



REMUNERATION REPORT 2021

INTRODUCTION

This remuneration report provides a comprehensive overview of all remunerations, awarded or due during the previous financial year to individual directors¹. The remuneration for the supervisory board members is also included in this remuneration report².

The report will be submitted to the annual general meeting of 15 April 2022 to hold an advisory vote³. In the following (2022) remuneration report NSI shall explain how the vote by the general meeting of 15 April 2022 has been taken into account.

In the general meeting of 21 April 2021 a total of 85,8% of the votes were in favor of adopting the 2020 Remuneration report. The Supervisory Board has followed last years suggestion of the Dutch Stockholders association VEB to publish for each individual Short Term Incentive Target the respective threshold target and maximum level and the actual target achievement. We refer to table 2.

Remuneration Component	Paid in 2021	To be paid in 2022
Base fee 2021	CEO €415,000	
	CFO €310,000	
Short Term Incentive 2021		CEO € 95,243
		CFO €106,950
Long Term Incentive 2021		CEO €107,314
		CFO € 68,943

¹ This remuneration report is a remuneration report within the meaning of Article 2:135b paragraph 1 Dutch Civil Code (DCC) which article is applicable to Dutch public companies the shares of which have been admitted to trading on a regulated market as mentioned in article 1:1 of the Dutch Financial Supervision Act (Wet Financieel Toezicht)

² Following article 2:145 Dutch Civil Code

³ Following Article 2:135b paragraph 2 Dutch Civil Code

1. REMUNERATION POLICY OF THE MANAGEMENT BOARD

The current remuneration policy with respect to members of the Management Board was adopted at the General Meeting of Shareholders on 14 April 2020. The full text of the remuneration policy can be viewed on NSI's website.

The remuneration policy determines the level of Total Direct Compensation (TDC) for members of the Management Board of NSI based on both the remuneration levels of comparable listed companies in the Dutch market place and the (internal) pay levels within the company.

TDC at NSI consists of a base salary, a short-term incentive and a long-term incentive. Due to the nature of the business of NSI, the intention to have longer term trusted board members and to avoid excessive risks, NSI applies a pay mix with a solid base salary and a variable pay level that is high enough to create a drive for excellent performance and low enough to avoid excessive risk-taking.

The focus of the CEO should be on NSI's long-term achievements. This is reflected by a target short-term incentive of 20% of base salary and a target long-term incentive of 60% of base salary.

For the CFO the focus is equally divided between objectives and actions that are measured at yearly intervals and on long term achievements. This results in a target short-term incentive of 30% of base salary and a target long-term incentive of 30% of base salary.

2. TOTAL REMUNERATION SPLIT OUT BY COMPONENT RELATIVE PROPORTION OF FIXED AND VARIABLE REMUNERATION

TABLE 1: REMUNERATION OF DIRECTORS FOR THE REPORTED FINANCIAL YEAR 2021⁴

	Salary	Variable components paid out in 2021	Social security	Pension	Other ⁵	Total	Proportion fixed / variable remuneration
Bernd Stahli CEO	415.000	134.993	12.511	16.664	5.886	585.055	77% fixed 23% variable
Alianne de Jong CFO	310.000	120.968	12.511	13.652	1.192	458.323	74% fixed 26% variable
Total	725.000	255.961	25.023	30.316	7.078	1.043.378	75% fixed 25% variable

3. CONTRIBUTION OF THE REMUNERATION TO THE LONG TERM PERFORMANCE OF NSI

Long Term Value is created and measured by the steady development of a number of KPI's and quantitative targets relevant to NSI's business and a number of qualitative and personal targets based on the current strategy, business plan and budget as these change from time to time. This is the basis of the Policy for the Short Term Incentive.

Long Term Value creation is also measured by the Total Shareholder Return of NSI compared to the TSR of its national and international competitors within the EPRA Eurozone Index. This is the basis of the Policy for the Long Term Incentive.

In this way the nature and level of the Management Remuneration is fully aligned with the long term success of NSI.

