the pandemic will be considerable. COVID-19 has an effect on NN too. Yet, overall NN is still doing fairly well. The most relevant impact for NN is expected to be of macro-economic nature with an effect on the asset portfolio.

The capital position of NN remains strong with a Solvency II position of 225% at the end of April. The impact on the business is mixed. For instance, the impact on claims experience has been limited. There are more claims at Disability, Health, Travel and Events, but lower claims at Motor. NN Group expects that sales will likely be hit by the worsening economic outlook.

Mr Knibbe continues to cover other factors influencing the financial sector at the moment. One of the characteristics of this era is that change happens at a fast pace. Whether they are economic or political developments, changing regulations, the increased use of digital technologies, or the transition towards a more sustainable economy.

Mr Knibbe mentions changing regulations – in some markets these present both challenges and opportunities, with some examples: In Poland, the pension legislation changed, requiring companies with over 250 employees to choose a pension provider. Here NN engaged in constructive dialogue to better understand existing needs and support companies through this transition.

In Romania, NN engaged with the insurance association and government on the capital requirements for the Pillar 2 pension system.

In Japan – where NN focuses on the SME market – the tax rules changed, requiring NN to quickly adapt its product offering.

Mr Knibbe continues by mentioning that NN sees technology evolving rapidly, with consumers demanding access to products and services anywhere, anytime. NN works hard to meet these customer needs by innovating and working with new technologies, and by using artificial intelligence and big data. This enables NN to act faster and deliver products and services that meet customer needs more adequately and precisely – thereby improving the customer experience.

In the Netherlands, NN uses artificial intelligence and advanced data analytics to classify, process and automatically route some 60% of all emails. Of course, with all the applicable ethics and moral codes in place. And the NN Data Science Hub delivers various commercial use cases. For example, NN is working on ‘next best offer’ models to identify which product best suits a customer. The engine suggests multiple propositions for cross-sell and retention propositions for each customer. It has been tested in Romania and Turkey, with Hungary and Spain to follow.

Mr Knibbe explains that next to new technologies and further digitalisation, NN continues to prepare the company for the future in other ways as well. For instance by optimising the businesses, or introducing new ways of working and by creating new capabilities, strategic partnerships and looking at opportunities for growth.

In the Netherlands, NN progressed with the integration of Delta Lloyd in 2019, as scheduled. Through the announced acquisition of VIVAT Non-life in June 2019 and the subsequent closing in April this year, NN

has further increased its scale in its home market. NN is now a leading player in both the Dutch non-life and life insurance market.

Internationally, NN acquired the Aegon life and pension businesses in the Czech Republic and Slovakia. NN has a strong distribution network with some 60 bancassurance relations in Japan, and 28 partner banks in 10 European countries.

In Spain for example, the reciprocal distribution partnership with ING Bank allows 2,000 tied agents to distribute mortgages for the bank. The boundaries of the insurance sector continue to expand to include non-traditional partners, such as retailers, car manufacturers and smart home devices, as insurers are redefining their role in the value chain.

In 2019, NN also further developed its innovation approach. NN is exploring the potential of customer engagement platforms around themes such as Vitality and Carefree Retirement.

All NN markets are using agile ways of working. In Hungary and Spain in particular, NN introduced 'scaled agile' as a disruptive operating model with some promising results already visible. In Hungary, NN automated the risk assessment process, shortening it, in some cases, from 13 days to a few minutes. In Spain, the employee benefits team, which processes group life insurance contracts, saw a 30% reduction in pending tasks compared to before the introduction of agile.

All the transformation, optimisation and acquisition processes are being carried out alongside existing services.

NN is very pleased that overall, both the customer satisfaction and the employee engagement scores increased. NN increased the Net Promoter Score by 5 points in 2019. And internally, the employee engagement increased from 7.1 in 2018, to 7.4 in 2019. NN is proud of this.

Mr Knibbe addresses the 2019 financial performance, which was solid, with all businesses reporting sound results. He mentions a few highlights.

The full-year operating result was EUR 1.8 billion, up more than 10% compared with 2018, with an increase of 25% in the fourth quarter (compared to 4Q 2018). The full-year net result of NN Group was close to EUR 2 billion. During the year, NN realised additional efficiency gains, bringing total cost savings to EUR 360 million at the end of 2019 compared with the 2016 expense base.

The profitability of the Dutch non-life business further improved, as was reflected in the combined ratio of 95.4% for 2019.

New sales at Netherlands Life and Insurance Europe were up in 2019, while sales in Japan were impacted by the already mentioned new tax rules for corporate-owned life insurance products. As a result, the total value of new business in 2019 was down 8% on 2018, partly offset by 21% growth in Europe.

The origination of new mortgages by NN Bank hit an all-time high (EUR 7.9 billion).

Mr Knibbe continues by describing the progress on the financial targets of the Company. NN has made good progress in meeting the Group's overall financial targets as set in 2017. NN is well on its way to achieving the planned EUR 400 million in cost savings by the end of this year. The operating result before tax has grown by an average of 6% per annum since 2017. And NN has generated around EUR 1.2 billion of free cash flow available for shareholders in 2019. Mr Knibbe explains the balance sheet of the Group, which is robust. NN is well-positioned to weather the turbulence in the financial markets. The Group's solvency ratio remains strong.

Last week, NN announced that the Dutch life company – NN Life – had completed three longevity reinsurance transactions, to transfer the full longevity risk associated with in total approximately EUR 13.5 billion of pension liabilities in the Netherlands. These transactions are expected to increase the NN Group Solvency II ratio by approximately 17 percentage points.

NN also gave an update of its capital position. The estimated Solvency II ratio was approximately 225% at the end of April, excluding the impact of the longevity transaction, and including the impact of the VIVAT transaction.

NN has a conservative asset portfolio with a relatively large exposure to high-quality government bonds and a relatively low exposure to corporate and low-rated bonds. The impact of the markets on the Solvency II ratio has therefore been relatively small.

The cash capital position at the holding stood at almost EUR 2 billion at the end of 2019.

And NN is comfortable with its leverage position and good interest cover.

Mr Knibbe proceeds and addresses the updated dividend policy. The Company has a track record of distributing excess capital to shareholders. NN has decided to provide clearer guidance on what shareholders can expect in terms of capital returns on an annual basis.

Therefore NN announced an update to the dividend policy with the fourth quarter 2019 results on 13 February 2020.

Going forward, NN will pay a progressive ordinary dividend per share. This means that NN aims to grow the dividend per share over time.

NN announced the intention to execute a recurring annual share buyback of at least EUR 250 million. Additional excess capital will be returned to shareholders unless it can be used for value-creating opportunities. A new share buyback programme of EUR 250 million started on 2 March 2020, which was to be completed within 12 months.

However, on 2 April 2020, the European and Dutch regulators – the European Insurance and Occupational Pensions Authority (EIOPA) and the Dutch Central Bank (DNB) – urged insurers to temporarily suspend their dividend distributions and share buyback programmes, in view of the coronavirus pandemic.

After careful consideration, and given the extraordinary situation, NN has decided to act in accordance with these recommendations, which the Company announced on 6 April 2020.

Therefore the proposal to pay a 2019 final dividend of EUR 1.40 per ordinary share is not included on the agenda of the annual general meeting.

NN also suspended the current share buyback programme, noting NN had already completed 73% of this at that time. NN considers this to be a postponement: it is the Group's intention to distribute the amount of the original proposed final dividend and to buy back shares for the remaining amount of the suspended buyback in the second half of this year.

Mr Knibbe explains that the decision on when to do this, and the form of the distribution, will be taken at the appropriate time and depends on how the coronavirus situation continues to develop.

Mr Knibbe continues and refers to the share price performance. Since the IPO, NN has returned a total of EUR 4.2 billion to shareholders. Comprising total dividends of EUR 2.6 billion and EUR 1.6 billion in share buybacks. The impact of the coronavirus pandemic on the stock markets from late February onwards is evident, and the share price of NN Group has not been immune to this. However, since the start of this year, the NN share price has outperformed the EURO STOXX Insurance Index.

The next subject Mr Knibbe illustrates are a number of non-financial highlights, and he starts by mentioning the 175th anniversary of the company, an important milestone. Since its start in 1845, NN and its predecessors have faced many challenges, but whatever happened, NN has always

been dedicated to supporting its customers and to meeting and exceeding their expectations. By doing so NN has become the strong international financial services company it is today.

NN aims to create long-term value for all its stakeholders, namely its customers, its shareholders, and also its employees and society at large.

In 2019, NN continued to invest in being a trusted corporate citizen, one that does business with the future in mind, and guided by its values: care, clear, commit.

This year NN further strengthened its Responsible Investment policy by adopting a Statement on Coal. By placing investment restrictions on thermal coal mining companies, and intensifying the dialogue with power generation companies, NN aims to help accelerate the transition to a low-carbon economy. The Statement also included a phase-out strategy for proprietary assets meaning that NN will reduce its investments in thermal coal mining and coal power to close to zero by 2030.

The asset manager of the Group, NN Investment Partners (NN IP), has strengthened its responsible investing approach by including a stringent definition of environmental, social and governance (ESG) integration. At year-end 2019, ESG criteria were consistently integrated for roughly two-thirds (68%) of NN IP's total Assets under Management. Seeking positive change through dialogue remains an important element of the Company's investment approach; therefore NNIP held 662 ESG dialogue sessions in 2019 to stimulate companies to adapt their business strategies to improve their ESG performance.

