



## 2022 remuneration report

The Board hereby presents the remuneration report for the members of the Board of Directors under the articles of association and the Supervisory Board for the 2022 financial year.

The remuneration report complies with the provisions of Article 2:135(b) of the Dutch Civil Code and the Corporate Governance Code. The remuneration report provides information about the remuneration policy pursued (see also <https://nedap.com/nl/investeerders/corporate-governance/>) during the 2022 financial year to ensure transparency for all stakeholders. On 8 April 2021, the annual general meeting adopted the new remuneration policy for the Board of Directors.

The purpose of the remuneration policy for the Board of Directors (Board of Directors remuneration policy) is - by analogy with the policy for employees - to be able to attract, motivate, and retain qualified and experienced people for our Board of Directors under the articles of association.

The Board of Directors remuneration policy is fully in line with with Nedap's vision and strategy. It focuses on the company's continuity and is geared towards long-term value creation, offering remuneration that is intended to foment ongoing development of employees and the organisation, so as to ensure the continued success of Nedap's products and technologies in the various markets in which Nedap operates. Scenario analyses were considered in drawing up the remuneration policy and before calculating individual directors' remuneration.

### **Accountability for remuneration policy implementation in 2022**

At the annual general meeting of 12 April 2022, the 2021 remuneration report was approved by a majority of votes cast (99.99%). The report did not give rise to questions and the 2022 remuneration report was, therefore, drawn up in the same way.

This 2022 remuneration report will be submitted to an advisory vote at the 2023 annual general meeting, thus rendering account on the implementation of the remuneration policy in the 2022 financial year. The Board will take the result of this advisory vote into account and cite it in the remuneration report for 2023.

### Remuneration summary

The table below provides a summary of the costs for current board members under the articles of association as recognised in the financial statements.

(€ x 1,000)	Basic income	Variable remuneration	Employee participation plan benefits	Pension costs	Total
<b>2022</b>					
R.M. Wegman	441	282	48	96	867
D. van der Sluijs	314	200	20	52	586
R. Schuurman	278	175	18	49	520
<b>Total</b>	<b>1,033</b>	<b>657</b>	<b>86</b>	<b>197</b>	<b>1,973</b>
<b>2021</b>					
R.M. Wegman	427	314	53	85	879
D. van der Sluijs	304	222	20	42	588
<b>Total</b>	<b>731</b>	<b>536</b>	<b>73</b>	<b>127</b>	<b>1,467</b>

The table below provides a summary of the remuneration awarded to current board members under the articles of association.

(Amounts x €1,000)

		Fixed remuneration		Variable remuneration				Total remuneration	Variable remuneration as % of total remuneration
		1. Basic salary <sup>1</sup>	2. Pension and other allowances	3. Variable remuneration		4. Share-based remuneration			
				3a. Paid out	3b. Used to purchase depositary receipts <sup>2</sup>	4a. Purchase discount for depositary receipts <sup>3</sup>	4b. 4:1 Matching depositary receipts <sup>4</sup>		
R.M. Wegman, CEO	2022	431	96	-	282	18	56	883	40%
	2021	417	85	-	314	15	54	885	43%
D. van der Sluijs, CFO	2022	304	52	-	200	9	-	565	37%
	2021	294	42	55	167	6	-	564	40%
R. Schuurman, CCO	2022	267	49	-	175	5	7	503	37%
	2021	-	-	-	-	-	-	-	-

Note: Former CFO E. Urff received matching depositary receipts with a value of 46 in 2022 (44 in 2021).

### Fixed annual income

The fixed annual income is in line with the current remuneration policy and incremented at the same rate as the rate used for employees, as agreed in Nedap's collective labour agreement.

<sup>1</sup> The basic salary does not include the employer's social security contributions.

<sup>2</sup> 'Depositary receipts' means 'depositary receipts for shares'.

<sup>3</sup> This is the amount of the discount given on the purchase of depositary receipts in the financial year.

<sup>4</sup> This is the value of the depositary receipts awarded.