In the tables below the remuneration policy and its application during 2021 are explained in more detail.

⁴ The amounts under 'Variable components' are the amounts that were paid during 2021 under the 2020 STI and 2020 LTI of the CEO and CFO. The STI 2021 and LTI 2021 for the CEO and CFO will pay out in 2022. For this pay out a provision has been made that is specified in table 4 under section k below together with the other provisions that have been made for amounts that have to be paid in the future (2022) in the meaning of article 2:383c paragraph 1, letter b, Dutch Civil Code.

⁵ The item "Other" consists mainly of the movement/change in accrued holiday days (compared to prior year).

4. APPLICATION OF THE POLICY IN 2021⁶

In this chapter we explain how the total remuneration complied with the adopted remuneration policy and how the financial and non-financial targets were applied.

4.1 BASE SALARY 2021 CEO AND CFO

REMUNERATION POLICY

BASE SALARY

Base Salary as set in the 2020 Policy

CEO Bernd Stahli €415,000

CFO Alianne de Jong €310,000

REMUNERATION POLICY APPLICATION IN 2021

BASE SALARY 2021

Base Salary paid out in 2021

CEO Bernd Stahli €415,000

CFO Alianne de Jong €310,000

4.2 SHORT TERM INCENTIVE 2021

STI REMUNERATION POLICY

- Performance period: 1 year
- Payout incentive zone (threshold (50%)– target (100%) – maximum (120%):
CEO: 10% - 20% - 24% of base salary
CFO: 15% - 30% - 36% of base salary
Linear payout incentive zone between threshold and target performance, and between target and maximum performance
- Applicable performance measures and their weights are set annually and could include the occupancy rate, like-for-like net rental income, EPRA cost ratio and the company's earnings over time (expressed as the EPRA Earnings per Share), organizational targets like personnel retention rate and NSI's strategic position and sustainability performance (expressed as the development of the NSI portfolio and the NSI GRESB score) and personal targets
- Payout in cash; one-third of the net payments must be invested in NSI shares until the shareholding requirement has been met

STI APPLICATION IN 2021

- Performance period 2021
- Payout based on performed threshold/target/maximum plus linear pay out between levels
CEO: 22,95% of base salary
CFO: 34,5% of base salary
- The 2021 STI targets, their weights, performance measures and the actual performance in 2021 are specified in Table 2.

⁶ This chapter contains the information specified in Article 2:135b paragraph 1 Dutch Civil Code under letters c and d.

TABLE 2: SHORT TERM INCENTIVE TARGETS, WEIGHT, MEASURES AND PERFORMANCE

STI 2021 targets & performance	Weight	Threshold 50%	Target 100%	Max 120%	Achieved	Payout
Company targets						
1. Recurring EPRA EPS	20%	€2,25	€2,32	€2,45	€2,38	22%
2. Improvement LfL EPRA Vacancy vs Budget 2021	15%	+0,5%	0%	-1%	-1,1%	18%
3. Net rental income growth Like for like	15%	-1% %	0%	2%	3%	18%
4. EPRA cost ratio	10%	30,5%	30%	28,5%	28,2%	12%
5. Portfolio Development						
5.1 Rent Collection	5%	96%	97%	>98%	99,47%	6%
5.2 ESG/GRESB score (5 star & points)	5%	5* < 86	5* 86-89	5* > 90	5* 92	6%
5.3 Growth strategy	5%	pass	good	very good	good	5%
5.4 Developments progress and pipeline	5%	pass	good	very good	good	5%
Subtotal Company	80%					92%
6. Personal targets CEO						
6.1 Strategy update & repositioning HNK	5%	pass	good	very good	good	5%
6.2 Personnel retention	5%	pass	good	very good	very good	6%
6.3 Tenant retention	5%	<60%	70%	>80%	77,5%	5,75%
6.4 CE: Improvement of Product and Services	5%	pass	good	very good	very good	6%
Subtotal CEO	20%					22,75%
Total CEO	100%					114,75%
6. Personal targets CFO						
6.1 Progress Development projects vs milestones in Budget	5%	pass	good	very good	good	5%
6.2 Green Financing	5%	pass	good	very good	very good	6%
6.3 Optimization Maturity Loan Portfolio	5%	pass	good	very good	very good	6%
6.4 Improving Internal Processes	5%	pass	good	very good	very good	6%
Subtotal CFO	20%					23%
Total CFO	100%					115%

