

Remuneratie Disclosure ASR Nederland N.V. 2016

Content

Remuneratie Disclosure ASR Nederland N.V. 2016	3
Governance	3
Remuneration Committee	4
Remuneration policy	4
Specific employee groups	5
Main features of the remuneration system	5
Identified staff	6
Retention allowance	6
Guaranteed variable remuneration; welcome bonus and buy-out	6
Ex ante risk adjustment, malus and clawback	6
Severance pay	7
Other non-cash benefits	7
Quantitative information	8
Remuneration policy of the Supervisory Board	9

Remuneratie Disclosure ASR Nederland N.V. 2016

The remuneration disclosure concerns the remuneration of the members of the Executive Board, the members of the Supervisory Board and the group of employees who are designated at 'identified staff' in the Group Remuneration Policy and the ASR Remuneration Policy (hereinafter referred to as: 'the remuneration policy') in accordance with the Restrained Remuneration Policy Regulations (Financial Supervision Act) 2014 of ASR Nederland N.V. (hereinafter referred to as: 'a.s.r.').

The remuneration disclosure is drawn up in accordance with the provisions of Article 25 of the Restrained Remuneration Policy Regulations (Financial Supervision Act) 2014.

Governance

The General Meeting of Shareholders (GMS) has decision-making powers relating to the remuneration policy of the Executive Board and the individual remuneration of the Supervisory Directors. The GM is also informed of the individual remuneration of directors by the Supervisory Board.

The Supervisory Board has decision-making powers in relation to the determination of the individual remuneration of members of the Executive Board. The Supervisory Board also has responsibilities relating to, and supervises the remuneration policy for all groups of employees. The Supervisory Board approves (the principles of) the remuneration policy and the selection of identified staff before these are adopted. The Supervisory Board has an Audit and Risk Committee (ARC Committee) and a Selection, Appointment and Remuneration Committee (SBR Committee). On the date of the IPO, the SBR Committee was divided into the Selection and Appointments Committee and the Remuneration Committee. The Supervisory Board committees are formed and appointed by the Supervisory Board from among its own members. The (entire) Supervisory Board remains responsible for decisions, even if these are prepared by a committee. The tasks, composition, expertise, independence and organisation of the Supervisory Board committees are described in more detail in their regulations, included in annexes to the Supervisory Board Regulations.

The Remuneration Committee¹ supports and advises the Supervisory Board in its tasks and responsibilities in relation to remuneration policy and remuneration practices. Supervisory Board decisions in this field are prepared by the Remuneration Committee.

Without prejudice to the tasks of the Remuneration Committee and the Selection and Appointments Committee, in order to support the implementation of a sound remuneration policy and practice, the ARC Committee investigates whether the incentives of the remuneration system take account of risk, capital, liquidity, the probability of profit expectations and their spread over time.

The Executive Board has decision-making powers and responsibilities in relation to the remuneration policy for all employees, with the exception of the Executive Board itself and the Supervisory Board. The Executive Board also determines the individual remuneration of the senior managers (job groups 22-23).

Control functions (or key functions) are departments that are responsible, independently of the rest of the organisation, for control and supervision of the operational activities and the risks arising from those operational activities. They advise and support the Executive Board and the Supervisory Board and report to them directly on compliance with applicable legislation and regulations and internal codes. 'Employees in control functions' refers to senior and/or management employees in compliance, audit, risk management and actuarial functions. The compliance, audit and risk management functions also play an active role in relation to the remuneration policy and practices of other groups of employees. The human resource function is also very directly involved in the implementation of the remuneration policy and also coordinates the preparation and evaluation of the remuneration policy and provides input for the

¹ The SBR Committee before the date of the IPO. In the remainder of the remuneration disclosure, reference is made to the Remuneration Committee.

content. Like the controlling functions, the human resource function provides input for the ex ante and ex post risk adjustment of variable remuneration.

The control and human resource functions actively work together on a regular basis.

Remuneration Committee

The Remuneration Committee consists of two members: Ms A.P. Aris (chairman) and Mr C. van der Pol. The meetings are attended by the CEO and the Director Human Resources (also Secretary).

For specific subjects, the expertise of independent consultants is used, if necessary. No use was made of this in 2016.

The Remuneration Committee met on five occasions in 2016. It reports on its activities each year in the [a.s.r. Annual Report](#).

For more information on the Remuneration Committee, reference is made to the [Supervisory Board Regulations](#).

Remuneration policy

The remuneration policy focuses on maintaining the integrity and solidity of a.s.r., with a clear focus on the long-term interests of the business and its stakeholders. The remuneration policy stimulates employees to make efforts for the interests of clients and other stakeholders within the limits of the care obligations.

