a.s.r.
de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen

Remuneration Policy a.s.r.

2023

Contents

1 Introduction of remuneration policy

1.1 What is the a.s.r. Remuneration Policy?

A policy that encourages employees to act in the interests of customers and other stakeholders
The a.s.r. Remuneration Policy (hereinafter referred to as: remuneration policy) is designed to encourage employees to act in the best interests of customers and other stakeholders within the limits of legislation and regulations, which include a number of duties of care.

A framework that provides insight into the statutory requirements that remuneration within a.s.r. must meet.
As an insurance group with several regulated group companies, the a.s.r. group[1] is obliged to apply a large number of remuneration rules. These remuneration rules are derived from various laws, further regulations and guidelines that often have a different scope of application. Remuneration rules distinguish between rules for fixed and variable remuneration, whereby most rules relate to the prevention of excessive incentives and risks when awarding variable remuneration. a.s.r. does not have any group-wide variable remuneration. Only in specific cases is it (occasionally) possible to award variable remuneration.

A policy that a.s.r. as head of the a.s.r. group applies to all group companies
ASR Nederland N.V. (hereinafter: a.s.r.), as group head, is obliged to apply the remuneration rules to all group companies.

This remuneration policy enables a.s.r. and its group companies to comply with this obligation.

A policy with which all group companies of a.s.r. must comply
All group companies should take note of this remuneration policy and apply it when implementing remuneration schemes.

Group companies that have an independent licence from the Dutch Authority for the Financial Markets (AFM) or the Dutch Central Bank (DNB) are required to have their own remuneration policy. This remuneration policy forms the basis for the own remuneration policy that such a licensed group company has to comply with. Licensed group companies may also independently adopt this remuneration policy as their policy, thereby complying with the remuneration rules that the licence holder is required to observe.

All group companies should at all times apply the preconditions as included in Chapter 2 (Fixed remuneration) and Chapter 3 (Variable remuneration) of this remuneration policy. If application of this group policy conflicts with the application of remuneration rules that a group company is required to apply by law, the group company must immediately report this to the HR department of a.s.r., (hereinafter: HR) prior to applying a scheme that conflicts with the group policy. Group companies with their own employment conditions schemes may still be obliged to apply a variable remuneration scheme to employees, for example as a result of an acquisition. That 'taken over' variable remuneration scheme must however comply with Chapter 3 of this remuneration policy.

An overview of applicable legislation and regulations is included in Annex 1.

More information on the scope of application is included in section 1.4 of this remuneration policy.

Group companies can always contact HR with questions about the implementation of the remuneration policy.
Group companies shall inform and involve HR in good time in the event of any deviations from the rules laid down in the remuneration policy.

1 Definition the a.s.r. group: (i) a legal entity in which a.s.r. (ASR Nederland N.V.) can directly or indirectly exercise more than half of the voting rights in the AGM or can appoint or dismiss more than half of the executive or supervisory directors (subsidiary as referred to in Section 2:24a of the Dutch Civil Code as well as sub-subsidiaries of a.s.r.), (ii) all legal entities and companies with which a.s.r. is affiliated in a group (group company as referred to in Section 2:24b of the Dutch Civil Code) and (iii) all legal entities forming part of the consolidated supervision to which ASR Nederland N.V. is subject.

Remuneration policy is part of the HR policy
a.s.r. has an HR policy that gives direction to the way in which employees can enter the company, move on to another job, and leave the company. Remuneration of employees is part of this. The way in which employees are rewarded is part of the HR policy and a.s.r.'s policy in this respect is included in this remuneration policy.

The remuneration policy is drawn up and implemented with due observance of the applicable rules on governance. The governance is described in more detail in Chapter 5.

HR is in charge of the remuneration policy and coordinates its formulation and evaluation throughout the a.s.r. group.

1.2 What does the remuneration policy consist of?

The remuneration policy is made up of different components with different scopes of application

The remuneration policy consists of several components. This is mainly because the a.s.r. group comprises of several financial companies and is therefore required by legislation and regulations to apply specific remuneration rules to the group as a whole and also with respect to certain groups of employees. This means that remuneration policies may differ for different groups of employees. A description of the employee groups is included in section 1.4 of this remuneration policy.

The remuneration policy consists of the following components:

Chapter 1: Introduction
This introduction explains the remuneration policy and the principles a.s.r. applies in this regard. This chapter also explains to which employees this policy applies.

Chapter 2: Fixed remuneration
Chapter 2 describes the fixed remuneration. The remuneration of employees within the a.s.r. group consists solely of fixed remuneration (with the exception of specific cases, see Chapter 3).

Chapter 3: Variable remuneration
Chapter 3 describes the conditions that apply to the awarding of variable remuneration. Employees only qualify for variable remuneration in specific cases.

Chapter 4: Publication
Chapter 4 describes in broad outline how a.s.r. meets its disclosure obligations under the legislation and regulations and how subsidiaries within the a.s.r. group also meet their disclosure obligations.

Chapter 5: Governance
Chapter 5 outlines the applicable governance procedures.

Chapter 6: Miscellaneous

Annexes: The Annexes elaborate on certain principles and policies outlined in Chapters 1-6.

1.3 What are the principles of the remuneration policy?

Remuneration perspectives remuneration policy
This remuneration policy is based on a number of principles for the a.s.r. group. These principles have been established by a.s.r. with due observance of the following perspectives which serve as a basis for how the remuneration policy fits in with the role that the a.s.r. group fulfils as an insurance group in society:

a.s.r. remuneration perspectives	What does this mean in practice?
Organisational perspective: The remuneration policy is in line with how the a.s.r. group presents itself as an insurance group.	As group head, a.s.r. believes that society is entitled to expect the a.s.r. group to be a useful insurance group that handles the resources entrusted to it and the environment in which it operates responsibly. With regard to the remuneration of a.s.r.'s Executive Board, for example, society may expect that it is in line with the character of the a.s.r. group and that the remuneration policy and the level of remuneration of the directors within the group can be explained from that perspective. For this reason, there is, in principle, no variable remuneration scheme within the a.s.r. group. a.s.r. believes that such a scheme would not be consistent with the a.s.r. group culture. The sentiment within society regarding variable remuneration in the financial sector has also been taken into account.
The internal perspective: The remuneration policy ensures consistency in the internal pay structure.	Employees are paid a salary based on job grades according to a step-by-step classification into salary scales. In addition, they may receive fixed allowances under their employment contracts and build up their pensions.
The external perspective: The remuneration policy is tested against the external market.	a.s.r. and its group companies offer all their employees a competitive salary. The market conformity of the salary is tested against a benchmark group.
The stakeholder perspective: The remuneration policy takes into account the views of different stakeholder groups on remuneration: customers, shareholders, employees, society at large.	The design of the remuneration policy was tested against the views of shareholders, customers, employees and society at large. The views and interests of different stakeholder groups are taken into account as far as possible in the remuneration policy.

Based on the above perspectives, the a.s.r. group applies the following principles in drafting, adopting and implementing its remuneration policy.

