

Annex to agenda item 3B

Proposal to
determine the
remuneration of
the Supervisory
Board

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It is proposed to determine the remuneration for members of the Supervisory Board as of 1 July 2019. The Supervisory Board has met with a representation of its shareholders and with institutional advisory organisations. The Supervisory Board engaged with shareholders in multiple countries, including the Netherlands, Germany, United Kingdom and North America. The positive feedback from these meetings has resulted in submitting this proposal.

In recent years under the influence of new governance practices and regulations, the way that Dutch Supervisory Board members fulfill their role, their time and responsibility has changed significantly, with a clear increase of time spent and responsibility. This applies to an even greater extent in the financial sector. The remuneration levels at a.s.r. have not been adjusted to this in recent years. As context, over the past several years a.s.r. has been transformed into an AEX listed insurance company. This transformation involved fundamental changes in the nature and complexity of our business, its governance and has led to an improved growth and profitability profile. More specifically, in recent years a.s.r. strengthened its business through targeted acquisitions. During the coming years the company will continue to transform itself, and may actively investigate and/or pursue mergers, acquisitions and alliances in areas which require Board knowledge and experience. The proposal is also to be seen against the background of the

growing intensity of the involvement of the Supervisory Board in the company's matters, driven by the rapidly changing market and regulatory environment. This, as well as the complexity of the topics discussed by the Supervisory Board in its meetings, results in an increase of the time involved in particular in the preparation of the meeting by its individual members and the amount of work done outside the formal meetings.

Given the term expirations of some Supervisory Board members over the next few years and the importance to strengthen the Supervisory Board of a.s.r. with talent from within and outside the financial sector, the Supervisory Board views this as important context to review fee levels and position these at a more competitive level in the market. In order to support the aforementioned changes and the increasing focus on the rapidly changing insurance market and businesses, the underlying proposal is aimed at attracting and retaining Supervisory Board members with relevant experience and expertise.

A determinant in the proposal is the fee levels paid in the compensation peer group that is presented in the context of the remuneration policy for the Executive Board. The peer group compensation data are shown in the table below and are based on publicly available information retrieved from annual reports.

Peer group compensation data

Fee type	Fee levels		Overview of compensation peer group		
	Current	Proposed	25th percentile	Median	75th percentile
(€)					
Supervisory Board					
Chairman	45,000	50,000	52,500	73,000	92,500
Member	30,000	35,000	40,000	50,000	60,000
Audit & Risk Committee					
Chairman	10,000	15,000	10,000	11,000	15,000
Member	10,000	10,000	7,000	8,000	10,000
Remuneration Committee					
Chairman	2,500	10,000	6,750	9,500	10,000
Member	2,500	5,000	4,000	5,000	7,000
Nomination & Selection Committee					
Chairman	2,500	10,000	6,000	9,000	10,000
Member	2,500	5,000	4,000	5,000	7,000