The following principles are observed in the preparation, adoption and enforcement of the remuneration policy.

1. Human Resources policy:

- a. The remuneration policy reflects a balance between trust in the intrinsic motivation and the agreement of clear objectives and their assessment.
- b. The overall employee benefits package is sufficient to attract and retain good employees and to create a good competitive position for the company.

2. Restrained remuneration policy:

- a. The remuneration policy, including the pensions policy, is consistent with the corporate strategy, the objectives, values and long-term interests of the company. Changes to these are taken into account in the updating of the remuneration policy.
- b. The remuneration policy is drawn up with due care, is restrained and sustainable, is in line with the risk propensity, the risk management strategy and the risk profile of the company, contributes towards sound and effective risk management and does not encourage taking more risks than are acceptable for the company.
- c. The remuneration policy is designed to take account of the internal organisation of the business of the company, its subsidiaries and group companies and the nature, scale and complexity of the risks associated with that business.
- d. The remuneration policy does not restrict the company's possibilities for maintaining and strengthening the sound testing capacity, the healthy solvency margin or the healthy equity.

3. Protection and clients and assurance of integrity and a long-term business value:

- a. The remuneration policy encourages conduct in line with the long-term interests of the company.
- b. The remuneration policy is aimed at treating consumers, clients and participants with due care.
- c. The performance of employees and the business is measured on the basis of both financial and non-financial indicators.
- d. The remuneration policy does not encourage taking excessive risks.
- e. The remuneration policy controls conflicts of interest.

- f. The company does not apply any constructions or methods that enable evasion of the remuneration policy or the applicable legislation and regulations.
- g. Employees are required not to use personal hedging strategies or insurance linked to remuneration and liability to undermine the risk coordination effects embedded in their remuneration schemes.

4. Transparency:

- a. The structure, governance and method of the remuneration policy are clear, transparent and applicable to all employees.

5. Compliant:

- a. The remuneration policy is compliant with the applicable (inter)national legislation and regulations. This is evaluated regularly and if necessary, is adjusted to new or amended legislation and regulations or market standards.
- b. Compliance with the remuneration policy and the corresponding procedures is subjected to central and independent internal assessment at least once a year.

On the basis of the above principles, performance-related goals are formulated in the field of individual performance and required conduct.

Specific employee groups

Unless stated otherwise, the schemes of the remuneration policy apply for all employees working under the responsibility of a.s.r.

The specific employee groups are:

- Identified staff
- Employees in control functions (key functions)
- Day-to-day policy-makers
- Remuneration Policy of Financial Institutions Act (Wbfo) senior managers
- Managing directors and supervisory directors
- Senior and executive managers

Main features of the remuneration system

Until 1 July 2014, the income for the senior management, executive management and the Collective Bargaining Agreement (CBA) population (office staff and field staff) consisted of a fixed and a variable element². Pursuant to Articles 1:128 and 1:129 of the Financial Supervision Act (Wft) and the corresponding transitional law, no further variable remuneration has been awarded to the Executive Board since the 2011 financial year. As part of the CBA negotiations, the company-wide variable remuneration scheme was converted partly into a salary increase and partly into a fixed allowance from 1 July 2014, by agreement with the trade unions for the CBA population.

This conversion was implemented consistently on a pro rata basis for the entire a.s.r., including the senior and executive management. For a small group, the field staff members, target-related remuneration of a maximum of 20% applies, in addition to the fixed remuneration.

Fixed remuneration

With the exception of the Executive Board, the fixed income is determined by the weighting of the job and the associated salary grade. Within the legal frameworks, the growth of fixed income is linked to the assessment of the overall performance of the job. The fixed income is index-linked in accordance with the CBA for the insurance sector. For details of the fixed income of the Executive Board members, reference is made to the a.s.r. Annual Report.

² No company-wide variable remuneration has been awarded to identified staff employed by ASR Bank N.V. since 1 January 2013.

Variable remuneration

For all employees, the total variable remuneration does not exceed 20% of the total fixed remuneration of the relevant employee on an annual basis. This ratio is also referred to as 'the 20% bonus cap'.

Identified staff

Employees among the identified staff to whom variable remuneration had already been awarded before 1 July 2014 on the basis of the company-wide variable remuneration scheme, but had not yet been paid in full, also qualify for spread payment of the remaining part of the variable remuneration awarded at the time. No new variable remuneration has been awarded on the basis of this scheme since 1 July 2014.