The remuneration policy:
a) is in line with the corporate culture and strategy, the objectives, values and long-term interests of the company and its stakeholders;
b) is prudent, restrained and, in view of the long-term interests and performance of the a.s.r. group and its stakeholders (including employees, customers and shareholders), sustainable and ensures that remuneration within the a.s.r. group takes into account the function of the a.s.r. group in the financial sector and in society at large;
c) is in line with a.s.r.'s risk appetite, risk management strategy and risk profile, contributes to sound and effective risk management, does not encourage risk-taking beyond what is acceptable to the company and the group;
d) does not restrict the company's scope to maintain and strengthen its capital base as well as its robust regulatory capital, solvency margin and/or own funds;
e) takes into account the rights and interests of customers and aims to ensure that customers are treated with due care, that the integrity of customers and their interests are not harmed in the short, medium or long term;
f) ensures that the performance of employees and the company is measured using both financial and non-financial indicators;
g) is aimed at employees being rewarded in a gender-neutral way;
h) ensures that failing executive directors, supervisory directors and employees are not rewarded;

back to contents >

i) combats conflicts of interest and encourages responsible business practices and the fair treatment of customers;
j) encourages contributing to sustainable entrepreneurship, which a.s.r. understands to mean that the business operations take into account the social impact on the core themes of climate change and energy transition, vitality and sustainable employability, and financial self-sufficiency and inclusiveness;
k) ensures that employees will not to make use of personal hedging strategies or of any insurance policies linked to remuneration and liability to undermine the risk management effects embedded in their remuneration schemes;
l) strikes a balance between trust in intrinsic motivation on the one hand and agreement on clear targets and assessment of performance on those targets on the other;
m) ensures that the total package of employment conditions is adequate to attract and retain competent people and provides the a.s.r. group with a good competitive position;
n) is clear and transparent in its design, governance and methodology and (in principle) applicable to all employees; and
o) is in accordance with applicable (inter)national legislation and regulations. This is periodically evaluated and, if necessary, adapted to new or amended legislation and regulations or market standards.

1.4 To whom does the remuneration policy apply?

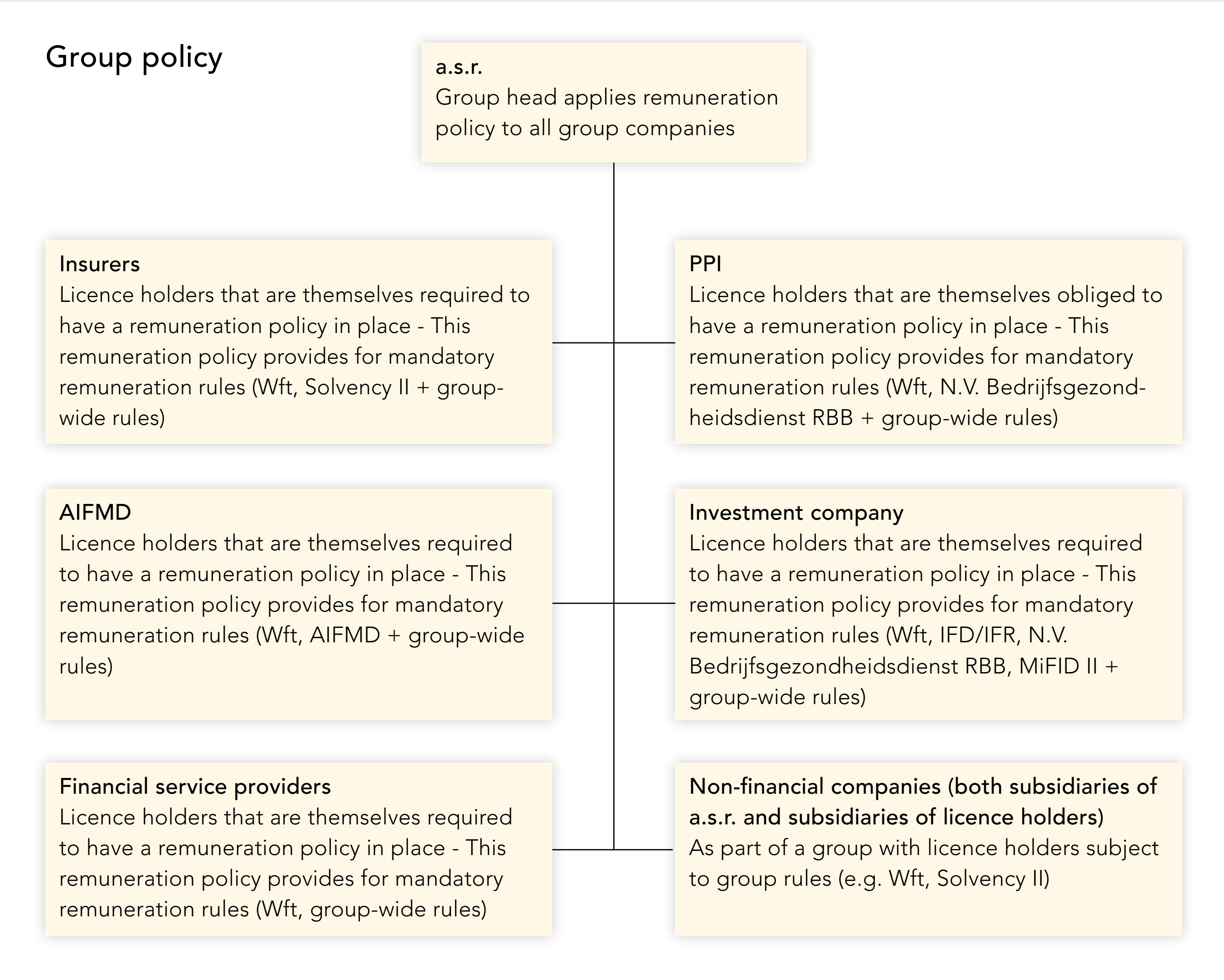
All natural persons working for the a.s.r. group
The law provides that the remuneration policy must apply to all natural persons working under the responsibility of a.s.r.

This means that the remuneration of all employees working under the responsibility of a.s.r. or one of its group companies must comply with the conditions of this remuneration policy.

All legal entities and companies (group companies) belonging to the a.s.r. group
as the head of the a.s.r. group, a.s.r. must ensure that the entire a.s.r. group applies a remuneration policy that complies with the remuneration rules prescribed by law for financial undertakings. DNB, the AFM and the Dutch Healthcare Authority (NZa) supervise the way in which a.s.r. applies its remuneration policy.

This means that group companies that do not qualify as financial undertakings and do not independently hold a licence from the AFM or DNB must also apply the remuneration policy.

Figure 1: Overview of group companies to which a.s.r. applies the group remuneration policy.



Licensed group companies
Group companies that have an independent licence from the AFM or DNB and qualify as financial undertakings within the meaning of the Wft must independently pursue their own remuneration policy that complies with legislation and regulations. This remuneration policy forms the basis for these group companies, provided that the policy is then determined by the licence holder.

In case of deviation from the remuneration policy by a group company, HR must be informed in advance in order to be able to give timely advice on the possibilities to implement the deviation.

For further information on deviation from this remuneration policy we refer to Chapter 6.

Group companies with own employment conditions / own pension policy
Group companies that for historical reasons apply their own employment conditions are to supplement this remuneration policy with their own employments conditions scheme and, if applicable, their own pension policy. When a group company deviates from the remuneration policy as a result of applying its own employment conditions, HR must be informed in advance in order to be able to give timely advice on the possibilities to implement the deviation.

Specific groups of employees.
Above, it has been generically described to whom the remuneration policy applies. Certain elements of the remuneration policy only apply to certain groups of employees, because they have specific roles and are subject to specific rules.

Annex 2 contains a description of the following groups of employees for whom separate rules apply:
- Identified staff
- Employees in control functions/key functions
- Day-to-day policymakers
- Executive directors and supervisory directors
- Senior executives under the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT)
- High earners
- MiFID II staff
- Sales staff

The groups of employees may overlap.

2. Fixed remuneration

2.1 Types of remuneration: fixed and variable
Specific statutory remuneration rules apply to, among others, the types of remuneration, the form, the amount and the method of payment. Employees of a group in which financial undertakings operate find themselves confronted with this. After all, the remuneration schemes that apply to them must comply with these rules.

Remuneration of employees is either fixed or variable. The different forms of remuneration within employment conditions schemes always fit either into the fixed or the variable category. The classification into these categories is relevant, inter alia, because the ratio between fixed and variable remuneration and the awarding and payment of variable remuneration are subject to specific restrictions. These specific restrictions further the principles of this remuneration policy.

Employees of a.s.r. only receive a fixed remuneration, apart from certain exceptions (see Chapter 3 of this remuneration policy).

The rules that apply to employees who receive a fixed remuneration are described in more detail below.

