

25 June 2020



Appendix

Further Explanation Remuneration Policy as from 2020

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The current remuneration policy for Nedap's management board ("Management Board Remuneration Policy") was adopted by the general meeting on 2 April 2015. The current remuneration policy for the supervisory board ("Supervisory Board Remuneration Policy") was adopted by the general meeting on 16 April 2013. The Management Board Remuneration Policy and the Supervisory Board Remuneration Policy collectively to be referred to as "Remuneration Policy".

The supervisory board has now started the process of reassessing the current Remuneration Policy in place, in order to amend the Remuneration Policy to meet the requirements arising from the implementation act for the Revised Shareholders' Directive. This revised remuneration policy will be submitted to the general meeting for adoption at the annual general meeting of 2021. Until then, we request the shareholders to agree with the continuation of the application of the current Remuneration Policy.

The description of the objective of the Remuneration Policy, and relationship with the strategy, the long-term interest and sustainability, can be found in the Annual Report 2019 on pages 94 to 102 and on the website <https://nedap.com/investors>. In addition to what is included in the Explanatory Notes to the Agenda under item 3, a number of principles and procedures are given below and, to the extent possible, these values will also be applicable to the remuneration of the Supervisory Board.

1. Relationship between identity, mission and values and the principles of remuneration

Nedap's identity, mission and values such as

long-term perspective, value creation and focus on employees (as described in the Annual Report 2019 on page 10, 21-25) have been included in the Remuneration Policy as follows:

The Remuneration Policy relates to:

- a. remuneration instruments, which are also applied as far as possible in the regular remuneration policy, so that
- b. the remuneration of the management board is focused on long-term value creation, with
- c. a remuneration aimed at the continuous development of employees and the organization so that Nedap's products and technologies are and remain successful in the various markets in which Nedap is active.

Whilst drawing up and reviewing the Remuneration Policy, account is taken of public support by conducting discussions on the remuneration policy and its implementation with various stakeholders, including in particular our shareholders and our employees.

2. Relationship external employment market with Nedap's remuneration policy

The objective of the total remuneration package is that the total remuneration is sufficiently competitive and in proportion to the level and complexity of the required responsibilities. In doing so, the remuneration package should reflect the tasks and responsibilities that the management board as a whole and individually has in respect of the organization.

For the determination of the level and composition of the remuneration package, other listed and non-listed companies with similar

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products, markets and services to those of Nedap N.V. and of a similar size, are taken into account, when making a comparison with the external market.

For the assessment of the company results in relation to the (particularly variable) remuneration, the results and remuneration of other listed companies are taken into account in a comparison with the external market. This has to do with the absence or limited availability of company results of non-listed companies. In order to determine which listed companies are taken into consideration, the following guidelines have been drawn up:

- AScX listed companies complemented by some relevant AMX listed companies,
- with the exception of financial companies such as banks, insurance companies, tradinghouses and real estate companies.

The original reference group consists of the following listed companies: TKH, Beter Bed, Kendrion, Accell, Unit4, Exact, Ordina, ICT Automatisering and Fagron.

The supervisory board is authorized to change the reference group and periodically make an assessment whether the reference group requires to be amended. A change in the reference group will be included in the remuneration report for the financial year to which the change relates.

No changes in the level or composition of the remuneration package for the statutory management board will be applied for 2020, with the exception of a possible CLA (CAO) increase. If this is granted to all Nedap employees, it will also be applied to the salary of the CEO. For further information on this we refer to the remuneration report

2019, pp. 96 and further. For the remuneration of the CFO to be appointed, please refer to (the notes to) agenda item 4.

3. Duration, derogation and decision-making process

a. Duration of the policy.

The current Remuneration Policy will in principle be maintained for a period of 1 year (2020-2021). As indicated above, a revised remuneration policy will be submitted to the shareholders for adoption at the annual general meeting of 2021.

b. Deviations from the remuneration policy.

The supervisory board may decide to deviate from one or more parts of the Remuneration Policy in exceptional circumstances, temporarily and no later than until such time as a new remuneration policy has been adopted. Exceptional circumstances are circumstances in which deviation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of Nedap as a whole or to guarantee its sustainability. Any deviation from the remuneration policy will be included in the remuneration report for the year in which it is deviated from. Possibilities for deviating from the current Remuneration Policy could be: the recruitment of a new member of the management board, an interim or a temporary replacement of a member of the management board or supervisory board. This will then take place in order to be able to guarantee the continuity of the business operations or the supervisory function.

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- c. Decision-making process and implementation of the Remuneration Policy.
The supervisory board implements the Remuneration Policy. A revision of the remuneration policy shall be prepared by the supervisory board and shall be submitted to the works council for its advice, before the revised remuneration policy, together with the advice of the works council, shall be submitted to the general meeting for adoption.

