

## Latest Remuneration Report

### Board of Directors remuneration (€ x 1,000)

	Basic income	Variable remuneration	Benefits of employee participation plan	Pension costs	Total
<b>2018</b>					
R.M. Wegman	407	296	43	69	815
E. Urff	336	243	35	53	667
<b>Total</b>	<b>743</b>	<b>539</b>	<b>78</b>	<b>122</b>	<b>1,482</b>
<b>2017</b>					
R.M. Wegman	397	289	42	66	794
E. Urff	329	237	31	50	647
<b>Total</b>	<b>726</b>	<b>526</b>	<b>73</b>	<b>116</b>	<b>1,441</b>

The Board of Directors has to deposit at least 50% of its variable remuneration with Stichting Medewerkerparticipatie Nedap in exchange for Nedap depositary receipts. The depositary receipts are locked up for a period of four years. The benefits offered by the employee participation plan are the 10% purchase discount on the depositary receipts and entitlement to bonus depositary receipts (after 4 years). Since the creation of the Plan, members of the Board of Directors have invested all of their variable remuneration, less statutory deductions, in the Plan.

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**Depository receipts** (items x 1)

	<b>Depository receipts held at year-end</b>	<b>Bonus depository receipts not yet awarded at year-end</b>
<b>2018</b>		
R.M. Wegman	28,910	3,129
E. Urff	9,843	2,461
<b>Total</b>	<b>38,753</b>	<b>5,590</b>
<b>2017</b>		
R.M. Wegman	24,881	2,829
E. Urff	7,001	1,750
<b>Total</b>	<b>31,882</b>	<b>4,579</b>

Nedap has not granted the Supervisory Board any rights to acquire Nedap depository receipts. The company has not granted the Board of Directors or Supervisory Board members any loans or guarantees. Further details of the remuneration policy are provided below.

The components of the Board of Directors' remuneration received in the financial year 2018 as per the remuneration policy are listed under 'Board of Directors remuneration' in the financial statements 2018 (see above).

At the start of the financial year 2018, we set the performance standards for the variable components of members of the Board of Directors' pay. The Board of Directors invests a minimum of 50% of such variable remuneration in the Nedap employee participation plan, and thus in depository receipts for shares that are locked up for a period of four years. As a result, at least 50% of variable remuneration is of a long-term nature. Since the creation of the employee participation plan, members of the Board of Directors under the articles of association have invested all of their variable remuneration in the plan.

The directors' remuneration consists of a fixed and a variable component. The variable component depends on the achievement of predetermined targets. A third is determined by financial targets, a third by internal organisational targets and a third by external targets.

At the beginning of the year 2018 we set the performance targets for the variable part of the remuneration of the members of the Board of Directors. The financial targets for 2018, as set out in the report for 2018 on page 21, have been achieved, such as an increase in added value per FTE from € 172,000 to € 179,000 and an operating result of at least 10% (10.2% achieved). Revenue growth of 5% was at the lower end of the target.

In addition, cost savings on the supply chain of € 4 million were achieved in 2018. Partly due to the persistently volatile market conditions for electronic components, inventories did not decline as expected. The Changing Gears programme was successfully continued in 2018 in order to give the highest priority to the growth plans of the market groups. In 2018, the new corporate story and a new investor presentation were introduced. A new logo and corporate identity were designed and introduced. Based on the good performance in 2018, the total variable remuneration of the members of the Board of Directors was set at 75% of the fixed annual salary.

The CEO of Nedap N.V. receives a fixed annual salary including holiday pay and thirteenth month. We compared this with the median of the gross fixed annual salary (including holiday pay and thirteenth month) of all employees worldwide employed by Nedap at the end of 2018. The salary of the Board of Directors is not included in the median gross fixed annual salary. The fixed annual salary of the CEO is 7.0 times this median (2017: 7.1 times).

<b>Supervisory Board remuneration (€ x 1,000)</b>	<b>2018</b>	<b>2017</b>
G.F. Kolff	40	40
J.M.L. van Engelen	30	30
M.A. Scheltema	23	-
D.W.J. Theyse	7	30
M.C. Westermann	30	30
<b>Total</b>	<b>130</b>	<b>130</b>

Remuneration of the members of the Supervisory Board has not changed and is set out in the financial statements 2018 under 'Supervisory Board remuneration' (see above).

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## Remuneration policy for the Board of Directors under the articles of association

The aim of the remuneration policy is to have a compensation package for the Board of Directors that will help to attract and retain qualified and expert directors, while also ensuring and advancing the medium and long-term interests of the company.

The compensation package for the Board of Directors comprises:

- I Fixed annual income  
Fixed annual income that is revised each year at least by a percentage equal to that of the salary increase provided for in Nedap's collective labour agreement.
- II Variable annual income  
The variable annual income depends on the members of the Board of Directors meeting targets set in advance by the Supervisory Board. One third of the variable income is determined by financial targets, one third by targets relating to the development of the internal organisation and one third by targets focusing on the way in which the organisation operates in its environment. 60% of the fixed annual income is paid for performance at target level, with a maximum of 90% of the fixed annual income.

Each director must contribute at least 50% of his variable annual income after taxation to Stichting Medewerkerparticipatie Nedap in exchange for depositary receipts. This means that a significant part of the variable income is dependent on the company's long-term performance.

The Supervisory Board may increase or decrease the variable income if, in its opinion, the calculations lead to an unreasonable outcome. If variable remuneration is granted on the basis of incorrect information, the Supervisory Board is entitled to recover it from the director concerned.

The compensation package for the Board of Directors has been set taking into account internal pay relationships and market information. The compensation package is reviewed regularly to ensure that it is still competitive and in line with the extent and complexity of the duties.

The Board of Directors has the same defined contribution pension plan as Nedap N.V. staff, albeit that the defined contribution is 6/5 of the premium for staff and that the minimum old-age pension deductible is applied. Like staff members, board members are entitled to compensation for the employer's contribution released as a result of the statutory pensionable wages cap. The pensionable salary is based on the fixed annual income.

No agreements that derogate from the law have been made with the members of the Board of Directors regarding a period of notice.

As of 1 January 2015, directors under the articles of association appointed after this date are entitled to contractual severance pay that does not exceed the compensation specified in provision 3.2.3 of the Dutch Corporate Governance Code. A severance package was not agreed with directors appointed before 1 January 2015. No loans, advances or guarantees have been granted to the directors.