To provide more insight into the tax contribution as a company, NN published in May 2020 its second Total Tax Contribution Report. Mr Knibbe is proud to see all the efforts in this field resulted in the inclusion of NN Group in the Dow Jones Sustainability Indices for the third year in a row, and in NN Group receiving the highest score in the Dutch VBDO Tax Transparency Benchmark 2019.

NN also continues to support the communities in which NN operates. The overarching community investment programme, called NN Future Matters, aims to help improve people's financial well-being, with a particular focus on 10 to 25-year-olds and underserved groups.

In 2019, NN supported 25,000 young people with around 12,500 volunteering hours of employees, and a total of EUR 3.2 million in charitable donations.

Mr Knibbe describes the importance of diversity to the Company. NN believes all its colleagues should feel

respected and valued for who they are, regardless of gender, age, sexual orientation, or background. To give this even more attention, NN is updating its diversity policy and is developing new leadership programmes with this focus area as one of the components.

In the beginning of 2020, a group of colleagues in the Netherlands launched the NN LGBT+ network in order to further promote diversity and inclusion, and a sense of belonging at NN. After all, these different kinds of human aspects form an essential part of a company's culture, and this is something NN wants to cherish.

Mr Knibbe explains a number of changes in NN Group's Management Board, which will take effect as of 1 June. Mr Bernhard Kaufmann, coming from Munich Re, joins the Management Board as Chief Risk Officer (CRO). Mr Kaufmann brings extensive knowledge and experience in the international insurance sector, and Mr Knibbe looks forward to working with him.

After Mr Jan-Hendrik Erasmus left the company last December, Mr Rueda temporarily assumed the responsibilities of the CRO portfolio. Mr Knibbe thanks him for this efforts.

Furthermore, as part of the transformation process of the company and following the growth of the activities in the Netherlands after the recent acquisitions, NN decided to divide the responsibilities for the Dutch businesses into two portfolios.

This split will help NN to create focus in managing its existing businesses, continue to improve operational efficiency, and further strengthen its customer relationships.

Mr Tjeerd Bosklopper, already a member of the Management Board, assumes the role of CEO Netherlands Non-life, Banking & Technology.

Mr Leon van Riet, currently CEO Netherlands Non-life, will be appointed to the Management Board as CEO Netherlands Life & Pensions.

During its Capital Markets Day on 24 June, NN will update the market on the strategic and financial developments of NN Group and its business units.

Mr Knibbe summarises his presentation by stating that NN Group is a solid and resilient company. A company that customers and shareholders can count on, and which employees can be proud of. A company that is well positioned to continue to build the business of tomorrow.

Mr Knibbe expresses his gratitude to shareholders for the trust and for continued support of NN and states that 2020

will continue to be a challenging year. NN will remain steadfast in its commitment to realise its strategic priorities and will continue to create value for its shareholders and other stakeholder groups.

The Chair thanks Mr Knibbe for his presentation and addresses the statements and questions that were submitted by PGGM and APG and by the VEB with regard to this agenda item in advance of the meeting and gives them the opportunity to ask further questions or make remarks.

The Chair starts with a statement that PGGM and APG requested be read out.

'We appreciate NN Group's clear and informative Annual Report. NN Group has a solid financial position with a conservative balance sheet and a robust solvency ratio. However, it remains to be seen what the exact impact will be of the COVID-19 pandemic, even for NN Group. Its capital position is strong and therefore we assume that the transaction to reinsure part of its longevity risk was a considered decision, based on economic reasons. NN Group can be proud of its employees, who are committed to continuing their work, even from home, given the practical challenges that that can bring. We encourage NN Group to stay committed to its role in society and to continue to support customers through the COVID-19 period. As long-term investors, PGGM and APG support NN Group's decision to report half-year results instead of quarterly results going forward. We also appreciate that NN Group continues to pursue its strategy, both in financial and non-financial terms, focusing on long-term value creation for all stakeholders and that it will provide a strategic update at its Capital Markets Day in June.'

The Chair thanks PGGM and APG for their feedback and continues with questions from the VEB. The VEB had submitted ten questions that will be answered by Mr Knibbe or by Mr Rueda.

The Chair starts with the first question the VEB raised: 'What is NN's biggest challenge in the coming ten years as it aims to optimise its profitability? And in connection with this: how does NN distinguish itself from its competitors and will it be able to realise a higher level of profitability and growth than the market?'

The Chair gives the floor to Mr Knibbe.

Mr Knibbe thanks the VEB for their questions. He explains that NN, has a diverse portfolio of businesses, some in very mature markets like the Netherlands, and others in growth markets. In the Netherlands, NN already has a very unique position, with close to 7 million customers, which means that it reaches almost every household in that country. This

creates a lot of scale and efficiency benefits, but also some selected growth opportunities, for example in non-life and in banking. In addition, it has exclusive ties with three out of the four top banks. If you combine this with NN's strong position in mandated agents and in the broker community, it means that the Company has very strong distribution power in the Netherlands.

The acquisition of VIVAT, which should bring additional scale and benefits, will also further strengthen the Non-Life platform making it the leading player in the Netherlands.

The international business units focus on profitable growth, putting value over volume, primarily focusing on protection products in combination with strong customer service. Typically, protection business has attractive margins and a high value for customers. The international units also have strong distribution capabilities, with unique capabilities in the tied agents channel, strong broker networks and very strong bancassurance relationships across the region. In summary, the Dutch operation is strong, and the international units are self-supportive and can grow and generate cash. Furthermore, the asset manager continues to create attractive returns. So, individually, these businesses are attractive, and together they provide a diversification benefit in terms of financial metrics as well and also in other ways, whether it is talent, brand or IT synergies. So, the combination of strong individual businesses as well as synergies across these businesses make NN uniquely positioned.

Mr Knibbe returns the floor to the **Chair** who continues with another question from the VEB: 'What would it mean for NN if the interest rate remains low in the longer term and equities are also volatile?' The Chair asks Delfin Rueda to answer this question.

Mr **Rueda** states this is a question that is asked often. He explains that there is no doubt that the low interest rates have an adverse impact on the operating result, not immediately but over time. This is because low rates mean that the new investments yield is less and it is more difficult to manufacture attractive savings products for customers. Despite this, NN has managed very well over the last few years, as it decided to gradually move from savings products with guaranteed returns to protection products in the various markets. And, on the investment front, the company has gradually increased its exposure to mortgages, which offer attractive margins and match its long duration liabilities relatively well. This has compensated to a large extent the decrease in the return of other fixed income securities, like government bonds. In 2019, NN invested EUR 6 billion in mortgages. Going forward, to mitigate the pressure from lower interest rates, the company will continue with its approach to gradually shift to higher-yielding assets.

Changes in interest rates also have an immediate impact on the solvency of insurance companies. NN has also managed this well by maintaining a strict policy to cash flow match the pension and insurance liabilities and maintaining a low tolerance for interest rates and market risk.

The company publishes its sensitivities to changes in interest rates and other market factors periodically. For example, at year-end 2019, a parallel downward move of 50 basis points of the risk-free rate yield curve would have reduced the solvency ratio by just 6 percentage points. NN continues to actively manage the sensitivity of the Group solvency ratio to interest rate changes within a set tolerance of 10 percentage points.

Regarding the comment about volatile equity returns, Mr Rueda points out that NN is a long-term investor and that, apart from investing in fixed-income securities and loans, holding some investment exposure to equities and real estate is beneficial to stakeholders in the long term. From this perspective, short-term volatility in the equity markets is less relevant.

The **Chair** continues with another question from the VEB: 'How will the recently announced longevity transaction be beneficial for NN's long-term shareholders? Can you indicate how and when the released capital will be returned to shareholders?'

Mr **Rueda** remarks that it is true that the longevity reinsurance transaction has reduced NN's solvency capital requirement and, as a result, increased the level of surplus capital. Although this is indeed beneficial, that was not the most important reason to enter into this agreement. Dutch longevity is the single largest risk exposure for NN Life and has increased over the past years, especially as a result of the acquisition of Delta Lloyd three years ago. From a risk management perspective, the aim was to reduce exposure to such a large single risk, which, due to its relative size, diversifies poorly with other risk.

NN had been looking for some time at the cost and benefits of potentially transferring the longevity risk associated with part of the pension liabilities and found an economically attractive opportunity to do so. As part of this transaction, the full longevity risk associated with EUR 13.5 billion of pension liabilities in the Netherlands was transferred to three leading reinsurance companies, thereby reducing the company's exposure to longevity risk and lowering the amount of capital it needs to hold. As a result, the Group solvency ratio improved by approximately 17 percentage points, in other words from approximately 225% at the end of April to 242%, while the future operating result will decrease, reflecting the reinsurance premiums to be paid to the three reinsurance companies. The surplus capital released at NN Life will be used to increase its regular dividends to the parent company as

from this quarter, which will ultimately result in higher dividend and share buyback distributions by the Group to its shareholders. In addition, the increased solvency ratio will allow NN Life to improve its capital generation profile over time by shifting its investment portfolio to higher-yielding assets and by selectively pursuing further growth opportunities, for example in pension buy-outs.

The **Chair** continues with another question from the VEB: 'Did NN consider buying VIVAT's life business and is NN interested in potentially increasing the scale of its life business in the Netherlands through more acquisitions?'

Mr **Knibbe** replies that the simple answer is no. From the beginning, NN was only interested in the non-life company of VIVAT and that is why it partnered in order to do the acquisition. NN already has around 40% market share in the group pension business and over 20% in the individual life business, so it does not need additional scale. On the broader question, NN is open to other acquisitions in the Dutch market, for example, in the form of pension buy-outs. However, such acquisitions need to meet very strict criteria and thresholds. So, acquisitions are not ruled out but the base case is organic development of the life business in the Netherlands.