2.2 Fixed remuneration
Remuneration is fixed if the conditions governing the awarding and level of the remuneration:
- are based on predetermined criteria;
- are non-discretionary, depending on the level of professional experience and seniority van the employees;
- provide the individual employee with transparency regarding the amount to be awarded to that employee;
- are permanent, i.e. are maintained for a period that is tied to the specific role and responsibilities within the organisation;
- cannot be revoked (the permanent amount can only be changed by means of collective negotiation or following a renegotiation);
- cannot be reduced, deferred or cancelled by the company;
- do not encourage risk-taking; and
- are not dependent on performance.

All remuneration that cannot be classified as fixed remuneration is, by definition, variable.

2.3 Specific forms of fixed remuneration

In addition to the basic salary, a.s.r. has the following forms of fixed remuneration.

2.3.1 Fixed allowances

Allowances are additional payments or reimbursements that are paid in addition to the basic salary. Allowances are also categorised as either fixed remuneration or variable remuneration. The allowances mentioned below only apply to employees employed by a.s.r.

All employees who were employed by a.s.r. on 1 January 2014 have received a fixed monthly allowance since that date. The fixed allowance is calculated as a percentage of the gross fixed personal monthly salary that is actually paid. This percentage is calculated separately in advance for each group of employees:

- Employees in salary groups 1-12: 4.4%
- Employees in salary groups 13-15 (higher management): 10.9%
- Employees in salary groups 22-24 (senior management): 16.2%

Employees in salary groups 13-24 also receive the above fixed allowance if they joined the company after 1 July 2014.

In addition, certain groups of employees receive a fixed allowance, such as a property allowance, a field employment allowance or a compensation allowance (e.g. in connection with a change in the applicable collective bargaining agreement and/or as a result of an acquisition) and some employees receive individual fixed allowances (labour market allowances and/or personal allowances).

Group companies that makes use of separate employment conditions schemes may grant fixed allowances to their employees, in line with applicable legislation and regulations.

2.3.2 Severance pay

Severance pay is also fixed or variable. Severance pay is fixed if the calculation of the severance pay involves the use of a fixed formula or calculation basis that is in keeping with the fixed formulas or calculation bases used in actual practice. This includes the transition payment, the subdistrict court formula and any other formulas laid down in social plans.
In addition, the entire a.s.r group in principle complies with previously made individual agreements based on other formulas or calculation bases that were customary at the time.

Other forms of severance pay are variable. Variable severance pay must meet the 20% bonus cap and the other requirements for awarding and paying out variable remuneration (for more information, see Chapter 3 of this remuneration policy).

Severance pay is only paid out if this relates to past performance and is designed to ensure that failure and inappropriate behaviour are not rewarded. No severance pay, either fixed or variable, may be awarded to an employee in the following cases[2]:

- In the event that the employment relationship is terminated (prematurely) at the employee's own initiative unless this is due to serious culpable conduct or neglect on the part of the employer.
- In the event of serious culpable conduct or neglect in the performance of his or her duties by the employee and/or an urgent reason for instant dismissal are involved.

Additionally, the following conditions apply in respect of severance pay for day-to-day policymakers.

- The maximum severance pay is 100% of the fixed annual remuneration.
- No severance pay is awarded in the event of the company's failure.

In the case of senior executives within the meaning of WNT, the maximum amount of severance pay, including remuneration relating to any period that the relevant senior executive is exempt from work, is equal to the senior executive's annual salary, but may not exceed a gross amount of € 75,000.

2 Section 1:125(1) Wft.

back to contents >

2.3.3 Pension policy and discretionary pension contributions as fixed remuneration
The a.s.r. group has two types of pension policy.

Het Andere Pensioen (The Other Pension)
All staff of a.s.r. (including the members of the Executive Board) take part in Het Andere Pensioen (The Other Pension), a defined contribution scheme administered by ASR Levensverzekering N.V. A graduated scale of premiums is used that is based on a 1% actuarial interest rate with the statutory minimum deductible and the statutory maximum pensionable income. The employee contribution is 4.5% of the pension basis. Employees in salary group AM-12, 12-B and 13 and higher who have a pensionable income that is higher than the maximum indicated by the government, may participate in a net pension scheme, administered by ASR Levensverzekering N.V., by way of compensation for the capping of the pensionable earnings. Participation in this scheme is on a voluntary basis. No discretionary pension contributions are granted.

Pension policy of group companies
Not all employees participate in Het Andere Pensioen (The Other Pension). The a.s.r. group companies that apply their own employment conditions schemes pursue a pension policy that is aligned with the strategy, objectives, values and long-term interests of the company and the relevant subsidiary or group company. The pension policy is laid down in the relevant remuneration policy, which may refer to applicable pension scheme or schemes.

2.4 Rules for fixed remuneration of specific groups of employees/executives

2.4.1 3.3.1 Maximum fixed remuneration for senior executives within the meaning of WNT
In the case of senior executives within the meaning of WNT, the remuneration (as defined in WNT) may not exceed an absolute maximum amount that is fixed by the Dutch Minister of Health, Welfare and Sport. New senior executives within the meaning of WNT within the a.s.r. group receive remuneration that does not exceed this maximum amount. Senior executives within the meaning of WNT who have been paid higher remuneration for some time may, under the transitional provisions of the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act, continue to be paid higher remuneration for a limited period.

2.4.2 Fixed remuneration scheme for members of the Executive Board and Supervisory Board

2.4.2.1 Executive Board a.s.r.
Members of the Executive Board receive a fixed remuneration; there is no variable remuneration scheme.
In exceptional cases - in line with Chapter 3 - a specific (variable) remuneration may be awarded, such as a welcome bonus.

The remuneration of the members of the Executive Board is also established on the basis of a classification in salary scales, as is the case for other a.s.r. employees. This creates a link with the salary scales for the other employees.
The positions of members of the Executive Board and the other staff are subject to a salary scale with a range from 70% to 100%. For staff and the Executive Board the maximum remuneration lies around the median of the reference group.

Part of the (fixed) remuneration of the members of the Executive Board is paid in a.s.r. shares (20% of the fixed cash remuneration). From the moment the a.s.r. shares are acquired by the members of the Executive Board, they must be held for at least five years (transfer restriction period). The a.s.r. shares can only be sold to the extent that the transfer restriction period and legislation and regulations allow this. This period applies to each granting of shares and is administered per tranche. In addition to the transfer restriction period, a so-called retention obligation applies. This means that the members of the Executive Board (as long as they are employed) must hold at least 100% of their fixed gross annual salary in shares before they are allowed to sell any shares. When the Executive Board member leaves office, the five-year transfer restriction period continues to apply, but the a.s.r. shares can be sold freely after its expiry.
Any sale of shares can only take place in so far as this is in accordance with the ‘Regulations on the handling of private transactions in financial instruments’ and in so far as legislation and regulations allow this.

The reference group of the Executive Board consists of Dutch organisations only, many of which have a social nature, to be distinguished according to comparable Dutch listed companies and Dutch financial institutions, including insurance companies. Half of the reference group of the Executive Board consists of financial institutions. The non-financial institutions must meet at least 2 of the 3 criteria set with respect to the similar size of the companies for inclusion in the reference group. These criteria concern the organisation's turnover, market capitalisation, and the number of staff[3]. a.s.r. finds itself around the middle of this reference group. In addition, all remuneration data of the organisations in the reference group must be published individually. The median is established using a conversion factor of 0.5 of 'at target' variable to fixed salary for the companies in the reference group who have a variable remuneration component.
The Supervisory Board also periodically tests the median against a European control group consisting of at least 10 European financial institutions.

To prevent the remuneration of the employees and the Executive Board from diverging too much, partly due to the difference in reference groups, the remuneration of the Executive Board are tested every 2 years against the reference group of the employees (the financial services industry). If the differences become too substantial, this may be a reason to adjust the maximum of the salary scales of the members of the Executive Board. The remuneration ratio between the remuneration of the CEO and the average remuneration of the employees at a.s.r. will be less than 1:20.