### Variable annual income

Based on the new remuneration policy and on previously set targets, the Board has determined the variable component of the annual income for 2022 payable to the Board of Directors under the articles of association. The remuneration policy states that 50% of the variable component is determined by financial targets, 25% by employee engagement targets, and 25% by sustainable organisational and revenue model targets.

#### Financial targets

The financial targets have been split up into four sub-targets. The table below shows each sub-target, along with the extent to which it was achieved in the 2022 financial year and how much of the variable remuneration it represents.

In millions of euros or as a percentage	Target	Performance	Share of variable remuneration (% points)
Revenue	222.5	230.6	10.2%
Operating margin	11.9%	10.3%	4.5%
Recurring revenue	68.3	71.0	10.5%
Operational cash flow per quarter	7.2	4.4	0.0%
<b>Total</b>			<b>25.2%</b>

Based on the above table, the Board of Directors is awarded a financial targets-related variable component of their annual income that represents 25.2% of their fixed annual income.

#### Employee engagement targets

Employee engagement levels at Nedap are measured on an annual basis. Like in previous years, the score was in the first quartile of employee engagement this year, which is a precondition for the awarding of variable remuneration based on employee engagement targets.

Throughout 2022, the Step Up! strategy has been conveyed and further embedded in the organisation by organising Step Up! days themed on sustainability, leadership, and markets & propositions. These events were organised for a broad group of managers. Delegations from the Board attended several of the Step Up! days, experiencing them as valuable and inspiring to the Nedap organisation and its employees. This process is backed up by weekly updates from the Board of Directors and regular Zoom updates and in-depth discussions at the business units, which also included the management teams giving feedback on the Step Up! days. All of this aligns with the strategic drivers of ‘radically clear’ and ‘full Nedap power’.

Concluding that the Board of Directors made good progress in this area, the Board has allocated the Board of Directors 19.8% variable pay for achieving this target.

#### Sustainable organisational and revenue model targets

During the financial year, the Board of Directors worked on topics such as defining, shaping, and rolling out the sustainability policy (see sections 1.4 and 2.2), creating and implementing a strategic assessment framework to reinforce the proposition model, formulating Nedap-specific leadership profiles, and identifying, testing, and developing employees with leadership potential.

Good progress was made in various areas, which is reason for the Board to allocate the Board of Directors a variable remuneration component of 20%.

To recap, the Supervisory Board is of the view that the performance of the Nedap organisation and the Board of Directors was outstanding.

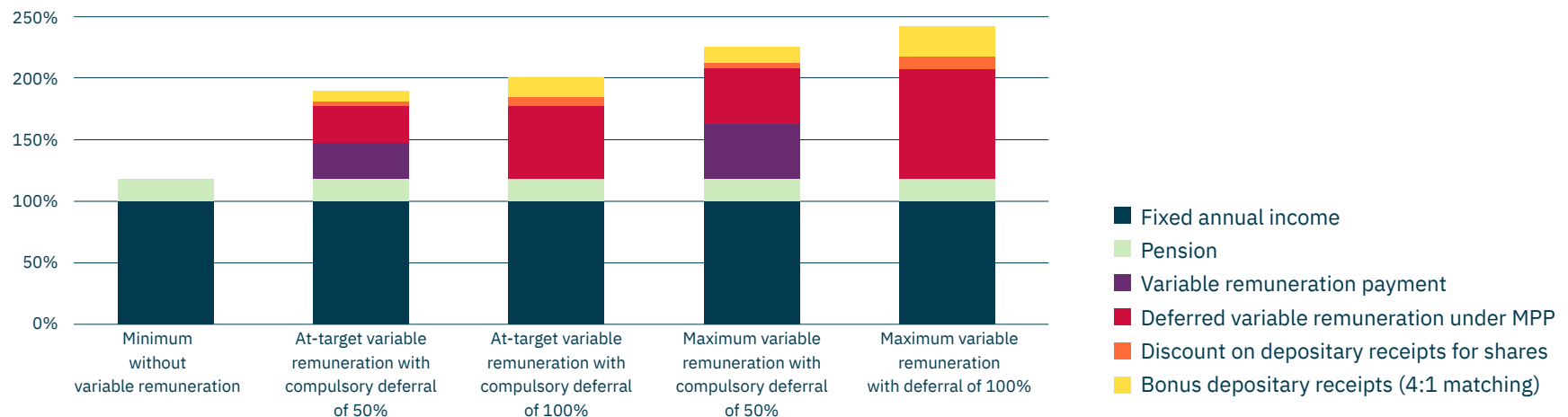
Based on the above supporting information and in line with the remuneration policy, the Supervisory Board awards the Board of Directors under the articles of association a variable annual income totalling 65% of the fixed annual income. In calculating the variable annual income, account was taken of scenario analyses.