The **Chair** continues with another question from the VEB: 'Is NN considering exiting any markets or entering new markets for your Life, Non-life or Asset Management businesses?'

In response, Mr **Knibbe** says that if the question is whether NN is actively looking at portfolio management, then the answer is yes. NN constantly assesses its portfolio and the quality of its businesses in terms of the size of the market, the scale that the company has, the potential of the market and the regulatory situation, and whether NN is the right owner for these businesses. If the conclusion is that NN is not the right owner, then of course action will be taken. In some cases, there is actually an opportunity to do acquisitions instead of divesting, for example the acquisition of the AEGON businesses in the Czech Republic and Slovakia, which further strengthened NN's profile in those countries. Strict criteria are applied when looking at such acquisitions and the base case is always organic growth. However, should opportunities arise then these will of course be looked at.

The **Chair** continues with another question from the VEB: 'NN has managed to increase the profitability of the Non-life business, with the combined ratio improving from 99.4% to 95.4%. Does this mean that NN will more actively look to acquire portfolios from competitors?'

Mr **Knibbe** states that the VIVAT transaction was just completed in April, resulting in a market share of 32% in Disability & Accidents and 26% in Property & Casualty. The task ahead for the non-life business in the Netherlands

is to integrate the VIVAT business, to onboard VIVAT customers in the NN environment and to onboard the new colleagues from VIVAT. The integration is expected to realise EUR 40 million of expense synergies and EUR 50 million of additional free cash flow. So the focus is to successfully integrate the NN and VIVAT businesses.

The **Chair** continues with another question from the VEB: 'Netherlands Life represents almost half of the total operating result, almost as much as the other five segments taken together. Does NN consider this to be a healthy balance and what do you think the ideal split would be in five to ten years' time?'

Mr **Knibbe** answers that Netherlands Life and the pension business operate in a very mature and large market, while the markets in Europe and Japan clearly have more growth potential. It is therefore logical that over time there will be a shift in results from Netherlands Life to the other segments in Europe and Japan. This is also reflected in the current targets for Insurance Europe and Japan which reflect a higher growth rate than Netherlands Life. So, over time the business mix will shift and be more balanced and that is a positive development.

The **Chair** continues with another question from the VEB: 'The VEB would like to know the reason for the decrease in the customer satisfaction and loyalty score from 67% to 36% in 2019, as reported in the Annual Review. What is NN Group doing to measure and improve customer satisfaction compared with its competitors?'

Mr **Knibbe** explains that these numbers are not comparable, which could have been more clearly explained in the Annual Report. This metric reflects how NN's relationship NPS compares to the market and in which regions it performs better than the market. Overall, there is a positive development of the NPS, with the overall relationship NPS increasing by 5 points. The scores in the Czech Republic and Slovakia have not improved, which is understandable because the sample includes many AEGON customers who have just recently become part of NN and who are being asked if they would recommend NN. That explains why the number has come down.

Mr **Knibbe** mentions that brand consideration and other items are also measured. While NN is clearly making progress, it is a very important topic and the company aims to improve both its transaction and relationship NPS scores in 2020 and beyond.

The **Chair** continues with another question from the VEB: 'How is NN IP coping with the ongoing pressure on fees? Even if clients benefit from the decrease in average fees from 19 to 17 basis points, this is still quite expensive compared with low-cost ETFs. How does NN IP plan to

deliver an investment outperformance that allows it to charge higher fees to clients? And how can NN IP compete with the likes of Vanguard and BlackRock, that have the benefit of scale to be able to remain profitable in this low fee environment?’

Mr **Knibbe** answers that the environment for asset managers is indeed challenging. NN IP’s strategy to navigate through this challenging environment includes focusing on distinctive investment capabilities where it has proven experience, such as specialised fixed income, specialised equity, multi-asset and alternative credit.

Typically, these are strategies with higher margins. Second, ESG factors are embedded as an integral part in the investment processes. Already two thirds of assets under management have these elements incorporated and this is an important area where NN IP can distinguish itself.

Another distinguishing feature of NN IP is its approach to implementing man and machine, meaning that it is incorporating extra tools, behavioural analyses, and also artificial intelligence techniques in data analytics into the investment processes.

Finally, NN IP also has a strong track record in reducing its cost base, which has decreased by 13% since 2016. So, continuing to be very efficient is also part of the plan for NN IP.

All in all, a challenging environment, but NN IP has a good strategy to navigate through this. At the same time, NN IP makes a very attractive return on equity of above 20%, meaning that it remains a very attractive business.

The **Chair** continues with the last question from the VEB: ‘How is the current crisis impacting your objectives in the area of climate change?’

In response, Mr **Knibbe** states that the coronavirus crisis has not changed NN’s ambitions in this area. There are several important elements in this respect, the first one being gaining insights and reporting. NN currently analyses and reports on the carbon footprint of 80% of its proprietary assets and it performs scenario analyses to further understand the impact of climate change on its investment portfolio.

Another element is exclusions, for example investments in oil sands and controversial pipelines. In 2019, NN announced restrictions for thermal coal mining companies (for all assets), and a commitment for NN Group’s proprietary assets to phase out remaining mining and utility companies by 2030. The need to exclude such investments will continue to be actively monitored. A third element is active engagement with companies to try and

improve the situation. While exclusions can help, active engagement is required and effective in having an impact on climate change. NN has engaged in over 2,000 AGMs, and has had more than 600 ESG interactions with companies. This will continue.

The last important element is collaborating with partners. That is why NN joined the Commitment of the financial sector to the Klimaatakkoord (Dutch Climate Agreement) and committed to coming up with an action plan in 2021 which will help contribute to meeting the Paris Climate Agreement.

The **Chair** thanks Mr Knibbe for his answer and subsequently moves to the questions received from the Vereniging voor Beleggers voor Duurzame Ontwikkeling (VBDO). The VBDO asked four questions which are answered by Mr Knibbe.

First, the **VBDO** compliments NN Group on the execution of its climate-related risk analyses. It notes that the Annual Report mentions that NN wants to contribute to society’s resilience to climate change and describes this as an opportunity. In this respect, the VBDO asks how NN will support the least resilient customers, who have a non-life insurance policy or mortgage, when they are affected by the effect of climate change? Can NN Group provide more clarity about the company’s strategy to use the potential impacts of climate change as an opportunity and to make society more resilient?

Mr **Knibbe** replies that there is obviously a lot happening in the Property & Casualty space around climate change, such as adapting products and raising awareness. An important topic is prevention and NN is actively looking at measures that it can take itself or which help to support customers so that they can minimise either claims or the potential impact of climate change, whether it be a storm, fire or other event. An example is the active reach out to customers to give them practical tips, for instance to alert them of a forecast storm.

NN also supports mortgage customers, for example by helping them make their homes more sustainable through measures to optimise energy efficiency. This is in the interest of customers, but also in the interest of society at large. This is supported by tools such as Powerly, with which customers can make a scan, and then the tool will help them to see where they can make the biggest improvements in terms of energy efficiency. There are certainly opportunities for NN to actively engage and support customers, on themes around climate change and to play a positive role in society.

The **Chair** states that the VBDO mentions that they are very pleased with the extensive Responsible Investing report published by NN Investment Partners.

According to the VBDO, working conditions in the supply chains of companies are addressed by NN IP, for example in its engagement policy. NN IP focuses on two issues: living wages and child labour. The VBDO applauds these initiatives but emphasises that in addition to these two themes there are also other working conditions and human rights violations that can occur in the supply chains of companies. On this subject, the VBDO asks: 'Can NN Group or NN IP commit to including working conditions and human rights in the supply chains of companies in its ESG integration policies and set objectives for companies to make these improvements.'

Mr **Knibbe** says that the short answer is yes. This is part of NN IP's ESG policy and dialogues. NN IP has developed a materiality framework which identifies and interprets many ESG factors for different sectors, related to both risk and opportunities. The material issues in certain sectors are identified, which can then be used by NN IP's analysts and portfolio managers. A material ESG issue can be related to labour and human rights, for example in the consumer-related sectors and the oil and gas sector. The initial assessment is based on public information, however not every company fully discloses all the information on the full value chain that they operate in. That is why an active dialogue with companies is necessary, in order to ask questions and get the information that provides insight into the full supply chain of companies and include it in its investment analyses.

The **Chair** indicates that the VBDO mentions that in the Annual Report, a reference is made to equal pay for men and women, which is monitored by the Supervisory Board and the Executive Board of NN Group. According to the VBDO, women in the Netherlands earn on average 16% less than men. The VBDO asks: 'Can NN Group commit to evaluating and reporting the mean and corrected gender pay gap for three employee levels: the total work force, senior management and executives?'

Mr **Knibbe** replies that equal pay is considered in NN's decision-making process during the compensation review every year, both for salary increases, but also the allocation of variable remuneration compared to target. This was reported in 2019, based on an analysis performed in 2018. A lot of data was collected from all the countries and converted into uniform definitions in order to get a good insight. For example, it was seen that on average men have a longer tenure, leading to a relatively higher position on the salary scale. The good news is that the number of women in senior positions is on the rise, and the percentage of women at senior levels increased from 33% to 36%. NN will perform another analysis in 2020, although it is too early to commit to the level of disclosure. However, this is an important topic which will continue to be actively monitored and reported on going forward.