- A Payout of €95.243 (114,75% x 20% x base fee) was awarded to the CEO.
- A Payout of €106.950 (115% x 30% x base fee) was awarded to the CFO.
- Pay out will follow in April 2022 after the adoption of the Annual Accounts by the General meeting of Shareholders

LONG TERM INCENTIVE 2021

LTI REMUNERATION POLICY

- Performance period: 3 years
The Transition Arrangement for the new Remuneration Policy adopted at the AGM of 17 April 2019 stipulated that the CEO Performance period for 2021 would be: 2020 – 2021 and that the CFO Performance period for 2021 would be: 2019 – 2021.
As from 2022 the performance period for both CEO and CFO will be 3 years (T-2, T-1 and T)
- Payout incentive zone (threshold – target – maximum):
CEO: 15% - 60% - 90% of base salary
CFO: 7,5% - 30% - 45% of base salary

Performance measure is Relative TSR within the EPRA Eurozone Index

Actual payout according to TSR payout table:

TSR percentile score	Payout % of target
At least 90%	150%
80%	125%
70%	100%
60%	75%
50%	50%
40%	25%
Lower than 40%	0%

- Payout in cash; two-thirds of the net payments must be invested in NSI shares until the shareholding requirement has been met.

LTI APPLICATION IN 2021

PAY OUT TABLE AND PAYOUT CEO

TSR percentile score (2020-2021)	Payout % of target	NSI TSR score= NSI percentile score	Payout % of target
26% TSR = 90%	150%		
15% TSR = 80%	125%		
11% TSR = 70%	100%		
4% TSR = 60%	75%		
-6% TSR = 50%	50%		
-17% TSR = 40%	25%	-8,77%=47,24%	43,10%
Lower than 40%	0%		

- NSI 2020-2021 TSR score was -8,77% corresponding with a TSR percentile score of 47,24% and a Payout % of target of 43,10%
- A Payout of €107,314.13 (43,098% x 60% x base fee) was awarded to the CEO.
- Pay out will follow in April 2022 after the adoption of the Annual Accounts by the General meeting of Shareholders

LTI APPLICATION IN 2021

PAY OUT TABLE AND PAYOUT CFO

TSR percentile score (2019-2021)	Payout % of target	NSI TSR score= NSI percentile score	Payout % of target
73% TSR = 90%	150%		
46% TSR = 80%	125%		
39% TSR = 70%	100%		
23% TSR = 60%	75%		
12% TSR = 50%	50%	22,94%=59,65%	74,13%
6 % TSR = 40%	25%		
Lower than 40%	0%		

- NSI 2019-2021 TSR score was 22,94% corresponding with a TSR percentile score of 59,65% and a Payout % of target of 74,13%
- A Payout of €68.942,67 (74,132% x 30% x base fee) was awarded to the CFO.
- Pay out and investment in shares will follow in April 2022 after the adoption of the Annual Accounts by the General meeting of Shareholders

4.4 ADDITIONAL PAY PROGRAMS

REMUNERATION POLICY

Upon discretionary authority of the Supervisory Board

APPLICATION IN 2021

No additional pay programs were introduced during 2021.

No additional pay was awarded during 2021.

