



The 2022-2025 Nedap Additional Participation Plan

The Nedap Additional Participation Plan (NAPP) is intended to strike a sustainable balance between the personal entrepreneurship required of Nedap employees and employees' ability to receive a share in the company's results when these are above-average. The NAPP is not related in any way to existing salary and profit-sharing agreements, the collective labour agreement or any other schemes or arrangements. The plan is available to all Nedap employees who have a fixed-term or permanent employment contract with Nedap NV or one of the subsidiaries over which Nedap has a controlling interest.

The basic principle of the plan is that employees will receive a share in above-average results when the operating profit, EBIT excluding one-off items, ('EBIT') outgrows a predefined benchmark by over 5% a year

At the start of each financial year, the threshold value for that year will be determined, based on 5% growth compared to the average EBIT from the previous 3 years, with a compound annual growth rate of 5%. This calculation puts the threshold value for 2022 at €21.8 million. At the end of each financial year, the company will determine whether its EBIT has exceeded the threshold value for the year in question. If it has, a profit pool will be created by distributing the EBIT in excess of the threshold value to employees and shareholders. The employee profit pool will receive 40% of the EBIT in excess of the threshold value. If any exceptional circumstances apply in a certain year, for instance non-recurring events, acquisitions or a change to the dividend policy, the Board of Directors is always entitled to apply a different calculation in establishing the profit pool.

The profit pool will be distributed to employees on the basis of profit-sharing rights. Each year, employees receive a number of profit-sharing rights equating to their gross monthly salary divided by 1000. Profit-sharing rights remain valid for a period of 3 years, after which they expire.

Where a profit pool exists - and the assigned profit-sharing rights therefore represent a monetary value - this value will be paid out annually in the form of certificates of Nedap shares through Stichting Medewerkerparticipatie Nedap. These depositary receipts for Nedap shares will have a –lock-up for a period of 4 years, but the bearer will be entitled right away to receive any dividend paid out for the underlying shares.

The Board of Directors reserves the right to assign additional profit-sharing rights to individual employees who have performed exceptionally well, and to assign fewer or no profit-sharing rights to employees who have performed poorly. In the event of exceptional circumstances, the Board may even decide to revoke profit-sharing rights previously assigned.

Profit-sharing rights are personal and cannot be transferred to anyone else. Employees who cease working at Nedap will forfeit all of their profit-sharing rights with immediate effect.

At the end of each financial year, the company will establish how many active profit-sharing rights each employee holds on 31 December of the year in question. Since the number of active profit-sharing rights can fluctuate over the course of the year, the number of rights will be established on the basis of a weighted average for the year.

The value of a profit-sharing right is determined by dividing the year's profit pool by the total average number of profit-sharing rights held on 31 December. Each employee's total share in the profits is then calculated by multiplying the number of profit-sharing rights he/she holds by the value of a profit-sharing right. This amount (subject to compulsory payroll and other deductions) is then transferred to Stichting Medewerkerparticipatie for the issue of certificates of shares. The number of certificates of shares to be issued is calculated using a value equal to the price of a Nedap share on Euronext on the last day of trading of the financial year for which the profit pool was created. Only whole numbers of certificates of shares will be issued. The customary rounding rules will be used to determine the number of certificates of shares to be issued to each employee. These certificates of shares will then be locked for four years. No 10% discount will be given for the purchase of the depositary receipts and no bonus depositary receipt will be awarded after four years for every four (certificates of) shares.

The NAPP is valid from 2022 to 2025. After this period, all rights accrued under the plan will expire. The Board of Directors will be entitled to compile a new follow-on plan, which may or may not take into account previously accrued profit-sharing rights.

In order to ensure that sufficient capacity is reserved for responding to unforeseen developments and that the plan does not have any undesirable effects, the plan will be executed entirely at the Board's discretion. Furthermore, the Board itself will not participate in this plan.
