Appendix to Agenda Item 3A

Executive Board remuneration policy proposal

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

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The group remuneration policy and the a.s.r. remuneration policy consist of seven chapters. The first four chapters are of a general nature and describe the law and regulations within which a.s.r. can make choices. The first chapter contains the design and structure of the policy. Chapter 2 discusses specific groups of employees to be designated in relation to the remuneration policy, such as identified staff, employees in controlling positions and day-to-day policymakers. Chapter 3 provides a description of the different remuneration components in the legal context. It provides an insight into the difference between fixed and variable remuneration. Chapter 4 describes the statutory framework for the awarding and payment of variable remuneration.

Chapter 5 contains the a.s.r. remuneration policy for all employees working at or for a.s.r. including the members of the Executive Board. This chapter presents the choices that a.s.r. has made within the possibilities of the law and regulations. The choices and principles of this remuneration policy for the Executive Board members are presented in paragraph 5.4. The text of paragraph 5.4 of the current remuneration policy is presented below, together with the full text of the proposal. This part is submitted to the General Meeting for voting.

Chapter 6 concerns the disclosure obligation. Chapter 7 describes the governance. The current version of the Group Remuneration Policy and the ASR Remuneration Policy are available on the website at asrnl.com (via 'Governance & Organisation' and 'Policy & Guidelines').

Current remuneration policy Executive Board

In the current remuneration policy, the following is included in Chapter 5 (5.4 Market competitiveness total remuneration): *The market competitiveness of the total remuneration of all employees falling within the scope of the ASR Remuneration Policy is assessed by means of a comparison with the relevant benchmark group. The Remuneration Committee periodically monitors whether the choice of benchmark groups is still appropriate or needs to be adjusted. Every three years, an external consultancy firm conducts a market comparison (remuneration benchmark).*

The ASR Remuneration Policy is based on the principle that the average level of the total remuneration is just below the median of the benchmark group relevant to the company. The relevant comparison group for the Executive Board of ASR Nederland N.V. consists of a mix of Dutch financial institutions and medium-sized (listed) Dutch non-financial institutions. Asset Management is the relevant benchmark group for Group Asset Management. For the other employees, the relevant comparison group consists of the general market. These benchmark groups fit in with the core values and vision of the company and the starting points of the remuneration policy.

Proposed text remuneration policy Executive Board as of 1 January 2020

5.4. Fundamentals ASR Remuneration Policy
ASR Nederland N.V.'s starting point is that society views it as a useful insurer that handles the funds entrusted to it and the environment in which it operates in a responsible manner. Bearing this in mind, the following four perspectives were used as the basis for the remuneration policy to formulate the proposal for the amended remuneration policy.

1. *Organisational perspective: in line with how a.s.r. presents itself as a company.*
2. *Internal perspective: consistency in the internal wage structure.*
3. *External perspective: competitive with the external market.*
4. *Stakeholders perspective: taking into account the views of various stakeholder groups with regard to remuneration; customer, shareholder, employee, society:*
   - *Customer: a clear remuneration policy in relation to (the position of) a.s.r.*
   - *Shareholder: alignment with the long-term interests of shareholders, without perverse incentives.*
   - *Employee: an explainable remuneration policy in relation to (the position of) a.s.r.*
   - *Society: an explainable remuneration policy in relation to (the position of) a.s.r.*

Re 1. Organisational perspective
a.s.r. is of the opinion that society may expect it to be a

useful insurer that handles the funds entrusted to it and the environment in which it operates in a responsible manner. With regard to the remuneration of the management, society may expect this to be in line with the nature of a.s.r. and that the remuneration policy and the level of the remuneration of the executive directors can be explained from that perspective.

Re 2. Internal perspective

All employees of a.s.r. have a salary based on job level, which is in turn based on a classification in job scales through which they progress in steps. The remuneration of the members of the Executive Board is also determined on the basis of a classification in job scales. This creates a link with the salary scales for the other employees. The positions of the members of the Executive Board and other employees are included in a salary scale ranging from of 70% to 100%. For the Executive Board and other employees, this maximum is just below the median of the external benchmark.

Re 3. External perspective

a.s.r. offers all its employees a competitive salary. The market conformity of the salary is tested against a benchmark. The benchmark of the Executive Board consists of companies representing one or more characteristics of a.s.r. The benchmark comprises only Dutch organisations, an important part of which are companies which are proven leaders in the field of Social Corporate Responsibility, to be broken down into listed companies and financial institutions, including insurers. Non-financial institutions must meet at least two of the three criteria relating to the comparable size of companies for inclusion in the benchmark. These criteria concern the turnover of the company, its market capitalisation and the number of employees. a.s.r.'s position is approximately in the middle of this benchmark. In addition, all remuneration data of the organisations in the peer group must be published individually. The median is determined by using a conversion factor of 0.5 from variable to fixed salary for the companies in the peer group that have a variable remuneration component.

