

Works Council Advice

Regarding the
remuneration
policy for
the Executive
Board of ASR
Nederland N.V.

To
The Supervisory Board of ASR Nederland N.V. (Supervisory Board)

From
The Works Council of ASR Nederland N.V. (Works Council)

Date
20 March 2023

1. Introduction

The Works Council has been requested to advise on the proposal for an updated remuneration policy for the Executive Board and for an amendment to the remuneration of the Supervisory Board.

2. Advice of the Works Council

From May 2022, the Works Council discussed the proposed update of the remuneration policy and the remuneration of the Supervisory Board with you on several occasions. In the course of these talks, you provided the Works Council with information, both in writing and by way of a workshop on executive remuneration (and Supervisory Board remuneration) and on developments and trends in this respect.

The proposed changes to the composition of the reference group, together with your intention to set Executive Board remuneration at or around the median, will (in time) lead to a salary increase. The Works Council shares your concern that Executive Board members could be 'bought out' if Executive Board salaries deviate too far from what is usual for similar positions. Since a.s.r. will grow as a result of the business combination with Aegon Nederland N.V., the Works Council considers it understandable and justifiable that this could be accompanied by salary increases for the Executive Board.

You have clarified to the Works Council that advice is sought regarding the proposed policy as such, and not its implementation. In our talks, the Works Council expressed its concerns regarding how the amendment of the Executive Board salaries, and possibly also the increase of the Supervisory Board's remuneration, will be seen in the outside world. These concerns are reiterated here. In the opinion of the Works Council, the outside world does not distinguish between policy and implementation.

In these talks, which partly took place simultaneously with the CBA negotiations, we also discussed the extent to which employees may perceive a relationship between these policy amendments and the salary increase agreed in the CBA. Although, strictly speaking, there is no direct link, the Works Council

expects that most colleagues will compare their own CBA increases to the increase of the Executive Board salaries resulting from the CBA and the updated remuneration policy.

The Works Council expects that the general public, customers and employees will look at the sharp rise in the absolute amounts and compare these with the rising cost of living and wage increases that are lagging behind inflation. The Works Council notes that many people are worried about their (financial) future and have little sympathy for groups who, in their eyes, are or will be (still) better off.

a.s.r. is known as a company that is serious about corporate social responsibility and sustainability and their implementation. The Works Council is concerned that this reputation could be harmed by awarding higher Executive Board salaries. The business combination of ASR Nederland N.V. and Aegon Nederland N.V. will create a larger company with greater responsibilities. This could make a sharp increase in salaries more acceptable to stakeholders, but the Works Council is not entirely confident that this will be the case.

We discussed the method of communication once the remuneration policy is publicised to all stakeholders. The Works Council has indicated that it does not regard a proper explanation of the proposed amendments as adequate in itself. Good communication starts with recognizing and acknowledging the sentiment in society, among customers and among employees. You have agreed to provide the Works Council with an insight into the communications before publication.

All things considered, including the above, the Works Council recommends that you present the proposal for the remuneration policy, as included in the request for advice, to the shareholders.