4.5 SHAREHOLDING REQUIREMENT

REMUNERATION POLICY

CEO: 125% of gross base salary

CFO: 75% of gross base salary

APPLICATION IN 2021

Shareholding per 31.12.2021 (NSI closing price €35)

CEO: 143,37% of gross base salary (17,000 shares)

CFO: 72,78% of gross base salary (6,447 shares)

4.6 OTHER BENEFITS

REMUNERATION POLICY

- Pension arrangement: Defined Contribution plan, accrual rate is based on 1.875% of the pensionable salary per year of service. The pensionable salary is determined by a NSI specific offset and a cap equal to the fiscal maximum pensionable salary (indexed every year); contributions are paid by the employer
- Insured benefits and company car

APPLICATION IN 2021

Maximum fiscal pensionable salary 2021: € 112,189

Premium paid for CEO: € 16,664

Premium paid for CFO: € 13,652

Note: The pension premiums paid differ because the CEO is in another age group as the CFO

- Insured benefits and company cars
To contribute to NSI long term sustainability goals CEO and CFO drive fully electric cars.

4.7 EVOLUTION OF REMUNERATION AND COMPANY PERFORMANCE

TABLE 3: COMPARATIVE TABLE OF THE REMUNERATION AND THE COMPANY PERFORMANCE⁷

	2016	2017	2018	2019	2020	2021
Annual change of Directors Remuneration						
Base fee CEO Bernd Stahli (annualized)	€ 385.000	€ 385.000	€ 385.000	€ 410.000	€ 415.000	€ 415.000
Base fee CFO Alianne De Jong (annualized)	na	€ 240.000	€ 240.000	€ 275.000	€ 298.333	€ 310.000
LTI at target as % of base fee CEO Bernd Stahli (annualized)	na	60,00%	60,00%	60,00%	60,00%	60,00%
Actual payout (LTI 2021 in 2022) (Note: 2020 amount was for LTAP 2017-2019)	na	tbd	tbd	tbd	175,70%	18,61%
LTI at target as % of base fee CFO Alianne De Jong (annualized)	na	na	30,00%	30,00%	30,00%	30,00%
Actual payout (LTI 2021 in 2022)	na	na	tbd	28,70%	30,10%	17,66%
STI at target as % of base fee CEO Bernd Stahli (annualized)	na	na	na	na	20,00%	20,00%
Actual payout STI CEO (STI 2021 in 2022)	na	na	na	na	na	15,26%
STI at target as % of base fee CFO Alianne De Jong (annualized)	na	na	na	30,00%	30,00%	30,00%
Actual payout STI CFO (STI 2021 in 2022)	na	na	na	tbd	31,02%	22,89%
Annual change of the performance of the company						
Net Rental Income (in million Euro)	€ 74,205	€ 74,468	€ 69,228	€ 67,227	€ 60,466	€ 63,272
<i>change vs previous reported year in percent</i>		0,35%	-7%	-3%	-10,06%	4,64%
Total Investment result	-€ 17,833	€ 91,602	€ 91,525	€ 196,297	-€ 20,424	€ 120,961
<i>change vs previous reported year in percent</i>		-613,67%	-0,08%	114,47%	-110,40%	-692,25%
Earnings per share	-€ 0,12	€ 5,05	€ 4,95	€ 10,47	-€ 1,07	€ 6,20
<i>change vs previous reported year in percent</i>		-4308%	-1,98%	111,52%	-110,22%	-679,44%
Dividend per share	€ 2,16	€ 2,16	€ 2,16	€ 2,16	€ 2,16	€ 2,16
<i>change vs previous reported year in percent</i>		0,00%	0,00%	0,00%	0,00%	0,00%
EPRA NAV per share (as of 2020 EPRA NTA)	€ 34,61	€ 36,66	€ 39,75	€ 47,97	€ 44,44	€ 48,23
<i>change vs previous reported year in percent</i>		5,9%	8,4%	20,7%	-7,36%	8,53%
Loan to Value (LTV)	44,1%	36,9%	36,9%	27,4%	29,2%	28,2%
<i>change vs previous reported year in percentpoints</i>		-7,3%	0,0%	-9,5%	1,80%	-1,0%
Total Shareholder Return	-3,49%	29,55%	4,29%	34,76%	-19,55%	13,40%
<i>change vs previous reported year in percentpoints</i>		33,04%	-25,26%	30,47%	-54,31%	32,95%
Average remuneration on a full time equivalent basis of Directors						
Average monthly Base fee Directors	€ 30.334	€ 25.694	€ 26.111	€ 28.611	€ 29.398	€ 30.208
<i>change vs previous reported year in Euro's</i>		-€ 4.640	€ 417	€ 2.500	€ 787	€ 810
<i>change vs previous reported year in percent</i>		-15,30%	1,62%	9,57%	2,75%	2,76%
Average remuneration on a full time equivalent basis of Employees						
Average monthly Base Salary employees	€ 4.729	€ 4.779	€ 5.205	€ 5.306	€ 5.646	€ 5.853
<i>change vs previous reported year in Euro's</i>		€ 50	€ 426	€ 100	€ 340	€ 207
<i>change vs previous reported year in percent</i>		1,07%	8,92%	1,93%	6,41%	3,67%
Pay ratio Directors/Employees						
Ratio Base fee Directors/Base Salary employees	6,42	5,38	5,02	5,39	5,21	5,16
<i>change vs previous reported year</i>		-16,19%	-6,70%	7,50%	-3,44%	-0,88%