The benchmark for the employees is the general market, based on function classification. Except for Group Asset Management where an Asset Management benchmark is used. To prevent the benchmark of the employees and the Executive Board from diverging too much due to the difference in benchmarks used, the salary scales of the Executive Board are tested every two years against the benchmark of the employees (the general market). If the differences become too large, this may be reason to adjust the extent to which the maximum of the Executive Board's scale is below the median. The remuneration ratio between the remuneration of the CEO and the median of the remuneration of employees at a.s.r. will be below 20.

The Supervisory Board assesses each year whether, in addition to the increase in accordance with the CBA salaries index, there are grounds for a salary increase for the members of the Executive Board within the salary scale. In principle, the Executive Board members progress through the salary scales in the same way as the employees. For the employees, this concerns an annual increase of 3% (provided that there is scope for this in the scale). For the Executive Board members, the Supervisory Board has the option of adjusting this growth path slightly, upwardly or downwardly (increase of 0% to 6%). The Supervisory Board will take account of the performance of a.s.r. and the principles recorded in the remuneration policy. The Supervisory Board will account for this in the annual remuneration report.

Re 4. Stakeholders' perspective

The structure of the remuneration policy is tested against the views of shareholders, customers, employees and society. This has also been discussed with various stakeholders. The remuneration policy aims to strike a fair balance between the views and interests of these various stakeholder groups.

Periodic test

The Remuneration Committee tests the fundamentals of the remuneration policy against the four perspectives once every four years. The remuneration policy will be submitted to the General Meeting for a vote (at least) once every four years. From 2021, the remuneration report will be presented to the General Meeting each year, for an advisory vote. The market comparison (remuneration benchmark) is carried out once every two years by an external consultancy firm.

Equity participation

In addition to the remuneration policy, the members of the Executive Board commit themselves to a shareholding of 75% for the CEO and 50% for the other members, of the most recently applicable gross salary. This interest will be achieved within a maximum period of seven years. The shares must be held for at least five years (share transfer restriction period). The shares can only be sold in so far as the target capital and the share transfer restriction period allow. Upon resignation from the Executive Board, the 5-year share transfer restriction period will continue to apply, but after the expiry of this period the equity interest can be freely sold.

	Current Executive Board remuneration policy	Proposed Executive Board remuneration policy as of 1 January 2020
Policy principles	External benchmark	Four perspectives
Salary level	Individual salary level	Salary level based on salary scale (70% to 100%)
	The average level of the total remuneration lies just below the median.	The maximum for the salary scale lies just below the median.
	The a.s.r. CBA applies to the members of the Executive Board.	The a.s.r. CBA applies to the members of the Executive Board in relation to pay indexation.
	Salary increases at the discretion of the Supervisory Board.	The Supervisory Board assesses each year whether, in addition to the increase in accordance with the CLA salaries index, there are grounds for a salary increase for the members of the Executive Board within the salary scale. If the Supervisory Board makes use of this, the increase will lie between 0% and 6%.
Benchmark	Groups composed of Dutch financial institutions and medium-sized (listed) Dutch non-financial institutions.	A group of Dutch organisations, a significant proportion of which have a strong corporate social responsibility reputation, distinguished into comparable Dutch listed companies and Dutch financial institutions, including insurers.
		The non-financial institutions must comply with at least two of the three criteria set in relation to the comparable size of the companies for inclusion in the peer group (revenue, market capitalisation and number of employees).
		All remuneration data of the organisations in the reference group must be published individually.
		The median is fixed with a conversion factor of 0.5 from variable to fixed salary for the companies in the peer group with a variable remuneration component.
	The benchmark is applied once every three years.	The benchmark is applied once every two years.
		The salary scale is tested in relation to the internal salary structure once every two years.
	In the event of material changes, the policy is presented to the General Meeting of Shareholders	The policy is presented to the General Meeting of Shareholders once every four years and in the event of material changes.
	Additional to the remuneration policy	**Additional to the remuneration policy**
Participation	**Individual agreement as of 1 January 2018**	**Individual agreement as of 1 January 2018**
	CEO 50%	CEO 75%
	Other members 25%	Other members 50%
		To be realised within 7 years
	5-year share transfer restriction period	5-year share transfer restriction period
		Fiscal discount of 18.5%, related to the 5-year share transfer restriction period.