The **Chair** addresses the last question from the VBDO. The VBDO mentions that in its 2019 Annual Report, NN Group indicates that it is developing a group-wide diversity policy. Gender seems to be the only indicator that NN currently reports on. The VBDO asks: 'Can NN Group indicate to what extent it intends to include other diversity themes and underrepresented groups, like people with a distance to the labour market in its diversity policy and set objectives if possible?'

Mr **Knibbe** answers that the short answer is again yes. NN looks at a broader scope around diversity and inclusion. The broader themes are not new for the company as they already play an important part in the 'NN statement of Living our values', its human rights statement. NN fosters a culture that welcomes and respects everyone and creates room for full engagement and stimulates innovation, creating an environment where diversity can really prosper. Reporting is not always that easy, because sometimes for privacy or other requirements it is not possible to measure indicators, such as for religion or sexual orientation. That is why NN is now redefining its overall strategic framework and updating its human resource statements. At the end of the day, NN is an international company and wants to include all these different perspectives. The updated diversity and inclusion statement is expected to be finalised in early 2021, and gender will not be the only theme addressed.

With regard to people who have a distance to the labour market, NN is already working on new arrangements on this and will continue to do so going forward.

The **Chair** notes that the questions submitted by shareholders with regard to this agenda item in advance of the meeting have been answered and asks the moderator if any follow-up questions or remarks have been submitted.

The **moderator** indicates that Mr Errol Keyner from VEB submitted an additional question.

Mr **Keyner** refers to the first question raised by VEB concerning the biggest challenge for NN, to generate high returns in the next ten years. He indicates that Mr Knibbe's answer addressed the opportunities for NN, scale in the Netherlands and synergies overall. He asks again what the biggest challenge or risk for NN is in the next decades.

Mr **Knibbe** thanks Mr Keyner for the follow-up question. The biggest risk for the coming ten years is a risk that has always existed. Societies change rapidly, customer behaviour changes rapidly and NN needs to continue to adapt its business, its offering and the way it interacts with customers. The biggest risk is that the company is too slow to adapt, whether it is to the rise of platforms, or the different ways that customers would like to engage, and

that it continues to operate in the same way and does not quickly adapt and transform the business as society and customer behaviour changes. This is already part of NN's strategy; but the pace of change is increasing more rapidly. So, adapting the business model to the different needs of customers was a challenge in 1845 when the company started; and it will certainly also be a challenge for the coming ten years.

The **Chair** asks the moderator if there are any additional questions or remarks.

The **moderator** indicates that **Mr Mart van Kuijk** (VBDO) thanks NN for the thorough response to all questions from the VBDO and that the VBDO does not have any follow-up questions.

The **Chair** thanks Mr Van Kuijk for his remark, closes agenda item 2 and moves to agenda item 3.

Agenda item 3.A

Proposal to adopt the annual accounts for the financial year 2019

The **Chair** raises the proposal to adopt the annual accounts for the financial year 2019, and refers to the annual accounts, included in the 2019 Financial Report on pages 40 through 178 and to the presentation by David Knibbe under agenda item 2.

The Chair notes that the annual accounts were drawn up by the Executive Board on 11 March 2020 and that the accounts have been available on the NN Group website since 12 March 2020. The annual accounts have been made available, free of charge, at NN Group's head office for inspection by shareholders.

The annual accounts were audited by the external auditor, which issued an unqualified opinion on them. This opinion is included in the Financial Report on pages 179 through 193. The Supervisory Board advises that the General Meeting adopts the annual accounts.

The Chair gives the floor to Peti de Wit of the external auditor KPMG, stating that the Company has released KPMG from its obligation to maintain confidentiality in order for Mr De Wit to be free to comment on the audit performed and on the auditor's report for the purpose of this meeting. The Chair also states that the external auditor has an obligation to rectify. This means that in case of statements in relation to the annual accounts or the auditor's report that might give a materially inaccurate view of the affairs of the company, Mr De Wit may request that corrections be made, either during this meeting or prior to the adoption of the minutes of this meeting.

Mr De Wit (KPMG): states that he welcomes the opportunity to explain KPMG's role as the external auditor. He has been NN Group's external auditor on behalf of KPMG since 2016 and signed the 2019 Independent Auditor's Report. It is the fourth year in which KPMG carried out the audit and Mr De Wit confirms that KPMG has been released from its obligation to maintain confidentiality and that he is therefore free to comment on the audit performed and on the Independent Auditor's Report.

Mr De Wit starts by noting that KPMG audited the 2019 parent company and consolidated annual accounts of NN Group. KPMG issued an unqualified auditor's opinion on these accounts. KPMG also performed reviews on the quarterly interim accounts of NN Group, which resulted in unqualified review reports on these interim accounts.

In line with prior years, KPMG also reviewed the non-financial information, as included in the 2019 Annual Review. KPMG issued an Assurance Report concluding that nothing had come to its attention to indicate that the information relating to material non-financial topics had not been prepared in all material respects in accordance with the reporting criteria applied by NN. This Assurance

Report can be found on pages 65 through 67 of the Annual Review.

Mr De Wit continues by summarising important elements of the Independent Auditor's Report, which can be found on pages 179 through 193 of the Financial Report.

Mr De Wit explains that, based on the audit performed by KPMG, they concluded that the annual accounts give a true and fair view of the financial position of NN Group as at 31 December 2019 and of its result and cash flows for the year then ended. Management prepared the annual accounts on the basis of the going concern assumption and in its audit KPMG found this assumption to be adequately supported.

Mr De Wit emphasises the importance of being independent. As from 1 October 2015 onwards, KPMG has been independent of NN Group. In 2019, KPMG confirmed its auditor's independence to the Audit Committee of the Supervisory Board on a quarterly basis.

Mr De Wit continues by saying that materiality is an important subject during the audit and that it is based on the Core Equity, being total equity minus the revaluation reserves. For the 2019 audit, KPMG did not see a reason to change this approach. The annual accounts were audited using a materiality of EUR 140 million or 1% of the core equity benchmark. This is consistent with the 2018 audit.

KPMG audits some parts of the annual accounts with a higher level of precision as a response to the nature of certain disclosures. This so-called 'qualitative materiality' is for example applicable to the audit of the management remuneration disclosures.

All identified and unadjusted audit misstatements in excess of EUR 7 million have been reported in writing to the Audit Committee of the Supervisory Board. These misstatements are both individually and in aggregate not material to the annual accounts. The number of misstatements is low, taking into account the size and complexity of the NN Group annual accounts, containing both IFRS and Solvency II financial information.

Another relevant subject is the scope of the audit. In order to take full responsibility for the audit of the annual accounts, KPMG instructed local auditors to perform audit procedures on its behalf. KPMG determined which entity and with what level of materiality these local audits needed to be performed. All audits were performed by KPMG audit teams. KPMG reviewed the outcomes of local audits and discussed them with the local audit teams and with NN Group. In addition, KPMG performed site visits to meet the local audit teams, visit local operations and meet with local management, and they also reviewed the local

audit files to ensure that the audit performed met KPMG's audit quality standards and complied with the group audit instructions. This year, KPMG visited Japan, Poland, Hungary, the Czech Republic and Slovakia.

KPMG also interacted frequently with the Dutch component audit teams, including NN Life, NN Non-life, NN Investment Partners, NN Bank, and NN Reinsurance. The work resulted in appropriate coverage of the audit work for NN Group as a whole.

Mr De Wit describes the procedures related to fraud risk. In the design and execution of the external audit, KPMG considered the risk of fraud. KPMG evaluated management's response to fraud risk and the functioning of the three lines of defence in that regard. KPMG also evaluated the presumed fraud risk of management override of controls by performing substantive audit procedures, such as journal entry testing. KPMG noted that group operational risk management performed more explicit oversight over the fraud risk assessments performed by the business units and KPMG encourages management to continue to perform such assessments with sufficient scepticism and rigour. The audit work did not result in the identification of a key audit matter in this regard.

Mr De Wit continues by discussing compliance with laws and regulations. In the audit, KPMG identified areas of laws and regulations that could reasonably be expected to have a material effect on the annual accounts, based on its general understanding and sector experience and through discussions with group compliance, the Management Board and the Audit Committee of the Supervisory Board. KPMG made the distinction between laws and regulations with a direct impact on the annual accounts – such as corporate income tax regulation, or Solvency II regulation – and laws and regulations with an indirect effect, such as financial and economic crime regulation or data privacy regulation, often called GDPR. Mr De Wit mentions that KPMG's work did not result in the identification of a key audit matter.

Lastly Mr De Wit addresses significant risks and key audit matters. Based on its professional judgement, KPMG identified significant risks. Significant risks have a higher probability of a material misstatement and are often linked to significant non-routine transactions or to matters that require significant management judgement. For each significant risk, KPMG obtained an understanding of the design, existence and effectiveness of the internal controls that NN Group put in place to mitigate such risks. In addition, KPMG performed specific substantive audit procedures to obtain sufficient and appropriate audit evidence that these risks did not result in material misstatements in the 2019 annual accounts. Based on its audit of significant risks, KPMG identified four key audit

matters. These have been included in KPMG's auditor's opinion and they relate to: 1) the valuation of the insurance contract liabilities and the reserve adequacy test, 2) the unit-linked exposure, 3) the Solvency II disclosure and 4) the IT general and cybersecurity controls.