Each year, the Supervisory Board assesses whether, in addition to the increase in accordance with the CBA wage index, there is cause for a salary increase for the members of the Executive Board within the salary scale. In principle, the members of the Executive Board run through the salary scales in the same way as the employees. For employees, this concerns an annual growth of 3% (provided there is room for this in the salary scale). For the members of the Executive Board, the Supervisory Board has the option of adjusting this growth path slightly upwards or downwards in exceptional circumstances (a growth of 0% to 6%, provided there is room in the scale). In doing so, the Supervisory Board will take into account the performance of a.s.r. and the principles laid down in the remuneration policy. The Supervisory Board will account for this in the annual remuneration report as included in the annual report.

The Supervisory Board's remuneration committee (hereinafter: the Remuneration Committee) tests the principles of the remuneration policy (at least) once every four years against the four perspectives. The remuneration policy will be put to the vote (at least) once every four years at the AGM. The market comparison (remuneration benchmark) is carried out once every two years by an external consultancy.

The members of the Executive Board work on the basis of a contract for services for an indefinite period of time. These contracts for services end by operation of law as soon as the parties concerned cease to be members of the Executive Board. Furthermore, the contracts for services can be terminated (prematurely). In that case a.s.r. will observe a notice period of six months. A notice period of three months applies to the members of the Executive Board. The severance pay amount to 100% of the fixed annual salary. This amount is paid under the conditions laid down in the contract for services and with due observance of the remuneration policy. The contract for services also contains a provision for dismissal due to a change of control.

2.4.2.2 Supervisory Board a.s.r.
The remuneration of the Supervisory Board of ASR Nederland N.V. is fixed; there is no variable remuneration scheme. In determining the remuneration level, the responsibilities and time spent of a Supervisory Board of a listed financial institution is taken into account, including:
- revised and expanded legislation and regulations
- fundamental changes in the nature and complexity of the company and governance
- a.s.r.'s profile, in which organic growth, mergers, acquisitions and collaborations in complex insurance areas will be actively examined and/or pursued.

In addition, the remuneration level within the reference group used is considered. This reference group is the same as that used for the members of the Executive Board.

2.4.2.3 Management boards of group companies
The a.s.r. group companies must ensure that the management board of the group company concerned complies with the rules regarding fixed remuneration in this Chapter 2 or variable remuneration in Chapter 3.

3 With respect to the organisation's turnover, its market capitalisation and number of employees a range of 0.4 – 2.5 applies.

back to contents >

2.5 General rules applicable to fixed remuneration

2.5.1.1 Function of the a.s.r. group in society, integration of sustainability risks and gender-neutral remuneration

Society
In addition to the specific remuneration rules mentioned above, a.s.r. is required to describe in its remuneration policy how remuneration within the a.s.r. group relates to the position of the a.s.r. group in the sector and its position in society, and how this relationship is achieved.

Chapter 1 of this Remuneration Policy contains the perspectives and principles that underpin the remuneration policy and that have been established to ensure a.s.r.'s role in society as a useful insurer that handles the funds entrusted to it in a confidential manner. The remuneration policy gives substance to the statutory obligation by means of the organisational perspective, the internal perspective, the external perspective and the stakeholder perspective as described in Chapter I, which perspectives serve to ensure the appropriateness of the remuneration in line with how the a.s.r. group presents itself as an organisation, consistency in the internal pay structure, benchmarking against the external market and the way in which the views of stakeholders regarding remuneration are taken into account in determining the remuneration policy.

The a.s.r. group uses remuneration benchmarks to determine the ratio of remuneration based on the perspectives and role of the a.s.r. group within society and other stakeholders. A remuneration benchmark is periodically carried out for all employees by an external consulting firm. The remuneration benchmark of the Executive Board of a.s.r. is conducted once every two years.

Sustainability risks
a.s.r. - as a financial company - pays attention to risk factors related to environmental, social or governance events, also known as sustainability risk factors. a.s.r. does this by including sustainability risk factors in its risk management policy.

a.s.r. takes into account that the remuneration policy is in line with a.s.r.'s risk management policy. In this way, a.s.r. takes account of sustainability risk factors when implementing its remuneration policy.

For certain group companies that provide asset management services, develop or offer investment products or investment insurance policies or provide advice on these, more specific rules apply that require the remuneration policy pursued to take into account sustainability risk factors. This may be reflected, for example, in fixed performance criteria for product development. The group companies concerned must publish information on the way in which this is implemented within a.s.r. on the website as part of the compulsory information provision under the sustainable finance disclosure regulation (SFDR). This rule also applies if only fixed remuneration is granted.

Gender-neutral pay
a.s.r. ensures that employees are rewarded equally for equal or similar work and that no distinction is made on the basis of gender. Group companies ensure that their remuneration policies are aimed at employees being paid in a gender-neutral way.

2.5.1.2 Introducing new products or services by investment firms
Investment firms with their own licence as a financial undertaking, prior to launching a new product, must verify that the remuneration aspects relating to the distribution of that product are in compliance with their remuneration policies and practices and therefore do not create a risk concerning corporate behaviour and conflicts of interest. These companies should document this appropriately.

3. Variable remuneration

3.1 Introduction
This chapter sets out the frameworks for variable remuneration in the remuneration policy. Since 1 July 2014, a.s.r. has no longer used company-wide variable remuneration. Within the a.s.r. group, variable remuneration can only be awarded in specific situations and under strict conditions in line with legislation and regulations, such as the incidental bonus (‘Boter-bij-de-vis’ remuneration) at a.s.r. or the bonus at the a.s.r. group companies and some other forms of specific variable remuneration.

Group companies with their own terms and conditions of employment may pursue their own policy on variable remuneration under strict conditions. The remuneration policy of these companies must be in line with the frameworks described in the remuneration policy and the applicable legislation and regulations. The Executive Board of a.s.r. must be informed about deviations for the benefit of management boards under the articles of association of group companies. Other deviations must be agreed in advance with HR.

3.2 Minimum requirements for variable remuneration
The variable remuneration is subject to the following minimum requirements:
- Appropriate ratio between fixed and variable remuneration (section 3.3)
- Performance criteria (section 3.4)
- Method of payment to identified staff (section 3.5)
- Risk adjustment (section 3.6)

3.3 Appropriate ratio between fixed and variable remuneration
In incidental cases where variable remuneration is awarded, the total variable remuneration may not exceeds 20% of the total fixed annual remuneration of the employee concerned. This ratio is also referred to below as the “bonus cap of 20%”. Using this ratio ensures that the fixed and variable components of the total remuneration are appropriately balanced. To the extent that variable remuneration is awarded, the share of the fixed component in the total remuneration package should be large enough to allow for a fully flexible policy on variable remuneration.

In derogation from the bonus cap of 20%, a higher variable remuneration may only be awarded in exceptional cases, subject to compliance with applicable legislation and regulations, to individual employees, other than employees performing a monitoring function or employee who are directly involved in providing financial services to consumers[4], up to a maximum of 100% of the annual fixed remuneration.

3.4 Rules for performance criteria in the context of variable remuneration

All employees including Identified Staff
The performance criteria on which the variable remuneration is based consist of achievable goals and measures over which the employee has some direct influence. They do not encourage excessive risk-taking or deception in the sale of products, take into account the rights and interests of customers, the quality of customer service and are in line with the corporate strategy (including the sustainability strategy), objectives, values and long-term interests of the company and the relevant group company or subsidiary, including the risk management strategy, risk appetite and risk profile. The performance criteria take into account both qualitative and quantitative criteria to determine the level of variable remuneration, in order to ensure that the rights and interests of customers are duly taken into account.

4 These are the persons who have contact with the consumer in so far as information relating to the content of a financial service is exchanged in the process. This includes in any case persons who advise consumers on a financial product. However, employees who inform a consumer, whether or not at their request, about the composition or effect of a financial product, for example, without advising the consumer, also have substantive contact.

back to contents >

The performance criteria consist of a combination of:
- financial criteria and non-financial criteria (the latter making up at least 50%);
- absolute criteria (based on corporate strategy) and relative criteria (based on comparison with peers); and
- the performance and risks in relation to (i) the individual employee, (ii) the business or department where the employee works, and (iii) the group company or subsidiary and the a.s.r. group as a whole.