A deferment and retention scheme applies for the payment of variable remuneration to identified staff pursuant to the company-wide variable remuneration scheme, with the aim of coordinating financial incentives with the long-term interests of the company. The fact that parts of the variable remuneration already awarded were still paid out after 1 July 2014 is a consequence of the application of this scheme for identified staff and is consistent with legislation and regulations.

No interest or dividend is calculated for the deferment period. During the retention period, a.s.r. retains the variable remuneration elements. On payment after the retention period, the relevant variable remuneration element compiled in instruments is adjusted to the value of the company at the time of the expiration of the retention period. This gives rise to four tranches in which the variable remuneration is paid. The final payment pursuant to this scheme will take place no later than in 2020.

A clawback and malus scheme also applies. This means that the Supervisory Board may reclaim the variable remuneration already awarded if this was determined and paid on the basis of inaccurate data. The Supervisory Board may also adjust the variable remuneration if unchanged payment would be unacceptable by standards of reasonableness and fairness. In 2016, no situations arose in which the malus or clawback scheme was activated.

For more information on the settlement of the company-wide variable remuneration scheme, reference is made to the [remuneration policy](#).

Retention allowance

The prior written consent of the Dutch central bank (DNB) for a retention allowance that exceeds the 20% bonus cap can only be requested by the Human Resources department of a.s.r., with the prior consent of the Remuneration Committee.

Guaranteed variable remuneration; welcome bonus and buy-out

a.s.r. has no guaranteed variable remuneration, other than within the limits referred to in the remuneration policy and this is awarded only with the prior consent of the Director Human Resources.

Ex ante risk adjustment, malus and clawback

In accordance with the remuneration policy, a.s.r. applies the ex ante and ex post risk adjustment to the variable remuneration.

- Ex ante risk adjustment
The human resources function (Director Human Resources) applies the ex ante risk adjustment on the basis of input from the control functions.

- **Malus**
The Supervisory Board decides whether to apply the malus in response to a proposal of the Remuneration Committee, on the basis of input from the human resource function and the control functions.
- **Clawback**
The Supervisory Board decides whether to apply the clawback in response to a proposal of the Remuneration Committee, on the basis of input from the human resource function and the control functions.

Severance pay

No severance pay (fixed or variable) is awarded to any employee in the following cases.

- The employment relationship is terminated early at the initiative of the employee, unless this is the result of serious culpable action or negligence by the company
- There is serious culpable action or negligence on the part of the employee in the performance of his or her job.

This did not arise in 2016.

The following also applies in relation to severance pay for day-to-day policy-makers, which is also taken into account.

- The severance pay amounts to a maximum of 100% of the fixed annual remuneration.
- In the event of the failure of the company, no severance pay will be awarded.
- No severance pay that can be qualified as variable will be awarded to day-to-day policy-makers of a.s.r. and banks and insurers within the ASR Group.
- Fixed severance pay can be awarded to this group only if the severance pay was agreed before 7 February 2015 (for members of the a.s.r. Executive Board: before 20 June 2012) or on the commencement of work as a day-to-day policy-maker after 7 February 2015.

Other non-cash benefits

In accordance with the pension scheme for all employees within a.s.r., the employees who are identified staff also have a standard average salary pension scheme.

The main features of the pension scheme in 2016 are:

- Average salary pension scheme
- Retirement age: 67
- Retirement pension accrual rate: 1.875% for all salary groups
- Pensionable income: the fixed annual income on 1 January of any year (maximised at €101,519 gross. This is offset in a contribution intended for net pension accrual)
- Partner's pension: 70% of the retirement pension to be attained
- Orphans' pension: 14% of the retirement pension to be attained
- Personal contribution: 6% of the pensionable earnings
- Flexible elements: early retirement, deferment, exchange, high/low part-time
- The award of discretionary pension is not possible at a.s.r.

As a result of legislation on the adjustment of tax treatment of early retirement, pre-pension and life-course savings (VPL legislation), a.s.r. eliminated all pre-pension elements from its pension schemes in 2006.

Employees who joined the company before 1 January 2006 are compensated for this in the first instance through optimisation of the accrual percentage and the state pension offset. In as far as this compensation was inadequate, a VPL allowance was awarded to these employees, the amount of which varied with their age and original pension commitment. The VPL allowance for all employees who entered the service of the company after 1 January 2006 was 1% of the pensionable income.

As a result of the change in the pension scheme agreed with the Works Council, an additional VPL allowance was introduced from 1 January 2015 for employees with an accrual percentage of 2.25% in the pension scheme at year-end 2013. The additional VPL allowance amounts to 2.25%. The allowance is paid until the expiration date of the (ordinary) VPL allowance, but for no more than five years.

A number of additional secondary benefits also apply, such as the lease car scheme.