Compared to 2018, KPMG removed two key audit matters. First, the integration of Delta Lloyd key audit matter was removed, in line with management's progress on the integration and the results of the audit work in response to that integration risk. The integration of Delta Lloyd is not yet fully completed but the risk of material misstatement decreased significantly compared to 2018. KPMG also removed the key audit matter on the valuation of goodwill related to Delta Lloyd. Last year, this particularly related to the goodwill impairment of NN Life that was recognised in 2018 and therefore, this had less significance to the 2019 audit.

KPMG's 2019 audit opinion contains one new key audit matter, for IT general and cybersecurity controls. Mr De Wit explains that NN Group is highly dependent on its IT infrastructure for the continuity of the operations. IT general and cybersecurity controls are an important corner stone of NN Group's internal control framework. The effectiveness thereof is fundamental to the group's financial reporting. Taking into account the increased frequency and severity of cyber incidents that are taking place in the environment in which NN Group operates and taking into account societal attention for cybersecurity, KPMG considers this a key audit matter. KPMG tested IT general controls related to logical access, change management and computer operations, and key application controls that are embedded in the IT systems that are relevant to the group's financial reporting. The testing considered, amongst others, data migrations, the implication of the progress of the decommissioning of the ex-Delta Lloyd environment, and vendor management related to the outsourced IT processes.

Related to cybersecurity risks, KPMG gained an understanding of the design and effectiveness of preventive and detective cybersecurity controls and responses. KPMG also obtained an understanding of the self-assessments performed by the business units and performed procedures to test the resilience of the cybersecurity controls in place. KPMG involved its IT auditors specialised in cyber risk in the performance of these audit procedures. Based on the test work performed, KPMG obtained sufficient and appropriate audit evidence to support the IT-driven audit approach of the NN accounts. For an explanation of the other key audit matters, Mr De Wit refers to the text in the Independent Auditor's Report.

Mr De Wit ends his presentation by addressing COVID-19 and the 2019 annual accounts. He refers to note 50

(Capital and liquidity management) on pages 158 to 166 of the Financial Report. Mr De Wit explains that this note contains references to the proposed 2019 final dividend of EUR 448 million. At the date of signing the audit opinion this amount was considered foreseeable dividend and was therefore deducted from Own Funds under Solvency II, as presented on page 161. The footnote to this table explains that the reported Solvency II ratio of 218% is not final until regulatory filings have been completed. In the 2019 filing with the regulator, NN Group will report an adjusted Solvency II ratio of 224% to reflect that the 2019 final dividend that was originally proposed to the shareholder meeting is no longer considered foreseeable as defined under the Solvency II framework.

KPMG has performed audit procedures on management's adjusted calculations of the Solvency II ratio, and has evaluated management's conclusion that this would not require amendment of the 2019 annual accounts. KPMG concurs with management's conclusion.

In summary, Mr De Wit states that KPMG's audit work provided sufficient and appropriate audit evidence to support KPMG's conclusion that the 2019 annual accounts provide a true and fair view on the basis of which shareholders can form their own conclusions.

Mr De Wit returns the floor to the Chair.

The **Chair** thanks Mr De Wit for his presentation and addresses the matters that were submitted by the VEB and by PGGM and APG with regard to this agenda item in advance of the meeting and gives them the opportunity to ask further questions or make remarks.

Firstly, NN understands the importance for investors of having insight into the impact of the coronavirus pandemic on a company's operational and financial performance. This is a topic also raised by the **VEB**, which calls for transparent disclosures in the half-year reporting, with a renewed assessment of the company's going-concern status and having this information reviewed by the auditor. In August, NN Group will report its first half-year 2020 results and will also publish interim accounts in accordance with IFRS and the half-year management report. The external auditor has been instructed to review the interim accounts and the related review opinion will also be disclosed.

Secondly, the Chair reads out a statement from **PGGM** and **APG**: 'We were pleased to see that the report of the Supervisory Board of NN Group provides information on the auditor's management letter. In this respect NN Group sets an example for other listed companies to follow. It is a sign of confidence that the company is transparent about the auditor's findings.'

The Chair thanks the VEB, PGGM and APG for their feedback.

The Chair establishes that no further questions with regard to this agenda item have been submitted, puts the proposal to adopt the annual accounts for the financial year 2019 to a vote and establishes that the proposal is adopted.

The Chair closes agenda item 3.A and moves to agenda item 3.B.

Agenda item 3.B

Explanation of the profit retention and distribution policy

The **Chair** addresses the profit retention and distribution policy and refers to the dividend policy as published on the NN Group website.

The Chair says that NN Group's former dividend policy that applied in 2019 was based on the aim to pay an ordinary dividend in line with its medium-term financial performance and envisaged a payout ratio of between 40 and 50% of the net operating result. Earlier this year, on 13 February 2020, NN Group announced an update to its dividend policy with the aim of giving clearer guidance on what shareholders can expect in terms of capital returns on an annual basis. NN Group has a track record of distributing excess capital to shareholders and its approach to this has not changed.

Going forward, NN Group intends to pay a progressive ordinary dividend per share. Under normal circumstances, NN Group intends to declare an interim dividend, which will be calculated at approximately 40% of the prior year's full-year dividend, with the disclosure of its first half-year results and to propose a final dividend at the annual general meeting of shareholders.

NN Group intends to pay dividends either in cash, after deduction of withholding tax if applicable, or in ordinary shares from the share premium reserve at the election of the shareholder and intends to neutralise the dilutive effect of the stock dividend through repurchase of ordinary shares.

NN Group also intends to execute a recurring annual share buyback of at least EUR 250 million. Additional excess capital is to be returned to shareholders unless it can be used for value creating opportunities.

When proposing a dividend or announcing a buyback, NN Group will take into account, among other things, its capital position, leverage and liquidity position, regulatory requirements and strategic considerations as well as the expected developments thereof.

On 13 February 2020, NN Group announced its intention to propose a final dividend of EUR 1.40 per ordinary share, or approximately EUR 448 million based on the number of outstanding shares (net of treasury shares) on that date. Subsequently, on 6 April 2020, NN Group announced that it will act in accordance with the recommendations of EIOPA and the Dutch Central Bank (DNB) published on 2 April 2020, which urged insurers to temporarily suspend their dividend distributions and share buyback programmes as a consequence of the COVID-19 pandemic. Although NN Group is well capitalised and has a strong liquidity position, it has postponed the payment of dividends on its ordinary shares in line with the EIOPA and DNB recommendations. The proposal to pay a 2019 final dividend has therefore not been included on the agenda of

today's meeting. It is the intention that this distribution to shareholders is made in the second half of 2020, if and at such time that, in the opinion of the Executive Board and Supervisory Board, this is appropriate in light of COVID-19 developments.

In addition, the EUR 250 million share buyback programme, which commenced on 2 March 2020, has been temporarily suspended. Up to and including 3 April 2020, shares for a total amount of EUR 183 million had been repurchased under this programme, representing 73% of the total share buyback amount.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting.

The Chair closes agenda item 3.B and moves to agenda item 4.A.

Agenda item 4.A

Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2019

The **Chair** raises the proposal to release the current and former members of the Executive Board, including Mr Lard Friese, who stepped down as member and chair of the Executive Board on 12 August 2019, from liability for their respective duties in the financial year 2019, as included on page 4 of the convocation notice.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair closes agenda item 4.A and moves to agenda item 4.B.

Agenda item 4.B

Proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2019

The **Chair** raises the proposal to release the current and former members of the Supervisory Board, including Mr Jan Holsboer, who stepped down as member and chair of the Supervisory Board on 29 May 2019, and Mr Robert Ruijter and Ms Clara Streit, whose terms of appointment ended on 12 April 2020, from liability for their respective duties in the financial year 2019, as included on page 4 of the convocation notice.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair closes agenda item 4.B and moves to agenda item 5.

Agenda item 5

Profile of the Supervisory Board

The **Chair** addresses the intended profile of the Supervisory Board as made available on NN Group's website.

The Chair says that the Supervisory Board intends to amend its profile and that it has discussed the intended profile and amendments with NN Group's Central Works Council. Prior to adoption of the amended profile the intended amendments will be explained to the General Meeting.

The Chair explains that the Supervisory Board proposes to replace the out-of-date term 'e-business' with 'transformation' in the profile and to include a more concise description of the areas of competence related to Human Resources. In addition, it is proposed to delete clause 2.7 of the profile, because the governance on the Supervisory Board's remuneration policy and remuneration is already comprehensively laid down in the Supervisory Board Charter. Lastly, the beginning of clause 3.10 of the profile will be amended, in order to stress that the experience requirements can collectively be met.

The Chair addresses the statements that were submitted by PGGM and APG and by the VEB in advance of the meeting and gives them the opportunity to ask further questions or make remarks.

The Chair reads out a statement of **PGGM** and **APG**: 'NN Group is an international company, which is reflected in its diversity of nationalities and culture. We recommend that this diversity is promoted at Board level, senior management level and throughout the organisation. The inclusive and innovative culture of NN Group should also reflect gender diversity. There is sufficient female talent within the organisation. We therefore expect that future Board vacancies are filled by women candidates, so that in the coming years NN Group will be able to meet the target of 30% women in the Supervisory Board and in the Management Board.'

Subsequently the Chair addresses the topic raised by the **VEB**: The current COVID-19 crisis is placing considerable demands on Executive and Supervisory Board members. In this light, the VEB has made the suggestion that Executive Board members should reduce the number of outside positions that they hold to one and that Supervisory Board members assess which of their outside positions can be given up over time.