The relative importance of the different elements and levels of the performance criteria are weighed up and determined in advance. As part of this, attention is paid to the groups of employees to whom the performance criteria apply and the risks that they may take in the performance of their duties.

The period for which variable remuneration is awarded is at least one year. In addition, a distinction will be made regarding the variable remuneration and the performance assessment between the various roles at the operational and corporate business units and control functions. The aim here is to ensure that the performance is linked to the specific job content.

Employees in control functions (key functions)
The pay structure of employees in control functions focuses on the ability of those employees to carry on the control function independently. Conflicts of interest are to be avoided. For this reason, the performance criteria for variable remuneration for employees with control duties are based on job-specific control objectives. They are based only partially, if at all, on market-related business objectives, such as turnover, results on shares, loans or growth of the balance sheet total.

MiFID II staff
In the remuneration structure of MiFID II staff, the interests of customers are key and are not prejudiced in the short, medium and long term by the remuneration policy adopted. The remuneration policy and the remuneration practices are organised in such a manner that no conflict of interest or incentive is created that might induce MiFID II staff to favour their interests or the interests of the company at the potential detriment of a customer. In addition to the general principles contained in this remuneration policy, a number of specific principles apply to remuneration and, in particular, to the performance criteria applicable to MiFID II staff. These are included in Annex 2.

Sales staff
The remuneration structure of Sales staff focuses on customer interests. The remuneration policy should ensure that remuneration practices do not create risks for customers or limit the creation of any risks.
In addition to the general principles in this remuneration policy, the principles regarding remuneration and in particular the performance criteria apply to Sales staff as set out in Annex 2.

3.5 Arrangements for paying variable remuneration to identified staff

Specific requirements concerning the way in which variable remuneration is paid apply to identified staff.
These requirements relate to the form in which payment is made (in cash or financial instruments: section 3.5.1) and to the time of payment (section 3.5.2).

All group companies have to determine which employees qualify as Identified Staff. The procedure for the selection of Identified Staff is set out in Annex 3.

3.5.1 Instruments

If a variable remuneration scheme is awarded, at least 50% of both the deferred portion of variable remuneration and the portion that is paid immediately consists of an appropriate balance of financial instruments[5]. For employees working for alternative investment institutions (at the time of this version: ASR Vermogensbeheer N.V., ASR Real Estate B.V. and ASR Vooruit B.V.), or investment firms, these instruments are in principle linked to the alternative investment institutions or investment firms themselves. No dividend or interest is payable on the financial instruments during the deferral period.

5 The financial instruments referred to in Article 94(1)(l) CRD V and Commission Delegated Regulation (EU) No. 527/2014 of 12 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration, OJEU L 148/21.

3.5.2 Deferral arrangements and retention policy

Part of the variable remuneration of identified staff is awarded on a deferred basis. The length of the deferral period is related to the business cycle, the nature of the activities and the associated risk, the responsibilities, powers and activities of the relevant employee or employees or group of employees, and expected fluctuations in the economic activity, performance and risks of the company and the business as well as the influence employees exercise over such fluctuations.

During the deferral period, the company retains the relevant portion of variable remuneration, enabling a penalty to be applied (see section 3.6.2). Following the deferral period and the application of any penalty, no more adjustments are made to the amount of the initial cash award. A retention period applies to the portion of variable remuneration paid in financial instruments following payment (maximum of 60%) or following the end of the deferral period (minimum of 40%), as applicable. These financial instruments may not be sold during this retention period. The retention policy that is in place is designed to ensure that financial incentives created by variable remuneration are aligned with the company's long-term interests.

The table below shows the frameworks that apply when determining the deferral and retention policy. The initial amount of variable remuneration awarded, following the application of any penalty, may be vested in full at the end of the deferral period (cliff vesting) or be vested on a proportional basis during the deferral period (beginning no earlier than one year following the start of the deferral period). The deferral period starts when the portion of variable remuneration to be paid immediately is paid.

Composition of payment	Deferral percentage	Deferral period	Retention period
Maximum of 50% in cash	Immediate payment of maximum of 60%		
	Deferred payment of minimum of 40%	Minimum of 4-5 years	
Minimum of 50 % in financial instruments	Immediate payment of maximum of 60%		Minimum of 1 year
	Deferred payment of minimum of 40%	Minimum of 4-5 years	Minimum of 1 year (total: minimum of 5 years)

3.6 Risk adjustment (all employees)

The adjustment of variable remuneration for risk is of crucial importance for managing risks relating to remuneration. Besides using performance criteria that are tailored to risks, an ex ante risk adjustment is also applied when variable remuneration is initially awarded (section 3.6.1). Subsequently, during the deferral period (or, in the case of proportional payment, during the proportionally shortened deferral period), it may be possible that a penalty needs to be applied (section 3.6.2). Following payment, variable remuneration may still be reclaimed if there are grounds to do so (section 3.6.3).

3.6.1 Ex ante risk adjustment

Ex ante risk adjustment refers to the correction of variable remuneration for risk prior to the initial award. The total amount of variable remuneration and the individual variable remuneration are adjusted downwards if current and future risks give grounds to do so.

Adjustment to protect capital base and solvency margin

With respect to the granting of the remuneration, it will be assessed whether the sum of the total variable remuneration to be paid by the company in that year does not limit the ability of the company to maintain and strengthen its capital base, regulatory capital, solvency margin or own funds. This assessment also takes account of the costs of capital employed and the costs of the required liquidity, regulatory capital or own funds.

Adjustment of individual variable remuneration
Variable remuneration is paid on the basis of the attainment of performance-related targets that are set in advance. These targets are also checked in advance.

When assessing performance, the basis used to calculate the amount of variable remuneration to be awarded is adjusted downwards where this is necessary in view of a current or future risk.

3.6.2 Ex post risk adjustment: penalty
Prior to the payment of the variable remuneration component, the level of the variable remuneration can be wholly or partly reduced if appropriate on the grounds of a reassessment of the performance based on significant new information in the light of the original risk-adjusted performance criteria. In addition, the variable remuneration will in all events be reduced if it is established that[6]:
a. the employee has not met relevant standards in respect of competence and appropriate conduct; or
b. the employee was responsible for conduct that led to a material deterioration in the company's financial position;
c. payment would lead to a situation where the capital base, regulatory capital, solvency margin or own funds of ASR Nederland N.V. or a relevant subsidiary or group company would no longer be robust; or
d. payment of such remuneration would be unfair and unreasonable.

This penalty can be applied until (the deferred part of) the variable remuneration is paid out.

3.6.3 Ex post risk adjustment: claw-back clause
Variable remuneration that has been paid will in any event be reclaimed in full or in part in the event that[7]:
a. the employee has not met relevant standards in respect of competence and appropriate conduct; or
b. the employee was responsible for conduct that led to a material deterioration in the company's position;
c. payment was made on the basis of incorrect information concerning the attainment of targets underlying the payment or concerning the circumstances on which the bonus was contingent.

The claw-back clause can be applied at all times, with due observance of the statutory time limits.

3.7 Occasional/specific variable remuneration:

3.7.1 (Incidental) bonus

Eligible employees
(Incidental) bonuses are small amounts of remuneration for specific performance on the part of an employee on top of the tasks and responsibilities that follow from their job description. Such remuneration may be in the form of money or take another form (e.g. a gift voucher). Identified staff are not eligible for (incidental) bonuses.

Performance criteria and maximum ratio to fixed remuneration
(Incidental) bonuses are paid only on the recommendation of the line manager after obtaining prior permission from HR. When assessing the request for an award, HR uses performance criteria that
- are in keeping with the company's long-term objectives, strategy and risk management policy;
- are based on a combination of the assessment of the performance of the relevant employee and that of the relevant business, as well as the results of the company as a whole;
- are both financial and (at least 50%) non-financial in nature; and
- do not encourage excessive risk-taking or mis-selling.