Under the Variable Income Plan NSI employees are entitled to a maximum of 33.3% per year of their fixed salary. The Variable Income Plan pays out every year.

The relative pay ratio of the (maximum possible) variable income of Directors and employees can be calculated as follows:

- CEO: (max 90% of base fee LTI + max 24% of base fee STI)/ employees max 33,3% of base fee = 3,42 (2016 not applicable; for 2017 – 2018: 1,8; for 2019-2020 3,42)
- CFO: (max 45% of base fee LTI + max 36% of base fee STI)/employees max 33,3% of base fee = 2,43 (2016 – 2017 not applicable; for 2018: 0,9; for 2019 -2020 2,43)

⁷ Table 3 contains the information specified in Article 2:135b paragraph 1 Dutch Civil Code under letter e: the annual change of remuneration, of the performance of the company, and of average remuneration on a full- time equivalent basis of employees of the company other than directors over at least the five most recent financial years, presented together in a manner which permits comparison

4.8 FURTHER INFORMATION⁸

- No remuneration was paid by any NSI subsidiary or by any company that NSI consolidates.
- No shares or share options were granted.
- No variable remuneration was reclaimed.
- There were no deviations from the decision-making process followed for the determination, review and implementation of the remuneration policy.
- No derogations of the remuneration policy were applied.
- There were no payments upon termination of employment.
- NSI has not given any loans, made advanced payments, or granted guarantees to any Director nor to any Supervisory Director.

TABLE 4: PROVISIONS FOR REMUNERATION TO BE PAID IN THE FUTURE AND THEIR MOVEMENTS DURING 2021

MOVEMENT OF PROVISIONS FOR VARIABLE REMUNERATION

	CEO			CFO			TOTAL		
	LTI	STI	Total	LTI	STI	Total	LTI	STI	Total
Balance as per 1 Jan 2021	62.500	62.000	124.500	41.250	75.000	116.250	103.750	137.000	240.750
Release prior year provision	-62.500	-62.000	-124.500	-41.250	-75.000	-116.250	-103.750	-137.000	-240.750
Provision taken 2021	62.250	91.300	153.550	46.500	102.300	148.800	108.750	193.600	302.350
Balance as per 31 Dec 2021	62.250	91.300	153.550	46.500	102.300	148.800	108.750	193.600	302.350
Payments	71.664	63.329	134.993	52.679	68.289	120.968	124.343	131.618	255.961
Release prior year provision	-62.500	-62.000	-124.500	-41.250	-75.000	-116.250	-103.750	-137.000	-240.750
Provision taken 2021	62.250	91.300	153.550	46.500	102.300	148.800	108.750	193.600	302.350
Result 2021	71.414	92.629	164.043	57.929	95.589	153.518	129.343	188.218	317.561

5. REMUNERATION OF THE SUPERVISORY BOARD

The current remuneration policy for the members of the Supervisory Board was adopted by the General Meeting of Shareholders on 24 April 2020.