For more information on the remuneration policy, reference is made to the accounting for the Governance Principles in the [Annual Report on 2016](#).

Quantitative information

Identified staff

All employees whose professional work can influence the risk profile of the a.s.r. organisation are designated as identified staff.

The amounts of the employees are added up in the tables below and the total amount is presented. The employer's contribution to the pension premiums is not taken into account in the determination of the amount of the fixed remuneration. The pseudo-final levy for high salaries is also disregarded.

No malus is applied in the determination of the amount of the deferred variable remuneration for 2013.

Executive Board		
Fixed – variable remuneration in 2016	€ x 1,000	Number
Fixed	1,732	4
Variable: Total awarded	0	0
Variable: Elements paid out (deferred):	0	0
Payments on joining the company	0	0
Payments on resignation/dismissal	0	0

Life business	Senior managers		Other	
	€ x 1,000	Number	€ x 1,000	Number
Fixed – variable remuneration for 2016				
Fixed	854	4	591	5
Variable: Total awarded	0	0	0	0
Variable: Elements paid out (deferred):				
• 2012 3rd tranche	34	2	0	0
• 2013 2nd tranche	57	3	0	0
Payments on joining the company	0	0	0	0
Payments on resignation/dismissal	0	0	0	0

ASR Bank N.V.	Senior managers		Other	
	€ x 1,000	Number	€ x 1,000	Number
Remuneration, fixed – variable for 2016				
Fixed	80	1	256	3
Variable: Total awarded	0	0	0	0
Variable: Elements paid out (deferred):	0	0	0	0
Payments on joining the company	0	0	0	0
Payments on resignation/dismissal *	150	1	0	0

* This concerns severance pay paid out in January 2016 to an employee who left the company in 2015.

Non-life business	Senior managers		Other	
	€ x 1,000	Number	€ x 1,000	Number
Remuneration, fixed – variable for 2016				
Fixed	984	5	628	4
Variable: Total awarded	0	0	0	0
Variable: Elements paid out (deferred):				
• 2011 3rd tranche	77	4	0	0
• 2012 2nd tranche	85	4	0	0
Payments on joining the company	0	0	0	0
Payments on resignation/dismissal	336	1	0	0
Payments on resignation/dismissal	336	1	0	0

Control functions	Senior managers		Other	
	€ x 1,000	Number	€ x 1,000	Number
Remuneration, fixed – variable for 2016				
Fixed	1,141	6	1,322	8
Variable: Total awarded	0	0	0	0
Variable: Paid out, other	4	1	0	0
Variable: Elements paid out (deferred):				
• 2011 3rd tranche	35	2	0	0
• 2012 2nd tranche	43	2	0	0
Payments on joining the company	20	1	0	0
Payments on resignation/dismissal	0	0	0	0

Financial (risk) positions	Senior managers		Other	
	€ x 1,000	Number	€ x 1,000	Number
Remuneration, fixed – variable for 2016				
Fixed	801	3	334	4
Variable: Total awarded	0	0	0	0
Variable: Elements paid out (deferred):				
• 2011 3rd tranche	51	3	0	0
• 2012 2nd tranche	62	3	0	0
Payments on joining the company	0	0	0	0
Payments on resignation/dismissal	0	0	0	0

Other positions	Senior managers		Other	
	€ x 1,000	Number	€ x 1,000	Number
Remuneration, fixed – variable for 2016				
Fixed	1,632	6	510	4
Variable: Total awarded	0	0	0	0
Variable: Elements paid out (deferred):				
• 2011 3rd tranche	94	5	0	0
• 2012 2nd tranche	108	5	0	0
Payments on joining the company	0	0	0	0
Payments on resignation/dismissal	0	0	0	0

Remuneration policy of the Supervisory Board

The remuneration policy of the Supervisory Board, including the remuneration, expenses allowance and other agreed conditions, is adopted by the GMS. The remuneration of the Supervisory Board members is not dependent on the results of a.s.r.

The annual remuneration for a member of the Supervisory Board is €30,000 and for the Chair of the Supervisory Board €45,000.

The annual remuneration for membership of the ARC Committee is €10,000 and for the Selection and Appointments Committee and the Remuneration Committee €5,000.

The annual remuneration for membership of the Supervisory Board of ASR Bank N.V. is €4,000.

The Executive Board members receive no remuneration if they are appointed to the Supervisory Board of one of the entities within the group.

For details of the remuneration of Supervisory Members, reference is made to the a.s.r. Annual Report.

ASR Nederland N.V.

Archimedeslaan 10
3584 BA Utrecht

www.asrnl.com