



Nedap N.V.

Employee Participation Plan

Through Stichting Medewerkerparticipatie Nedap ('the Foundation'), Nedap N.V. gives its employees the opportunity to buy depositary receipts for shares in the company at a discount and with the possibility of receiving bonus depositary receipts four years after the original purchase.

This brochure explains the ins and outs of the employee participation plan in effect at Nedap N.V. ('Nedap'), which is called, in full, the 'Nedap N.V. Depositary Receipt Participation Plan' ('the Plan'). The full – and definitive – text of the Plan is available on our intranet.

The employee participation plan offers Nedap employees the opportunity to take part in the company by holding depositary receipts for shares. In addition to the opportunity of having their collective voices heard (see the purpose of the Foundation below), the Plan also offers individual financial benefits.

Employees can use their profit-sharing bonus in whole or in part for the purchase of depositary receipts – at a 10% discount. After four years they are entitled, under certain conditions, to one bonus depositary receipt for each four originally purchased.

Employees receive an annual dividend on the depositary receipts that is the same as the dividend paid on the Nedap shares.

After four years, the depositary receipts can be sold at the then current market price. However, the more depositary receipts that remain in the hands of the Foundation, the more influence the vote of the Foundation will carry.

The purpose of the Foundation

The purpose of the Foundation is to give employees a voice when important decisions are made about the direction and future of Nedap and thereby increase the engagement of Nedap employees by offering them the opportunity to share in the capital of Nedap by obtaining depositary receipts.

The employee participation plan

In principle, the employee participation plan is intended for all Nedap employees. Once per calendar year, you are given the opportunity to buy depositary receipts for Nedap shares at a discount of 10% and under the conditions stated when you subscribe for depositary receipts. The 10% discount applies to depositary receipts you purchase using your (net) profit-sharing bonus. The amount of this bonus determines the maximum number of depositary receipts you can buy at the discounted price.

Depositary receipts purchased with the 10% discount are blocked for a period of four years, during which time you may not sell these. Even if you leave the company in the meantime, the block will remain in effect until the end of the 4-year period. If you, as a participant (that's to say, an employee who holds depositary receipts), are still working as an employee of Nedap at the end of the blocking period, you will be granted one free bonus depositary receipt for every four depositary receipts you purchased under this Plan. If you retire during this period, you will retain these rights. The total number of bonus depositary receipts given will be rounded off to the nearest integer: 0.5 or more will be rounded up and less than 0.5 rounded down.

How to take part in the employee participation plan?

When it is announced that there will be a profit-sharing bonus, you will, if you qualify, receive a message from Nedap with further information, including how you can make your choice regarding the use of the profit-sharing bonus known during the subscription period. You can opt to have the bonus paid out in cash, or you can use all or some of it to buy depositary receipts for Nedap shares. If you choose the latter option, you declare that you wish to take part in the Plan and that you agree with its provisions.

Captin B.V.

Captin B.V. ('Captin' in this brochure) handles, on behalf of the Foundation, the necessary administrative and other activities for the employees/participants, which includes maintaining a register of depositary receipt holders, taking care of the periodic option of buying and selling depositary receipts, and handling the administrative and financial settlement of transactions.

By signing a participation agreement, the participant grants Captin an irrevocable authorisation to perform any and all actions required in the context of the Plan. If you have any questions or comments concerning the Plan, you can contact Captin. You will find their contact details on the last page of this brochure.

Calculation example

Every employee receives an equal gross amount under the Nedap profit-sharing scheme (adjusted for the number of months worked in the year and part-time percentage).

Let's say, for example, that you get €600 net from the Nedap profit-sharing scheme (the net profit-sharing bonus is stated on your digital payslip).

You can have this paid out (option 1), partly used to buy depositary receipts (option 2), or fully used to buy depositary receipts (option 3).

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
	Pay out full amount	Use part to buy depositary receipts Pay out remainder	Use all to buy depositary receipts
Nedap N.V. profit-sharing bonus	€600.00	€600.00	€600.00
Purchase of depositary receipts	€0	€400.00	€600.00
To be paid out	€600.00	€200.00	€0
Total net	<u>€600.00</u>	<u>€600.00</u>	<u>€600.00</u>

The example shown above is based on the current (2019) tax regulations.