Any other variable remuneration components and any incidental bonus together may not exceed 20% of the total fixed remuneration on an annual basis.

6 Articles 1:126 and 1:127 Wft.
7 Articles 1:126 and 1:127 Wft.

back to contents >

3.7.2. Retention bonus

A retention bonus is a payment that may be awarded to an employee in order to retain that employee for a specific period of time. There must be a legitimate reason to award a retention bonus, such as a permanent organisational change, a restructuring or a significant change in the control structure.

Retention bonuses are, by definition, variable remuneration and must satisfy the requirements for the awarding and payment of variable remuneration (see section 3.2 and further). In principle, no retention bonus may be awarded if the bonus cap of 20% were to be exceeded. If awarding a retention bonus results in the bonus cap of 20% being exceeded, the retention bonus may be awarded only subject to additional (statutory) conditions and with the prior written permission of DNB or the AFM.

This concerns the following conditions[8]:
- the variable remuneration is necessary in connection with a permanent organisational change of the company;
- the variable remuneration only serves to retain the employee in question for the company; and
- the variable remuneration does not result in the sum of variable remunerations exceeding the percentages (of 100% and 200% respectively) as referred to in Article 94(1)(g)(i), first sentence and (ii) of the Capital Requirements Directive.

3.7.3 Guaranteed variable remuneration, welcome bonuses and buy-outs

Guaranteed variable remuneration is variable remuneration in respect of which few, if any, performance criteria apply. Since guaranteed variable remuneration is not consistent with sound risk management and the principle of performance-related pay, no guaranteed variable remuneration is awarded within the a.s.r. group. Examples of prohibited guaranteed variable remuneration include guaranteed bonuses and guaranteed minimum levels of variable remuneration.

By way of an exception, guaranteed variable remuneration may be provided when new employees commence employment. This takes the form of either a welcome bonus (also known as a sign-on bonus) designed to attract new employees or remuneration to provide compensation for or to buy out employment contracts related to previous employers (also known as 'buy-out'). A welcome bonus or buy-out is not awarded unless:
- it is related to commencing work under the responsibility of the company;
- the employee has not worked under the responsibility of the company for more than one year at the time of the bonus being awarded; and
- the company has robust regulatory capital, solvency margin or own funds at the time of the bonus being awarded.

The welcome bonus is not included in the calculation of the bonus cap of 20% if it is awarded before the first performance period begins. The other requirements for awarding and payment do not apply to the welcome bonus either.
A buy-out is subject to the 20% bonus cap and the other requirements for awarding and paying out variable remuneration, with the exception of the performance criteria.

8 Article 1:122(1) Financial Supervision

4. Obligations to disclose and provide information

a.s.r. implements the obligations to disclose and provide information arising from legislation and regulations in the following manner.

Annual report
a.s.r. publishes the following information:
- A description of the remuneration policy as part of the management report in a.s.r.'s annual report.
- A description of the remuneration policy and information about the remuneration of the individual members of the Executive Board and Supervisory Board in the remuneration report, as part of a.s.r.'s annual report.
- Information on the number of high-earners, and the business for which they perform most of their work. In accordance with Article 1:120(2)(a) of the Financial Supervision Act, "high-earners" are understood to mean: the employed, natural persons who receive an annual remuneration of more than EUR 1 million.
- Information on the amount of variable remuneration paid annually to natural persons working under its responsibility
- Additional information based on annual accounts standards.

SFCR - Solvency Report
Based on Solvency II, a.s.r. discloses on its website information ("SFCR Report") on remuneration policy and practices regarding the administrative, management or supervisory body and, unless otherwise stated, the employees.

SFDR - Information on sustainability risks
Based on the SFDR, a.s.r. discloses information on its website on how sustainability risks are integrated into the remuneration policy applicable within the a.s.r. group. The information to be included on the website is to indicate how the financial market participants and financial advisors within the a.s.r. group comply with the obligation to disclose and provide information.

5. Governance

5.1 What is governance?
The chapters above describe the remuneration policy. Various bodies, committees and (control) functions of a.s.r. work together in drawing up, adopting, implementing and monitoring the remuneration policy. We refer to this cooperation as 'governance'.

5.2 Principles of remuneration policy governance
- HR a.s.r. directs the implementation of this policy and coordinates its formulation and evaluation within the entire a.s.r. group.
- The Remuneration Committee prepares the decision-making on the policy. The Remuneration Committee also formulates a proposal on the remuneration of the members of the Executive Board. The Remuneration Committee takes note of the views of the individual directors on the level and structure of their own remuneration.
- The AGM decides on the remuneration policy for the Executive Board and can opt to award a remuneration to the members of the Supervisory Board
- The Executive Board adopts the remuneration policy for other employees, after the Supervisory Board has approved the principles of this policy.
- The Supervisory Board is responsible for and supervises the implementation of the remuneration policy for all groups of employees. The Supervisory Board also approves the selection of identified staff before they are established.
- Based on a proposal of the Remuneration Committee, the Supervisory Board decides on the adoption of the individual remuneration of the members of the Executive Board.
- The control functions advise and support the Executive Board and Supervisory Board, and report to them on compliance with applicable legislation and regulations and internal codes.
- The above bodies, committees and control functions support the equivalent bodies, committees and control functions in so far as they exist at the a.s.r. group companies with the introduction and implementation of this policy in the entire a.s.r. group.

back to contents >

- The remuneration policy is periodically evaluated and, if necessary, adjusted to reflect new or amended legislation and regulations or market standards. Compliance of the remuneration policy and the related procedures with the relevant rules and regulations is monitored at least once a year by a centralised and independent internal body.

In addition to these basic principles, the regulations of the Executive Board and the Supervisory Board contain a detailed description of the tasks and obligations of the various parties responsible.

The members of a.s.r.'s various bodies, committees and (control) functions are reliable and suitable. This is specified for a.s.r. and the a.s.r. group companies without their own employment conditions in the Policy on Integrity and Suitability.

5.3 Governance the a.s.r. group companies

The companies within the a.s.r. group with their own licence as financial undertaking are independently required to pursue a remuneration policy in accordance with the applicable legislation and regulations. It is the responsibility of the management boards and any supervisory bodies of these companies to ensure the timely and proper implementation of the remuneration policy at the individual level of these companies. The tasks and responsibilities as mentioned above for the bodies, committees and control functions at the level of a.s.r. must, as far as possible, be applied accordingly at the comparable levels of the respective licensed companies. The management boards, supervisory bodies, committees and control functions at individual subsidiary and group level provide the comparable bodies, committees and control functions at a.s.r. level with all the input necessary for the timely and proper implementation of this policy at a.s.r. level, with HR playing a coordinating role.

6. Miscellaneous

6.1 Conflicts of interest

a.s.r. has policies in place to avoid conflicts of interest in accordance with the applicable legislation and regulations Specifically with regard to the remuneration of staff, the a.s.r. group acknowledges that conflicts of interest may be involved. This remuneration policy has been drawn up partly to protect the interests of customers and to avoid such conflicts of interest.

This remuneration policy has been phrased in such a way that staff will have no cause for speculative behaviour and negative incentives. This way the a.s.r. group seeks to effect that each direct relationship is eliminated between the remuneration of staff mainly involved in one activity on the one hand, and the remuneration of or the income generated by other staff mainly involved in another activity on the other, if, with regard to these activities, a conflict of interest might arise.

Specifically with respect to the remuneration of MiFID II staff, safeguards are in place to ensure that no conflict of interest or incentive is created that might prompt MiFID II staff to put their or a.s.r.'s interests before those of the customer, resulting in a potential disadvantage of the customer. All relevant factors are taken into account, including the role of the employee, the type of product offered and the manner of distribution.