The Chair confirms that NN Group's Executive and Supervisory Board members comply with all provisions that limit the number of positions that they may hold under the applicable laws and regulations. In addition, all Board members ensure that any outside positions do not create any impediment to the due performance of their duties as NN Group board members.

The Chair establishes that no further questions or remarks have been submitted with regard to this agenda item, closes agenda item 5 and moves to agenda item 6.A.

Agenda item 6.A

Proposal to reappoint Clara Streit as member of the Supervisory Board

The **Chair** raises the proposal to reappoint Clara Streit as member of the Supervisory Board.

The Chair says that in accordance with the rotation schedule of the Supervisory Board, the term of appointment of Ms Streit ended on 12 April 2020, resulting in a vacancy that needs to be filled. Ms Streit has indicated that she is available for reappointment.

The Supervisory Board has nominated Ms Streit for reappointment as member of the Supervisory Board for a term of four years. If the proposal is adopted, the reappointment shall become effective as from the close of this meeting and ends at the close of the annual general meeting in 2024.

A short biography of Ms Streit is included in the convocation notice as well as in the presentation.

Ms Streit has been nominated for reappointment because of her long-standing experience as a consultant, her knowledge about regulatory developments, and her experience as non-executive director, mainly in the financial sector, as well as the professional manner in which she fulfilled her membership of the Supervisory Board.

For more information the Chair refers to pages 4 and 5 of the convocation notice.

The Chair says that the nomination of Ms Streit was subject to the condition that the General Meeting did not recommend any other person for nomination. The Chair states that no such recommendations were received in advance of this meeting and raises the proposal to reappoint Ms Streit as member of the Supervisory Board.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to reappoint Ms Streit as a member of the Supervisory Board to a vote and subsequently establishes that the proposal is adopted.

The Chair congratulates Ms Streit on her reappointment, closes agenda item 6.A and moves to agenda item 6.B.

Agenda item 6.B

Proposal to reappoint Robert Jenkins as member of the Supervisory Board

The **Chair** raises the proposal to reappoint Mr Robert Jenkins as member of the Supervisory Board.

The Chair says that in accordance with the rotation schedule of the Supervisory Board, the term of appointment of Mr Jenkins will end at the close of this meeting, resulting in a vacancy that needs to be filled. Mr Jenkins has indicated that he is available for reappointment.

The Supervisory Board has nominated Mr Jenkins for reappointment as member of the Supervisory Board for a term of four years. If the proposal is adopted, the reappointment shall become effective as from the close of this meeting and ends at the close of the annual general meeting in 2024.

A short biography of Mr Jenkins is included in the convocation notice as well as in the presentation.

Mr Jenkins has been nominated for reappointment because of his extensive knowledge in the field of asset management and financial policy making, and his broad experience as board member in executive and non-executive positions in the financial services sector, as well as the professional manner in which he fulfils his membership of the Supervisory Board.

For more information the Chair refers to page 5 of the convocation notice.

The Chair says that the nomination of Mr Jenkins was subject to the condition that the General Meeting did not recommend any other person for nomination. The Chair states that no such recommendations were received in advance of this meeting and raises the proposal to reappoint Mr Jenkins as member of the Supervisory Board.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to reappoint Mr Jenkins as a member of the Supervisory Board to a vote and subsequently establishes that the proposal is adopted.

The Chair congratulates Mr Jenkins on his reappointment and closes agenda item 6.B.

The Chair notes that the term of appointment of Mr Dick Harryvan as member of the Supervisory Board will end at the close of this meeting and that the term of appointment of Mr Robert Ruijter ended on 12 April 2020.

The Chair takes the opportunity to thank Mr Harryvan and Mr Ruijter for their contributions to the company.

Mr Harryvan has been a member of the Supervisory Board since February 2016. Prior to that, he held several roles with ING for 37 years. At NN, he has been vice-chair of the Supervisory Board and member of the Audit Committee, the Remuneration Committee and the Nomination and Governance Committee. H el ene Vletter-van Dort will take over the role of vice-chair of the Supervisory Board as of the closing of this meeting.

As former chair of the Supervisory Board of Delta Lloyd, Mr Ruijter played an essential role in the integration of Delta Lloyd into NN. He was appointed member of the Supervisory Board in June 2017. He was a member of both the Audit Committee and Remuneration Committee.

Both Mr Ruijter and Mr Harryvan have been of significant importance to NN Group and on behalf of the colleagues in the Supervisory Board and Management Board of NN Group, the Chair thanks them for their valuable contribution.

The Chair moves to agenda item 7.

Agenda item 7.A

Proposal to give a positive advice on the 2019 Remuneration Report

Agenda item 7.B

Proposal to adopt the remuneration policy for the members of the Executive Board

Agenda item 7.C

Proposal to adopt the remuneration policy and remuneration for the members of the Supervisory Board

The **Chair** addresses the proposal to give a positive advice on the 2019 Remuneration Report, the Proposal to adopt the remuneration policy for the members of the Executive Board, and the proposal to adopt the remuneration policy and remuneration for the members of the Supervisory Board. The chair refers to the Remuneration Report included in the 2019 Financial Report on pages 32 through 37, as well as the proposed remuneration policy for the members of the Executive Board, and the proposed remuneration policy for the members of the Supervisory Board.

The Chair gives the floor to Ms H el ene Vletter-van Dort, chair of the Remuneration Committee, who provides a joint explanation of remuneration agenda items 7.A, 7.B and 7.C due to the consistency of these items. Because of the nature of the subject, and because there are several Dutch stakeholders with a particular interest in the subject, these agenda items are explained in Dutch.

An unofficial English translation of the Dutch text below is included as an **annex** to this document. In the event of differences between the two, the Dutch text will prevail.

Mevrouw **Vletter-van Dort** blikt terug op het jaar 2019 waarin de Raad van Commissarissen veel aandacht heeft besteed aan het beloningsbeleid en de uitvoering daarvan. Ze geeft aan dat op 1 december 2019 nieuwe wettelijke eisen zijn gesteld voor het beloningsbeleid voor de leden van de Raad van Bestuur en de Raad van Commissarissen.

Het beloningsbeleid voor de leden van de Raad van Bestuur was voor het laatst aangepast per 1 januari 2015 en de beloning voor de leden van de Raad van Commissarissen dateerde van januari 2017. Het beloningsbeleid van beursgenoteerde ondernemingen is de afgelopen jaren een veel besproken onderwerp. Het was daarom om meerdere redenen goed om het beloningsbeleid te reviewen.

Sinds de Financi le crisis zijn er maatregelen getroffen om het vertrouwen in de sector te herstellen, en is er aanvullende regelgeving ingevoerd om het systeem stabiel te maken. NN steunt, en volgt vanzelfsprekend, de geldende regelgeving. De Raad van Commissarissen heeft begrip voor het feit dat beloningsbeleid – en in het bijzonder voor bestuurders in de Financi le sector – vragen en emoties oproept in de samenleving. Dit is ook in

ogenschouw genomen bij het ontwerp van het nieuwe beloningsbeleid.

Mevrouw Vletter-van Dort geeft aan dat de Raad van Commissarissen in het kader van het nieuw voor te stellen beloningsbeleid voor de Raad van Bestuur en de Raad van Commissarissen feedback is gevraagd aan een breed pallet aan belanghebbenden, waaronder aandeelhouders, instanties die aandeelhouders vertegenwoordigen, ‘proxy advisors’, werknemersvertegenwoordigers, regelgevers en toezichthouders, politici, klanten en het bredere publiek. Ook is diverse malen met de Centrale Ondernemingsraad gesproken, die een positief advies heeft uitgebracht op het voorgestelde beleid voor zowel de Raad van Bestuur als de Raad van Commissarissen.

Vervolgens geeft mevrouw Vletter-van Dort aan dat het er in het proces van de totstandkoming van een fair beloningsbeleid om gaat dat er een juiste balans gevonden wordt, waarbij de belangen van alle partijen worden meegewogen, het internationale karakter van het bedrijf in ogenschouw wordt genomen, en er oog is voor de positie van NN in de samenleving. Belangrijke uitgangspunten die zijn gehanteerd bij de vormgeving van het voorgestelde beloningsbeleid waren eenvoud en transparantie. Het beloningsbeleid moet de organisatie in staat stellen om gekwalificeerde bestuurders aan te trekken en te behouden. Verder moet het beleid de lange termijn doelstellingen van NN ondersteunen, te weten: het centraal stellen van het belang van de klant, een solide bedrijfsvoering en het beheersen van risico’s met oog voor de maatschappelijke rol van NN Group.