### Directors pay mix

Performance	Variable annual income	50% of variable annual income is deferred		Variable annual income deferred in full	
	(as % of fixed annual income)	Direct payment	Remaining % for purchase of depositary receipts for shares	Direct payment	Remaining % for purchase of depositary receipts for shares
Minimum	0%	0%	0%	0%	0%
At target	60%	30%	30%	0%	60%
Maximum	90%	45%	45%	0%	90%

### Board member remuneration scenarios

(as % of basic salary)



### Deferred remuneration/MPP

Under the remuneration policy, directors under the articles of association have to use at least 50% of their variable annual income for 2022 to buy depository receipts for Nedap shares, which are subsequently locked up for period of five years. After four years, one bonus depository receipt is awarded for every four depository receipts held. If the targets have been

met, the variable annual income will be 60% of the fixed annual income. Total remuneration will then be 62.5% fixed annual income and 37.5% variable annual income.

The CEO, CFO, and CCO have opted to use the full amount of their variable pay to purchase depository receipts.

### Share-based remuneration

(Items x 1)		Depository receipts or shares held on 1/1*	Depository receipts purchased	Bonus depository receipts awarded	Depository receipts or shares sold	Depository receipts or shares held on 31/12*	Contingent bonus depository receipts as at 1/1	Contingent bonus depository receipts awarded	Bonus depository receipts awarded	Contingent bonus depository receipts as at 31/12
R. M. Wegman, CEO	2022	40,753	2,817	866	-	44,436	3,262	704	-866	3,100
	2021	36,941	2,938	874	-	40,753	3,401	735	-874	3,262
D. van der Sluijs, CFO	2022	1,088	1,491	-	-	2,579	272	373	-	645
	2021	-	1,088	-	-	1,088	-	272	-	272
R. Schuurman, CCO	2022	3,954	804	106	-	4,864	557	185	-106	636
	2021	-	-	-	-	-	-	-	-	-
E. Urff	2022	-	-	711	-	-	1,497	-	-711	786
	2021	-	-	717	-	-	2,214	-	-717	1,497

On the date of delivery in 2022, the bonus depository receipts represented a value of €64.90 (€62.00 in 2021).

\* The number of shares and depository receipts for shares held by a director after stepping down as director under the articles of association is no longer recognised where the costs are no longer charged to the company in the financial year covered by the report. R. M. Wegman holds both shares and depository receipts. D. van der Sluijs and R. Schuurman hold depository receipts.

<b>Change in remuneration</b> (Amounts x €1,000)	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2022-2018</b>
R. M. Wegman, CEO	0% (883)	11% (885)	4% (800)	-4% (772)	2% (801)	10%
D. van der Sluijs, CFO	0% (565)	29% (564)	- (437)	-	-	-
R. Schuurman, CCO	- (503)	-	-	-	-	-
E. Urff	-	-	-	8% (678)	2% (630)	-
<b>Supervisory Board members</b>						
P. A. M. van Bommel	25% (50)	- (40)	-	-	-	-
J. M. L. van Engelen	0% (40)	33% (40)	0% (30)	0% (30)	0% (30)	33%
G. F. Kolff	0% (50)	25% (50)	0% (40)	0% (40)	0% (40)	25%
M. Pijnenborg	0% (40)	33% (40)	0% (30)	- (30)	-	-
M. A. Scheltema	0% (40)	33% (40)	0% (30)	0% (30)	- (30)	33%
M. C. Westermann	-	-	-	0% (30)	0% (30)	-
D. W. J. Theyse	-	-	-	-	0% (30)	-
<b>Change in Nedap's performance</b>	<b>-7%</b>	<b>27%</b>	<b>10%</b>	<b>23%</b>	<b>-1%</b>	<b>52%</b>
<b>Change in median employee pay</b>	<b>3% (91)</b>	<b>49% (88)</b>	<b>2% (59)</b>	<b>3% (58)</b>	<b>5% (57)</b>	
<b>CEO pay ratio</b>	<b>9.6</b>	<b>9.9</b>	<b>6.9</b>	<b>6.9</b>	<b>7.0</b>	