6.2 Deviations

Any remuneration policy pursued by group companies must be in line with the remuneration policy. This remuneration policy contains the preconditions and minimum requirements with which the remuneration policy of group companies must comply. Deviations from this remuneration policy are recorded by the HR department, which is consulted prior to implementing a deviation to determine whether a deviation is possible and what governance must be followed to implement the deviation.

6.3 Statutory framework and supervision

This remuneration policy complies with the relevant legal requirements and self-regulation codes that are applicable to the a.s.r. group (hereinafter: **“Remuneration Regulations”**). This is periodically evaluated and, if necessary, adapted to new or amended legislation and regulations or market standards.

Compliance of the remuneration policy and the related procedures with the relevant rules and regulations is monitored at least once a year by a centralised and independent internal body. An overview of the applicable requirements and rules is included in Annex 1.

The remuneration policy as referred to in Section 2:135 of the Dutch Civil Code for a.s.r.’s Executive Board and Supervisory Board is part of the remuneration policy.

6.4 Language

In the event of any conflict or lack of clarity between the Dutch and English versions of this remuneration policy, the Dutch version shall prevail.

Annex 1: Statutory framework and supervision

In this current version of the remuneration policy, the Remuneration Regulations set out in Chapter 6 include rules and guidelines on remuneration policy from the following sources. It is also indicated whether the regulations and guidelines must be applied by all group companies or whether additional rules must be applied by a more limited group of companies as a result of a specific licence granted by the AFM or DNB or as a result of the services provided.

National remuneration rules

Legislation:
- **Wft:** Financial Supervision Act (Dutch acronym: Wft) (Wet op het financieel toezicht), Chapter 1.7 contains the relevant regulations on remuneration (The entire a.s.r. group)
- **Book 2 of the Dutch Civil Code**

Supervisory regulations/codes:
- **Rbb 2021:** Dutch Restrained Remuneration Regulation 2021 (Dutch acronym: Rbb 2021) (Regeling Beheerst Beloningsbeleid 2021) (Investment firms and premium pension institutions)
- **Corporate governance code**

European remuneration rules

Directives and delegated regulations
- **Solvency II Directive and Regulation:** Solvency II (Directive 2009/138/EC) and Solvency II Delegated Regulation (Commission Delegated Regulation (EU) 2015/35) (The entire a.s.r. group)
- **IFD/IFR:** Investment Firms Directive and Regulation (Directive 2019/2034/EU and Regulation 2019/2033/EU) on the prudential supervision of investment firms (Investment Firms Consolidation Group)
- **MiFID II Directive:** Directive 2014/65/EU of 15 May 2014 concerning markets for financial instruments and to amend Directive 2002/92/EC and Directive 2011/61/EU (recast) (OJEU 2014, L173/349) (Group companies providing investment services/investment activities)
- **MiFID II - Delegated Regulation:** Delegated Regulation 2017/565/EU of the Committee of 25 April 2016 containing a supplementation of Directive 2014/65/EU of the European Parliament and the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Group companies providing investment services/investment activities (MiFID services))
- **AIFM Directive:** Directive on Alternative Investment Fund Managers (Directive 2011/61/EU) (AIFMD Investment Institutions)
- **SFDR:** Regulation 2019/2088/EU on sustainability-related disclosures in the financial services sector (Financial market participants and financial advisors)

Supervisory arrangements
- **EIOPA Guidelines:** Guidelines on the system of governance under the Solvency II Directive (EIOPA-BoS-14/253 NL) and on reporting and public disclosure (EIOPA-BoS-15/109 NL) issued by the European Insurance and Occupational Pensions Authority (The a.s.r. group)
- **EIOPA Opinion:** EIOPA Opinion of 7 April 2020 on the supervision of remuneration principles in the insurance and reinsurance sector (The a.s.r. group)
- **ESMA- AIFM Guidelines:** guidelines on sound remuneration policies under the AIFM Directive published by the European Securities and Markets Authority (AIFMD Investment Institutions)
- **RTS Identified Staff IFD:** Delegated Regulations supplementing IFD, containing regulatory technical standards on the selection of identified staff as published on 21 January 2021 (EBA/RTS/2021/02) (Investment Firms Consolidation Group)
- **EBA guidelines:** Guidelines concerning a controlled remuneration policy under the IFD of the European Banking Authority as published on 22 November 2021 (EBA/GL/2021/13) (Investment Firms Consolidation Group)

- **ESMA - MiFID Guidelines:** Guidelines concerning remuneration policy and remuneration practices (MiFID) as published on 31 March 2022 (ESMA35-36-2537) (Group companies providing investment services/investment activities (MiFID services))
- **EBA - Guidelines for sales staff:** concerns the remuneration policy and the remuneration practices relating to the sale and provision of retail banking products and services as published on 13 December 2016 (EBA/GL/2016/06)

Within the a.s.r. group, there are several licensed institutions and various (group) supervisory regimes regarding the remuneration policies of the regulators the Dutch central bank (DNB), the Netherlands Authority for the Financial Markets (AFM) and the Dutch Healthcare Authority (NZa). In the context of this (group) supervision, the relevant regulators monitor the a.s.r. group's compliance with the Remuneration Regulations.

In addition to the statutory framework referred to above, the Dutch **Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act** (Dutch acronym: WNT) is applicable to the a.s.r. group's health insurance business (ASR Basis Ziektekostenverzekeringen N.V. and ASR Aanvullende Ziektekostenverzekeringen N.V.). The WNT also applies to ASR Wlz-uitvoerder B.V.

a.s.r. also applies the **Corporate Governance Code** (the Code of 8 December 2016, the "**Code**") and the listing makes that a.s.r. is subject to the International Financial Reporting Standards (**IFRS**) (consolidated financial statements). The IFRS require the inclusion of remuneration information (at an aggregate level) of "key management personnel" - including directors - in the (notes to) the consolidated financial statements.

The Code requires the disclosure and clarification of the remuneration of the directors of a.s.r. in the management report (the "remuneration report"), which is part of the Annual Report.

Lastly, pursuant to Section 2:135b of the Dutch Civil Code a.s.r. is held to prepare a remuneration report annually, which is to be presented to the AGM for an advisory vote and must be available on the company's website for a period of 10 years. Further information on obligations to disclose and provide information is described in Chapter 4.

Annex 2: Specific groups of employees to which separate remuneration rules apply

The following is an overview of these groups of employees.

Identified staff

Identified staff are employees or categories of employees whose duties may have a material impact on the company's risk profile. These are employees who are senior management, risk takers, staff engaged in control functions and employees who may have a material impact on the company's risk profile and whose total remuneration puts them in the same remuneration bracket as the aforementioned employees. Owing to their potential impact on the risk profile, identified staff are subject to a number of additional requirements and rules on remuneration to enable the impact of their duties on the risk profile to be monitored and controlled.

a.s.r group uses the selection rules set out in Annex 3 in order to select identified staff. These selection rules were drawn up in accordance with the legal and technical requirements that are applicable to the various group companies within the a.s.r. group[9].

Employees in control functions (key functions)

Control functions (also known as key functions in the case of the insurers within the a.s.r. group that apply Solvency II) are departments that are responsible for the control and supervision of operations as well as the risks arising from those operations, and in doing so operate independently from the rest of the organisation. The control functions play an active role in the drafting, application and monitoring of the remuneration policy. For this reason, employees in control functions are subject to additional rules aimed at safeguarding their independence, including rules governing the composition of their variable remuneration.

Employees in control functions are defined as senior and/or managerial employees and/or holders of key functions (as identified in Solvency II) working within the following groups.
- Group Risk Management, including the actuarial function
- Audit
- Compliance
- Departments similar to the above within group companies

Day-to-day policymakers[10]

Day-to-day policymakers are employees who decide the day-to-day policies of a financial institution. This group includes in any event the directors under the articles of association and individuals who are not executive directors but whose influence is such that they are effectively able to determine the day-to-day policies of the company.