Q&A

You may find the answer to questions you have about the Plan in the following list of Questions & Answers. This Q&A is for internal use only. No rights can be derived from the information provided in this Q&A. The provisions of the Plan take precedence.

GENERAL

What are the benefits of participating?

Within the Plan, you can buy Nedap depositary receipts at a discount of 10%. The discount and the purchase price are calculated based on the conditions stated during the subscription period, currently at the year-end closing price of the previous year.

The discounted depositary receipts will be blocked for four years before they can be freely traded. After four years, you will receive one bonus depositary receipt per four depositary receipts if you are still employed at Nedap or have since retired from the company. After four years, the depositary receipts can—outside a closed period—be sold at the then current price of the Nedap share.

Are there risks to participating in the Plan?

Yes, investing always involves risk. The value of investments can fluctuate. Past performance is not indicative of future results.

Is participation in the Plan suitable for me?

Only you can determine this for yourself. Keep in mind that the depositary receipts you purchase will be blocked for four years. The price of Nedap shares may fluctuate over time. You could lose all or part of your investment.

Who can participate in the Plan?

Anyone with a fixed-term or permanent contract of employment with Nedap *and* who qualifies for a profit-sharing bonus in accordance with the Nedap profit-sharing scheme *and* who receives a message offering various options of how to use the profit-sharing bonus is entitled to participate in the Plan.

I work part-time at Nedap. Can I participate too?

Yes, part-timers may participate in the Plan.

Who manages the Nedap Employee Participation Plan?

The depositary receipts issued under the Plan will be registered and administered by Captin.

Can I have the depositary receipts held at a different bank?

No, that's not an option.

How will I be informed about my depositary receipts and such?

Captin will inform you on matters concerning your depositary receipts, the purchase and sale of these and any dividend payments, and they will send you the annual statements. So it's important that you ensure Captin always has your most recent email and postal address. You can notify them of any changes at <https://nedap.captin.nl>. You will be given a username and password to access this portal, where you will find all the relevant information concerning your depositary receipts.

PARTICIPATION AND COSTS

How do I take part in the Plan?

When it is announced that there will be a profit-sharing bonus, you will, if you qualify, receive a message from Nedap with further information, including how you can make your choice regarding the use of the profit-sharing bonus known during the subscription period. If you choose to use all or part of the bonus to buy depositary receipts for Nedap shares, you must make this choice known (electronically) by the last day of the subscription period. At the same time, you declare that you will be participating in the Plan and that you agree with its conditions. If you have not previously held depositary receipts for Nedap shares, you will be asked to provide additional information such as your bank account number and your personal (preferably private) email address.

Do I have to pay commission charges and/or custodial fees?

No, no commission is charged for purchases under the Plan, and you (as a participant) will not be required to pay any custodial fees.

Will I have to pay commission when I sell my depositary receipts?

Yes, after the 4-year blocking period, you will be charged the usual commission that applies at Captin at that time.

PURCHASE AND SALE

When will the depositary receipts be added to the register?

Captin will add the depositary receipts to the register of depositary receipt holders as soon as possible after it has received the instruction from the Foundation.

Can I sell the depositary receipts any time I like?

No, the depositary receipts are blocked for four years and then can only be sold outside a closed period. Even if you leave Nedap during the blocking period, the depositary receipts will remain blocked and cannot be sold before the end of this period.

Can I set a minimum price for the sale of my depositary receipts?

When you decide to sell your depositary receipts, in addition to the best order (the best price available on the exchange at that time), you can specify a limit order (the minimum price you are willing to accept).

What is meant by 'closed period'?

A closed period is a period during which shares and depositary receipts for shares may not be traded; that's to say they cannot be bought or sold, even if the blocking period has expired. The dates for open and closed periods will be

announced on the Captin web portal at <https://nedap.captin.nl>. These dates can vary per year. The portal also provides detailed information on whether or not you can buy and/or sell depositary receipts.