Mevrouw Vletter-van Dort vertelt dat de gesprekken met alle belanghebbenden tot een aantal verfijningen in het voorgestelde beleid hebben geleid. Zo is het referentiepunt van de leden van de Raad van Bestuur ten opzichte van het beloningsniveau in de markt aangepast van ‘vlak onder de mediaan’ naar ‘onder de mediaan’. Hiermee wordt voorkomen dat de Raad van Commissarissen zich genoodzaakt ziet om de beloning van de Raad van Bestuur ‘automatisch’ te moeten verhogen als opwaartse ontwikkelingen in de referentiegroep daar aanleiding toe geven. De Raad van Commissarissen is met deze aanpassing in staat om een bredere belangenafweging te maken. Ten aanzien van de referentiegroep is in het voorgestelde beleid gekozen voor een eenduidiger en eenvoudiger aanpak. Voorheen werd gewerkt met twee verschillende referentiegroepen, te weten een Nederlandse

referentiegroep met bedrijven uit verschillende industrieën, en een Europese referentiegroep met bedrijven uit de financiële industrie, waarbij Zwitserse bedrijven werden uitgesloten. In het voorgestelde beleid wordt gewerkt met één Europese referentiegroep met bedrijven uit verschillende industrieën. De Raad van Commissarissen heeft er hierbij op gelet dat aanpassing geen oprijvend effect heeft. De bedrijven die zijn opgenomen in de referentiegroep zijn geselecteerd op basis van vergelijkbaarheid met NN Group in termen van aantallen medewerkers, omzet, marktkapitalisatie en totale assets. Verder wordt gekeken naar het bereik van de geselecteerde bedrijven en de internationale aanwezigheid. Binnen de geselecteerde referentiegroep is de positie van NN op eerder genoemde punten onder de mediaan. Het voorgestelde beleid voorziet in een transparante aanpak, door middel van het jaarlijks publiceren van de referentiegroep in het jaarverslag. Vooruitlopend op de vaststelling van het herziene beloningsbeleid, is de referentiegroep voor 2020 reeds opgenomen in het remuneratierapport over 2019. De Europese referentiegroep bestaat uit 16 organisaties in verschillende industrieën, met inbegrip van financiële organisaties in binnenland en buitenland, zoals weergegeven in het remuneratierapport.

Een andere aanpassing in het beloningsbeleid voor de leden van de Raad van Bestuur die mevrouw Vletter-van Dort bespreekt, is een aanpassing van de bandbreedte die wordt gehanteerd voor de beoordeling van de prestatiecriteria die voorafgaand aan een jaar worden vastgesteld, en die aan het eind van het jaar worden gebruikt bij de bepaling van de variabele beloning. Er wordt aangegeven dat de prestatiecriteria die gehanteerd zijn, in het remuneratierapport zullen worden weergegeven, tezamen met een uitleg over de gerealiseerde prestaties op deze criteria, en de koppeling met de variabele beloning.

Ten aanzien van het beloningsbeleid voor de leden van de Raad van Commissarissen merkt mevrouw Vletter-van Dort op dat de belangrijkste wijziging een aanpassing in de vergoedingsstructuur betreft. Het voorgestelde beleid voorziet in een eenduidiger en eenvoudiger opzet. De vergoedingen voor extra bijeenkomsten, en de vergoedingen die werden verstrekt bij 'internationale aanwezigheid' zijn geschrapt. Verder is de differentiatie in vergoedingen tussen de verschillende commissies van de Raad van Commissarissen geschrapt, en ook is de differentiatie in de vaste kostenvergoeding tussen de voorzitter van de Raad van Commissarissen en de RvC-leden komen te vervallen. Ten behoeve van de vaststelling van de vergoeding aan de leden van de Raad van Commissarissen zal dezelfde externe referentiegroep gebruikt worden als voor de leden van de Raad van Bestuur.

Mevrouw Vletter-van Dort stelt vervolgens de uitvoering van het beloningsbeleid voor de leden van de Raad van Bestuur in het boekjaar 2019 aan de orde, in aansluiting op hetgeen beschreven staat in het remuneratierapport. Bij het vaststellen van de beloning voor de leden van de Raad van Bestuur houdt de Raad van Commissarissen rekening met de belangen van de verschillende betrokkenen bij NN Group: de klanten, aandeelhouders, medewerkers, en de samenleving waarin NN actief is, zowel in Nederland als in andere landen.

Overeenkomstig het beloningsbeleid, beoordeelt de Raad van Commissarissen ieder jaar de hoogte van de beloning van de Raad van Bestuur in het licht van de beloningen van peers in de financiële en niet-financiële sector. Daarbij wint de Raad van Commissarissen ook advies in bij externe deskundigen op dit gebied. De Raad van Commissarissen kijkt ook naar de onderlinge verhoudingen binnen de organisatie, waarbij voor NN Group is vastgesteld dat de medewerkers die binnen de Nederlandse CAO afspraken vallen, net iets bóven de mediaan van de relevante referentiegroep betaald worden en de leden van de Raad van Bestuur net iets ónder de mediaan van de relevante referentiegroep.

Mevrouw Vletter-van Dort geeft aan dat de voormalige CEO, Lard Friese, NN op 12 augustus 2019 heeft verlaten. De Raad van Commissarissen heeft de heer Friese in verband met zijn vertrek op eigen initiatief, geen variabele beloning over het jaar 2019 toegekend. In dit kader is ook medegedeeld dat de heer Friese geen beëindigingsvergoeding heeft ontvangen, en dat zijn voorwaardelijk toegekende uitgestelde variabele beloning uit eerdere jaren is komen te vervallen.

Mevrouw Vletter-van Dort vervolgt dat het basissalaris van de nieuwe CEO van NN Groep, de heer Knibbe, is vastgesteld op hetzelfde niveau als eerder overeengekomen en bekendgemaakt voor de heer Friese, en dat er gedurende het jaar 2019 geen wijzigingen zijn aangebracht in het basissalaris van de heer Rueda, de CFO van NN Group. De salarissen van de leden van de Raad van Bestuur liggen onder de mediaan van vergelijkbare posities in de markt.

Mevrouw Vletter-van Dort geeft een toelichting op de variabele beloning zoals vastgesteld voor de leden van de Raad van Bestuur. De variabele beloning van de heer Knibbe in zijn hoedanigheid van lid van de Raad van Bestuur gedurende 2019 bedraagt zestien procent van het verstrekte basissalaris en is zodoende 'on target'. De variabele beloning van de heer Rueda bedraagt twintig procent van het basissalaris. De heer Rueda heeft na het vertrek van de voormalige CEO, en voorafgaand aan de benoeming van de heer Knibbe extra verantwoordelijkheden op zich genomen in zijn hoedanigheid van vice-voorzitter van de Raad van Bestuur van NN Group.

De Raad van Commissarissen is van mening dat alle leden van de Raad van Bestuur in 2019 een essentiële bijdrage hebben geleverd aan de uitvoering van de strategie, waaronder de realisatie van de financiële resultaten, de prestaties op het gebied van de dienstverlening aan klanten, de initiatieven gericht op de bredere samenleving, het bouwen aan een duurzame bedrijfsvoering, risicobeheersing, en de medewerkers van NN Group.

Tot slot staat mevrouw Vletter-van Dort stil bij de grote impact die het coronavirus heeft op de wereldwijde maatschappelijke toestand en de economische situatie in de wereld. Zij geeft aan dat de Raad van Commissarissen kennis heeft genomen van de oproepen vanuit diverse belanghebbenden om prudent om te gaan met de vaststelling van variabele beloning voor bestuurders. De Raad van Commissarissen zal alle relevante inzichten en beschikbare informatie meewegen zodra de vaststelling van de variabele beloning voor de bestuurders over het lopende beloningsjaar aan de orde komt, en verslag doen over de uitkomst.

De Raad van Commissarissen volgt de ontwikkelingen nauwlettend, met de gezondheid en het welbevinden van de medewerkers, klanten en de samenleving, als voornaamste prioriteit.

The Chair thanks Ms Vletter-van Dort for her presentation and continues by addressing a statement submitted by PGGM and APG in advance of the meeting and gives them the opportunity to ask further questions or make remarks.

The Chair reads out:

'We would like to thank the Remuneration Committee, and H el ene Vletter-van Dort in particular, for the extensive consultation process on the proposed new remuneration policies, as well as the feedback provided following the consultation. It was also good to note that the general public was consulted as part of this process. In the new remuneration policy, NN Group has made progress in terms of transparency and simplicity. Going forward, we encourage the Remuneration Committee to provide clear disclosures on the performance of the individual targets of Executive Board members in the Remuneration Report. We appreciate the balanced and honest opinion given by the Works Council and we understand their concern that the level of remuneration could be considered excessive by Dutch society and Dutch employees. We therefore advise the Remuneration Committee to consistently observe the "below the median" benchmark when applying this policy. We trust that the Supervisory Board will not abuse the flexibility provided in the policy and will consult with stakeholders in the event of any major increase in the base salary.'

The Chair establishes that no further questions or remarks have been submitted with regard to agenda items 7.A, 7.B and 7.C.

The Chair puts the proposal to give a positive advice on the 2019 Remuneration Report, as included in agenda item 7.A, to a vote and establishes that the proposal is adopted.

The Chair puts the proposal to adopt the remuneration policy for the members of the Executive Board, as included in agenda item 7.B, to a vote and establishes that the proposal is adopted.

Subsequently the Chair puts the proposal to adopt the remuneration policy and remuneration for the members of the Supervisory Board, as included in agenda item 7.C, to a vote, and establishes that the proposal is adopted.

The Chair closes agenda items 7.A, 7.B and 7.C and moves to agenda item 7.D.

Agenda item 7.D

Proposal to amend the articles of association of the Company

The **Chair** raises the proposal to amend the articles of association of the Company and refers to the proposal as included on page 6 of the convocation notice and as made available on NN Group's website.

The Chair says that the Executive Board proposes to amend the articles of association of the Company in accordance with the proposal as published on the Company's website. This proposal is approved by the Supervisory Board. The proposed amendments are almost all related to the Dutch law implementing the revised EU Shareholders' Rights Directive. The proposal includes an overview of the proposed amendments, as well as a clarification of these amendments.

The Chair establishes that no questions have been submitted by shareholders with respect to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair notes that the articles of association will be amended as of today 28 May 2020, and that the amended articles of association will be published on NN Group's website.

The Chair closes agenda item 7.D and moves to agenda item 8.A.(i).