Senior executives within the meaning of WNT

The Dutch Executives' Pay (Standards) Act (Dutch acronym: WNT) applies to executives working in the public and semi-public sector. Within the a.s.r. group, the Act imposes additional pay restrictions on senior executives within the meaning of the WNT working in the health insurance business (ASR Aanvullende Ziektekostenverzekeringen N.V. and ASR Basis Ziektekostenverzekeringen N.V. and ASR Wlz-uitvoerder B.V.).

9 EIOPA criteria, EBA criteria regarding IFD identified staff for banks and investment firms as published by the European Banking Authority the DNB guidelines for the selection of identified staff for other institutions, including insurers (Q&A Open book supervision) and for alternative investment fund managers the ESMA guidelines on sound remuneration policy.
10 Employees in the context of this remuneration policy also include day-to-day policymakers.

Executive directors and supervisory directors[11]

Executive directors are members of the Executive Board. Supervisory directors are members of the Supervisory Board. In the context of the remuneration policy, the terms ‘executive directors’ and ‘supervisory directors’ refer to the executive directors and supervisory directors of a.s.r. unless explicitly stated otherwise.

The regulations that apply specifically to executive and supervisory directors of a.s.r. are in principle also applied to executive and supervisory directors of group companies, except in the case of specific departures from these regulations.

High earners

The group of high earners consists of employees who earn more than EUR 1 million per financial year. Additional rules regarding the disclosure of remuneration are applicable to these employees. The a.s.r. group does not have any high earners.

MiFID II - staff

The MiFID II – delegated regulation provides for specific rules for all relevant persons with a direct or indirect impact on the investment services and related services provided by the investment companies with their own licence within the a.s.r. group or on its professional conduct, irrespective of the type of customers. This includes all persons who may influence the performance or conduct of the investment firm, including but not limited to:

- front-office staff;
- sales staff or other employees who are not directly involved in the provision of investment services or related services;
- persons supervising sales staff, such as
  - immediate superiors who can be encouraged to put pressure on sales staff;
  - financial analysts whose material can be used by sales staff to induce customers to invest, or persons involved in the complaints handling or product design and development.
- tied agents

In addition to the general principles contained in this remuneration policy, the following specific principles apply to remuneration and, in particular, to the performance criteria applicable to MiFID II staff:

- remuneration is not exclusively linked to a quantitative target for offering or providing (banking or investment) products and services;
- the remuneration policy does not encourage the offering or provision of a specific product or the promotion of a category of products or a combination of products over other products, such as products that generate higher profits for the institutions or for a relevant person, to the detriment of the customer;
- remuneration and similar incentives are not solely and primarily based on quantitative commercial criteria and take full account of appropriate qualitative criteria that reflect compliance with applicable rules, the fair treatment of customers and the quality of service provided to customers; and
- a balance is maintained at all times between fixed and variable components of remuneration so that the remuneration structure does not favour the interests of the company concerned or its MiFID II staff against the interests of a customer; and
- in determining the performance of MiFID II staff, the relevant company will take into account how they have performed in terms of compliance with the rules of conduct and, in general, the duty to protect the interests of their customers;
- qualitative criteria must be sufficiently and clearly phrased and established and must encourage the relevant persons to act in the interests of the customer;
- quantitative criteria should not create or encourage any conflict of interests that might prompt the MiFID employee to have their own interests or the interests of a.s.r. prevail over the interests of the customer;
- MiFID II staff must be clearly informed in advance of the criteria by which the level of their remuneration is determined and of the steps and timing of their evaluation interviews. The criteria by which companies assess the performance of MiFID II staff must be accessible, comprehensible and in writing.

11 Employees in the context of this remuneration policy also include directors.

Sales staff
Sales staff are employees who offer the following products or services to customers directly: mortgages, personal loans, deposits, payment accounts, payment services and payment instruments and/or electronic money (hereinafter: Sales staff). In addition to what has been determined in this policy, the rules from the sales staff EBA Guideline apply to this group of staff.

The remuneration policy warrants that the performances of Sales staff are not remunerated (financially or non-financially) or assessed in such a way that conflicts may arise with the obligation to act in the interest of the consumer and obligates not to make any arrangements in areas such as, for example, sales targets that may prompt employees to recommend a specific financial instrument to customers while another financial instrument could be offered that better suits the needs of the customer in question.

Under the Guideline, non-financial remuneration is understood to mean, among other things, promotions, healthcare insurance, discounts or the provision of a car or mobile phone, generous expense allowances or seminars.
- remuneration is not exclusively linked to a quantitative target for offering or providing (mortgage) products and services;
- the remuneration policy does not encourage the offering or provision of a specific product or the promotion of a category of products over other products, such as products that generate higher profits for the institutions or for a relevant person, to the detriment of the customer;
- the criteria for assessing the Sales staff must be recorded and must take account of the rights and interests of consumers;
- to determine the level of the variable remuneration, both qualitative and quantitative criteria must be taken into account in order to appropriately consider the rights and interests of consumers;
- there must be an appropriate balance in the relationship between fixed and variable components of the remuneration, and the rights and interests of consumers must be taken into account; and
- a flexible policy must be pursued with regard to the variable remuneration, including the possibility not to grant any variable remuneration at all.

Restrictions non-financial remuneration sales staff
Financial and/or non-financial forms of remuneration may not induce Sales staff to favour their own interests or those of the institution to the detriment of consumers. The EBA Guidelines for sales staff define non-financial remuneration as, among other things, promotions/career options, healthcare insurance, discounts or the provision of a car or mobile phone, generous expense allowances or seminars. Such remunerations are only paid out in accordance with the performance criteria applicable to Sales staff.

Annex 3: Process for selecting identified staff

Introduction
Identified staff are employees or categories of employees whose duties may have a material impact on the company's risk profile. Owing to their potential impact on the risk profile, identified staff are subject to a number of additional requirements and rules on remuneration to enable the impact of their duties on the risk profile to be monitored.
The a.s.r. group makes use of qualitative and quantitative selection criteria for the selection of identified staff in line with the statutory framework. Periodic evaluations take place of the overview of staff designated as identified staff. This overview is prepared by the control functions consultation and/or coordinated with the management board of the group company concerned and adopted by the Supervisory Board.

Selection criteria for identified staff
The groups of persons who could have a material impact on a.s.r.'s risk profile are:
- **Category 1:** Members of the Executive Board and directors under the articles of association (also of subsidiaries) ('day-to-day policymakers').

- **Category 2:** Members of the Supervisory Board

- **Category 3: Employees in control functions**
  Control functions are 2nd and 3rd line departments that, from their independent position, provide countervailing power in all business units and at all organisational levels within a.s.r. The scope of category 3 includes senior management staff in the compliance function, the risk management function, the actuarial function and the audit function. This category also includes employees who have overall responsibility for risk management at a material business unit[12].

- **Category 4:** Business Executive Committee members and risk committee members.

The primary aim of these committee members is to monitor the management of risks and the realisation of returns that have an impact on the achievement of the a.s.r.'s strategic objectives.

- **Category 5: Members of the PARP Board.**
  A Product Approval & Review Process Board (PARP Board) is responsible for the approval of new product initiatives and product modifications.

- **Category 6: Other potential risk-takers**
  The group of other potential risk-takers consists of:
  a. Senior managers who have not been classified as identified staff based on the previous groups and may have a material impact on a.s.r.'s risk profile;
  b. Other key position employees of subsidiaries of the a.s.r. group who may materially impact the risk profile of the a.s.r. group.
  c. Employees whose total awarded remuneration is at the same level as that of the Executive Board, board of directors under the articles of association or senior management;
  d. Employees whose total awarded remuneration is € 500,000 or more.
  e. Other employees whose activities otherwise may have a material impact on the risk profile.

Only in so far as they can materially affect the risk profile of a.s.r. and do not belong to categories 1 to 5.

12 CFRO

a.s.r.
Archimedeslaan 10
3584 BA Utrecht
www.asr.nl

ASR Nederland N.V. KvK 30070695 Utrecht

79598EN_0523