Who do I contact if I want to sell my depositary receipts?

You will need to instruct Captin on the portal (<https://nedap.captin.nl>) to do this for you. Once the 4-year blocking period under the Plan has expired, the relevant depositary receipts will be at your disposal. Once the depositary receipts have been converted into the underlying shares, these shares can be sold on the stock exchange at the going market price. However, the more depositary receipts that remain in the hands of the Foundation, the more powerful its voice will be.

TAXES AND DIVIDEND

Do the depositary receipts entitle the holder to a dividend?

Yes, the depositary receipts entitle the holder to a dividend if and insofar as dividend is paid to Nedap shareholders.

Are dividend payouts also blocked for four years?

No, the Foundation will pay you any applicable dividend during the blocking period as well.

Is tax owed on the 10% discount?

No, as a participant you do not pay tax on the 10% discount.

Do I pay tax on the dividend?

Yes, Nedap will withhold the statutory dividend tax—currently 15% (2019)—from your wages. The dividend tax withheld at source may, regardless of your assets, be deducted in full from the total income tax due. You must specify this yourself on your income tax return.

Do I need to include the value of the depositary receipts on my tax return?

Yes, this must be included in your tax return under income from savings and investments (*Box 3: Sparen en Beleggen*). You will receive an annual dividend statement from Captin. Depending on the other assets and exemptions that apply, you will owe capital gains tax on your taxed assets on 1 January of the tax year.

Do I have to pay tax on the bonus depositary receipts I receive after four years?

No, Nedap takes care of the related tax.

When do I have to pay tax on the depositary receipts?

Once the depositary receipts have been added to the register, the depositary receipts are your property. No tax has to be paid on these at that time. You will need to include the depositary receipts in your assets on the value reference date that the tax authorities use for assets. For example, the depositary receipts that you receive in 2019 will only count as part of your assets on 1 January 2020. Captin provides you with an annual statement of the value of the depositary receipts that you can use for your tax return.

LEAVING THE COMPANY, RETIREMENT, DEATH

What happens if I leave Nedap?

You will no longer have voting rights on the depositary receipts during depositary receipt holder meetings. On termination of employment, the 4-year blocking period remains in effect, meaning you may not sell your blocked depositary receipts during this period. After four years, the depositary receipts may be sold at the then current price of the Nedap share.

Do I also receive bonus depositary receipts when I leave the company?

No, no bonus depositary receipts are issued after you leave the company.

What happens when I retire?

When you retire and leave the company during the blocking period, the depositary receipts issued under the Plan will be held for you free of charge and will be released at the end of the 4-year period, at which time you will also receive any bonus depositary receipts you qualify for. You will also receive the annual dividend if and when such is distributed.

What happens if I die?

In the event of your death, your rights as a participant will transfer to your heirs, who can contact Captin to arrange matters concerning the depositary receipts.

What do I receive from Captin?

Captin will send you an annual statement for tax purposes and a dividend statement. If you wish to check your status in the meantime, you can do so on the web portal, or you can call or email Captin. You'll find the contact details below.

WEB PORTAL AND INFORMATION

How can I check my depositary receipt portfolio?

You can check your depositary receipt portfolio on the web portal at <https://nedap.captin.nl>.

Which personal details do I need to pass on to Captin?

Captin will inform you about the purchase and sale of depositary receipts, annual statements and dividend payments, among other things. For them to do this, it's important that you keep your contact details up to date on the web portal at <https://nedap.captin.nl>. Make sure, in particular, that your address, bank account number and email address are all current and correct.

Which email address should I enter in the web portal?

You can enter your private email address on the web portal at <https://nedap.captin.nl>. Make sure that you do not enter your Nedap email address; otherwise you will not be able to receive correspondence from Captin and the Foundation by email should you leave the company for any reason.

Contact information

If you have any questions, you can email Captin at any time at info@captin.nl or call them on +31 (0)20 854 6500.

Reminder

Be aware that when you participate in the employee participation plan, this is not entirely without risk. Past performance is not indicative of future results. Participation is entirely at your own risk.