Agenda item 8.A.(i)

Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares

The **Chair** raises the proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares and refers to the explanation of this agenda item as included on page 7 of the convocation notice. The Chair indicates that this item was also submitted to the General Meeting last year.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair closes agenda item 8.A.(i) and moves to agenda item 8.A.(ii)

Agenda item 8.A.(ii)

Proposal to designate the Executive Board as the competent body to resolve to limit or exclude pre-emptive rights of existing shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares pursuant to agenda item 8.A.(i)

The **Chair** raises the proposal to designate the Executive Board as the competent body to resolve to limit or exclude pre-emptive rights of existing shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares pursuant to agenda item 8.A.(i) and refers to the explanation as included on page 7 of the convocation notice. The Chair indicates that this item was also submitted to the General Meeting last year.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair closes agenda item 8.A.(ii) and moves to agenda item 8.B.

Agenda item 8.B

Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares by way of a rights issue

The **Chair** raises the proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares by way of a rights issue and refers to the explanation as included on page 7 of the convocation notice. The Chair indicates that this item was also submitted to the General Meeting last year.

The Chair establishes that no questions related to this item have been submitted by the shareholders with regard to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair closes agenda item 8.B and moves to agenda item 9.

Agenda item 9

Proposal to authorise the Executive Board to acquire ordinary shares in the Company's share capital

The **Chair** raises the proposal to authorise the Executive Board to acquire ordinary shares in the Company's share capital and refers to the explanation as included on page 8 of the convocation notice. The Chair indicates that this item was also submitted to the General Meeting last year.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair closes agenda item 9 and moves to agenda item 10.

Agenda item 10

Proposal to reduce the issued share capital by cancellation of ordinary shares held by the Company

The **Chair** raises the proposal to reduce the issued share capital by cancellation of ordinary shares held by the Company and refers to the explanation as included on page 8 of the convocation notice. The Chair indicates that this item was also submitted to the General Meeting last year.

The Chair establishes that no questions have been submitted by shareholders with regard to this agenda item in advance of the meeting, puts the proposal to a vote and subsequently establishes that the proposal is adopted.

The Chair closes agenda item 10 and moves to agenda item 11.

Agenda item 11

Any other business and closing

The **Chair** notes that no questions have been submitted by shareholders with respect to this agenda item in advance of the meeting and asks the moderator if any additional questions have been submitted in relation to any of the previous agenda items.

The **moderator** confirms that no further questions have been submitted.

The **Chair** announces that the draft of the minutes of this meeting will be published on NN Group's website within three months.

The Chair closes this agenda item, thanks those who participated for their contributions and closes the meeting.

Annex

Unofficial translation of joint explanation of agenda items 7.A, 7.B and 7.C

Ms Vletter-van Dort looks back on 2019, during which the Supervisory Board focused a great deal of attention on remuneration policy and its implementation. She says that on 1 December 2019, new statutory requirements became applicable to the remuneration policy for members of the Executive Board and Supervisory Board.

The remuneration policy for members of the Executive Board was most recently amended on 1 January 2015 and the remuneration for the members of the Supervisory Board was set in January 2017. The remuneration policy of listed companies has become a much discussed topic in recent years. There were therefore a number of good reasons for reviewing the remuneration policy.

Since the financial crisis, measures have been taken to restore confidence in the sector and additional legislation has been introduced to make the system more stable. NN supports, and naturally complies with, the applicable legislation. The Supervisory Board understands that remuneration policy – particularly for directors in the financial sector – provokes questions and emotions in society. This fact was taken into account in designing the new remuneration policies.

Ms Vletter-van Dort says that in relation to the new remuneration policy proposals for the Executive Board and Supervisory Board, the Supervisory Board sought feedback from a broad range of stakeholders, including shareholders, bodies representing shareholders, proxy advisors, employee representatives, legislators and regulators, politicians, customers and the general public. There were also various consultations with the Central Works Council, which issued positive advice on the proposed policy for both the Executive Board and the Supervisory Board.

Ms Vletter-van Dort goes on to say that the process of establishing a fair remuneration policy is about striking the right balance, taking the interests of all parties into account, along with the international nature of the business and with due observance of NN's position in society. Simplicity and transparency were important guiding principles followed in designing the proposed remuneration policies. The remuneration policy must enable the organisation to attract and retain qualified directors. In addition, the policy must support NN's long-term objectives, namely: giving central priority to the customer's interests, sound business operations and the management of risks.

Ms Vletter-van Dort says that the discussions with all stakeholders led to a number of refinements to the proposed policies. For example, the reference point for the Executive Board members in relation to the remuneration level in the market has been adjusted from 'just below the

median' to 'below the median'. This prevents the Supervisory Board from having to automatically increase the remuneration of the Executive Board due to upward developments in the peer group and enables the Supervisory Board to make a broader assessment of the interests. With regard to the peer group, the proposed policy adopts a clearer, simpler approach. Previously, two different peer groups were used: a Dutch peer group consisting of companies from various industries, and a European peer group with companies from the financial sector, excluding Swiss companies. The proposed policy works with a single European peer group with 16 companies from various industries, including local and international financial organisations. In doing so, the Supervisory Board has ensured that the amendment does not trigger an upwards effect. The companies included in the peer group have been selected based on their comparability with NN Group in terms of the number of employees, turnover, market capitalisation and total assets. The scope of the selected companies and their international presence was also taken into account. Within the selected peer group, the aim is for the level of compensation at NN to be below the median. The proposed policy provides for a transparent approach by publishing the peer group in the annual report. In anticipation of the adoption of the revised remuneration policy, the 2020 peer group has already been included in the 2019 Remuneration Report.

Ms Vletter-van Dort discusses another amendment to the remuneration policy for Executive Board members, namely an adjustment to the bandwidth applied for assessing the performance criteria set prior to the commencement of a year, and that are used at the end of the year in determining the variable remuneration. The performance criteria used will be reflected in the Remuneration Report, together with an explanation of the performance realised with respect to these criteria and the link with the variable remuneration.

With regard to the remuneration policy for the Supervisory Board members, Ms Vletter-van Dort notes that the most important change involves an amendment to the remuneration structure. The proposed policy provides a clearer, simpler structure. The fees for additional meetings and for international attendance have been abolished. In addition, the differentiation in fees between the various Supervisory Board committees has been discarded, as has the differentiation in fixed expense allowance between the Chair and the members of the Supervisory Board. For the purpose of determining the remuneration for the Supervisory Board members, the same external peer group will be used as for the Executive Board members.

Ms Vletter-van Dort then discusses the application of the remuneration policy for Executive Board members in the 2019 financial year, following on from what is described in the Remuneration Report. In determining the remuneration of the members of the Executive Board, the Supervisory Board considers the interests of NN Group's various stakeholders: customers, shareholders, employees and the societies in which NN operates, in the Netherlands and in other countries.

Aligned with the remuneration policy, the Supervisory Board evaluates the level of the Executive Board's remuneration each year compared to remuneration at peer companies in the financial services and in non-financial sectors. The Supervisory Board consults external experts in the field as well. The Supervisory Board also takes into account the mutual relationships within the organisation, where it has been acknowledged that, for NN Group, employees covered by the Dutch CLA are paid slightly more than the median for the relevant peer group and the Executive Board members will be paid slightly less than the median for the relevant peer group.

Ms Vletter-van Dort reports that the former CEO, Lard Friese, left NN on 12 August 2019. In connection with his departure, which was on his own initiative, the Supervisory Board did not grant Mr Friese any variable remuneration for the year 2019. In this context, it was also announced that Mr Friese did not receive a termination payment, and that his conditionally granted deferred variable remuneration from previous years has lapsed.

Ms Vletter-van Dort then goes on to say that the base salary for the new CEO of NN Group, Mr Knibbe, is set at the same level as previously agreed and announced for Mr Friese, and that there were no changes to the base salary for Mr Rueda, CFO of NN Group, during 2019. The salaries of Executive Board members are below the median for comparable positions in the market.

Ms Vletter-van Dort provides an explanation of the variable remuneration for the Executive Board members. The variable remuneration for Mr Knibbe in his capacity as Executive Board member during 2019 amounts to 16% of the base salary provided and is therefore on target. The variable remuneration for Mr Rueda amounts to 20% of the base salary. Following the departure of the former CEO and before the appointment of Mr Knibbe, Mr Rueda took on additional responsibilities in his capacity as Vice-chair of the Executive Board of NN Group.

The Supervisory Board believes that all Executive Board members made an essential contribution to the execution of the strategy in 2019, including the realisation of the financial results, customer service performance, the initiatives aimed at the wider community, the development of sustainable business operations, risk management, and NN Group's employees.

Finally, Ms Vletter-van Dort reflects on the significant impact that coronavirus is having on the global social and economic situation. She says that the Supervisory Board has made note of the calls from various stakeholders to

take a prudent approach to setting the variable remuneration for board members. The Supervisory Board will take into consideration all relevant insights and available information when determining the variable remuneration for the board members for the current remuneration year, and will report on the outcome. The Supervisory Board will follow developments closely, with the health and well-being of employees, customers and society as its main priority.

Contact us

Head office NN Group N.V.
Schenkkade 65
2595 AS The Hague
The Netherlands

Mail address
NN Group N.V.
P.O. Box 90504
2509 LM The Hague, the Netherlands

NN Group N.V. has its official seat in Amsterdam, the Netherlands

Commercial register no. 52387534

For further information on NN Group, please visit our corporate website
or contact us via external.communications@nn-group.com

