

Nedap N.V. – Remuneration Policy Supervisory Board 2021

Introduction

This remuneration policy is drawn up subject to adoption by the General Meeting of Shareholders ('AGM') on 8 April 2021. This remuneration policy serves to review the remuneration policy for the Supervisory Board ('the Supervisory Board') as adopted in the AGM on 26 April 2013.

Focus of the review

The Supervisory Board evaluated the remuneration policy for members of the Supervisory Board approved by the AGM in 2013. The Supervisory Board believes that the structure of one fixed annual fee for the work on the Supervisory Board functions properly. However, the remuneration level does not reflect the time spent and the responsibility of the Supervisory Board and its members, which have increased since 2013. The assessment of the remuneration level in the market also shows that Nedap is well behind the median level of a group of reference companies equal to that for the Board of Directors. The policy therefore provides for an increase in remuneration as shown in the table below.

Supervisory Board	Remuneration policy 2013	Remuneration policy 2021
Fixed fee	Chairperson Supervisory Board: € 40,000 per year	Chairperson Supervisory Board: € 50,000 per year
	Members Supervisory Board: € 30,000 per year	Members Supervisory Board: € 40,000 per year

Support for policy

This remuneration policy follows the best practices of the Dutch Corporate Governance Code 2016. The remuneration provided for in this policy reflects the time spent and the responsibilities of the position. The remuneration does not depend on the company's results, nor is remuneration paid in shares.

When drawing up and reviewing the remuneration policy, the Supervisory Board consulted the Works Council, which gave a positive recommendation. In addition, the Supervisory Board consulted shareholders and took their contribution into account. The Supervisory Board also follows the social debate on remuneration and has included broadly shared social insights in the review of the policy. In doing so, it consulted an independent external advisor; Focus Orange Advisory B.V., which established that the remuneration level is appropriate within the Dutch social context and that the remuneration elements are in line with Nedap's identity, mission and values. Added to the contribution of the Works Council and shareholders, the Supervisory Board believes that in so doing the social support for this policy has been taken into account.

Composition of remuneration package

The remuneration of members of the Supervisory Board encourages the proper performance of the position and reflects the corresponding responsibility and time spent. The remuneration consists of a fixed annual fee for membership or chairmanship of the Supervisory Board, including the work performed on the various committees of the Supervisory Board.

The members of the Supervisory Board do not receive profit or performance-related payments or payments in shares or depositary receipts for shares, nor a pension contribution, nor personal loans or guarantees. In addition to the remuneration, members of the Supervisory Board shall be reimbursed for all reasonable costs they incur in connection with their position and in attending meetings.

Determination of remuneration level

The fixed remuneration for members of the Supervisory Board is periodically assessed for a correct reflection of time spent and responsibility and by comparison with the remuneration levels at comparable companies. For this purpose, the same reference group is used as in the assessment of the remuneration level of the Board of Directors. The outcome of the assessment led to an increase of the fixed fees to EUR 50,000 for the chairman of the Supervisory Board and EUR 40,000 for its members as at 1 January 2021.

Agreements with the members of the Supervisory Board

Members of the Supervisory Board are appointed by the AGM for a period of four years, on the recommendation of the Supervisory Board. Each year, the Supervisory Board evaluates the functioning of its members. After the first appointment has ended, members of the Supervisory Board may be reappointed for four years and, if desired, again twice for a period of two years.

Contents of the agreement

The appointment of a member of the Supervisory Board is confirmed in a letter of appointment. It states, among other things, that the member of the Supervisory Board is not employed by Nedap N.V., the expected duties and the related frameworks of the position and the remuneration are awarded in accordance with the remuneration policy.

Termination of the agreement

A member of the Supervisory Board shall retire early in the event of inadequate performance, structural incompatibility of interests, and in other instances in which this is deemed desirable by the Supervisory Board. No notice period or severance pay will apply in this context.

Final provisions

The remuneration policy for the Supervisory Board will be submitted to the AGM for adoption by the Supervisory Board on 8 April 2021. It will be accompanied by a positive advice from the Works Council. If the AGM adopts the remuneration policy with at least the 75% of the legally required votes present at the meeting, it will take effect retroactively as of 1 January 2021. The remuneration policy as well as the date and outcome of the vote on the policy will be published on the company's website immediately after the AGM.

No later than four years after adoption, the remuneration policy for the Supervisory Board will be submitted again to the AGM for adoption, or sooner if the Supervisory Board sees reason to do so.

In the event that the AGM rejects this proposal, the policy pursued up to that time will remain in force and the Supervisory Board will be obliged to present a new proposal at the next AGM, taking into account the views of the shareholders.