If a director or Supervisory Board member was a member of the Board of Directors or Supervisory Board for only part of a year, their remuneration is presented on a pro rata basis for comparison purposes. The change in remuneration for the members of the Board of Directors and Supervisory Board is measured by dividing remuneration for the financial year by remuneration received in the previous financial year. If the date of appointment as director under the articles of association or Supervisory Board member is not 1 January, the change is recognised on a pro rata basis in the financial year following the year of joining.

The 2022-2018 column shows the relative change as at year-end 2022 compared to the beginning of 2018.

The change in Nedap's performance in any financial year is the change in the closing price of Nedap shares in the financial year, plus the dividend paid for the financial year, divided by the closing price of Nedap shares in the previous financial year.

The definition of the CEO pay ratio and the change in median employee pay was changed in the 2021 financial year. Nedap follows the recommendation by the Corporate Governance Code Monitoring Committee as of the 2021 financial year. Based on this definition, the CEO pay ratio would have been 9.7 in 2020. Please refer to the remuneration report for the definition of the pay ratio.

### Use of penalty and recovery scheme

This scheme was not used.

### Deviations from the remuneration policy

There were no deviations from the remuneration policy. The company has not granted members of the Board of Directors any loans or guarantees.

### Pay ratio

Up to 2020, Nedap calculated the pay ratio as the ratio of the CEO's current fixed annual income to the median pre-tax fixed annual income (including holiday pay and 13th-month bonus) of all Nedap employees worldwide as at 31 December of the financial year ('median salary'). The annual salaries of the directors under the articles of association are not included in the calculation of the median salary.

As of 2021, Nedap follows the recommendation made by the Corporate Governance Monitoring Committee in late December 2020. In its recommendation, the committee defines pay ratio as follows: the ratio of (i) total annual CEO pay to (ii) the median annual pay of the employees of the company and group companies consolidated in the company's financial statements, whereby:

- total annual CEO pay includes all pay components (such as fixed pay, variable pay in cash (bonus), share-based pay, social security contributions, pension, expense allowance, etc.), as recognised in the (consolidated) financial statements prepared based on IFRS standards;
- employees' median annual pay is calculated by dividing total wage and salary costs in the financial year (as recognised in the (consolidated) financial statements prepared based on IFRS standards) by the average number of FTEs at the company during the financial year. The pay of

insourced external workers is factored in on a pro rata basis, on the condition that they worked for the company for at least three months during the financial year; and

- the value of the share-based part of the pay is calculated on the date that it is awarded, as per the applicable IFRS requirements.

The pay ratio for 2022 is 9.6. In 2021, the pay ratio was 9.9.

### Supervisory Board member remuneration

On 8 April 2021, the annual general meeting adopted the new remuneration policy for the Supervisory Board,

The amounts paid are in line with the new remuneration policy for Supervisory Board members. The table below lists the remuneration that (former) Supervisory Board members received for the 2022 and 2021 financial years.

Supervisory Board members (€ x 1,000)	2022	2021
P. A. M. van Bommel (from 24 June 2021)	47	21
J. M. L. van Engelen	40	40
G. F. Kolff	14	50
M. Pijnenborg	40	40
M. A. Scheltema	40	40

The company has not granted Supervisory Board members any loans or guarantees.