The remuneration is fixed and no shares or share options are granted.

The remuneration of the Supervisory Board members is not dependent on the company's results.

The remuneration per year is as follows:

Chairman	€ 48,000
Supervisory Board member	€ 36,000
Audit Committee member	€ 7,500
Real Estate Committee member	€ 7,500
Selection and Appointment Committee member	€ 3,750
Remuneration Committee member	€ 3,750

⁸ This chapter contains the information specified in Article 2:135b paragraph 1 Dutch Civil Code under letters f, g, l, j and k.

5.1 EVOLUTION OF REMUNERATION

REMUNERATION OF THE SUPERVISORY BOARD

TABLE 5: SUPERVISORY BOARD REMUNERATION FOR THE REPORTED FINANCIAL YEAR 2020

	2016	2017	2018	2019	2020	2021
Luurt van der Ploeg (chair 01.01 - 01.08.21)	€ 41.000	€ 51.000	€ 53.000	€ 53.000	€ 54.000	€ 32.375
<i>change vs previous reported year in Euro's</i>		€ 10.000	€ 2.000	€ 0	€ 1.000	na
<i>change vs previous reported year in percent</i>		24,39%	3,92%	0,00%	1,89%	na
Jan Willem de Geus (chair 25.11 - 31.12.21)	na	na	na	na	na	€ 5.580
<i>change vs previous reported year in Euro's</i>						na
<i>change vs previous reported year in percent</i>						na
Jan Willem Dockheer	na	na	na	na	€ 26.000	€ 43.500
<i>change vs previous reported year in Euro's</i>						€ 17.500
<i>change vs previous reported year in percent</i>						67,31%
Margreet Haandrikman	na	€ 17.000	€ 38.000	€ 38.000	€ 41.000	€ 42.500
<i>change vs previous reported year in Euro's</i>			€ 21.000	€ 0	€ 3.000	€ 1.500
<i>change vs previous reported year in percent</i>			123,53%	0,00%	7,89%	3,66%
Karin Koks - van der Sluis (chair 01.08 - 25.11.12)	€ 25.000	€ 40.000	€ 49.000	€ 53.000	€ 58.000	€ 56.125
<i>change vs previous reported year in Euro's</i>		€ 15.000	€ 9.000	€ 4.000	€ 5.000	-€ 1.875
<i>change vs previous reported year in percent</i>		60,00%	22,50%	8,16%	9,43%	-3,23%
Harm Meijer	€ 25.000	€ 45.000	€ 38.000	€ 38.000	€ 42.000	€ 41.625
<i>change vs previous reported year in Euro's</i>		€ 20.000	-€ 7.000	€ 0	€ 4.000	-€ 375
<i>change vs previous reported year in percent</i>		80,00%	-15,56%	0,00%	10,53%	-0,89%
Supervisory Board	€ 225.000	€ 210.000	€ 189.000	€ 180.000	€ 221.000	€ 221.705
<i>change vs previous reported year in Euro's</i>		-€ 15.000	-€ 21.000	-€ 9.000	€ 41.000	€ 705
<i>change vs previous reported year in percent</i>		-6,67%	-10,00%	-4,76%	22,78%	0,32%

5.2 FURTHER INFORMATION⁹

- No remuneration was paid by any NSI subsidiary or by any company that NSI consolidates.
- No shares or share options were granted.
- No variable remuneration was reclaimed.
- There were no deviations from the decision-making process followed for the determination, review and implementation of the remuneration policy.
- No derogations of the remuneration policy were applied.
- There were no payments upon termination of employment.
- NSI has not given any loans, made advanced payments or granted guarantees to any Director nor to any Supervisory Director.

PUBLICATION

After the general meeting of 15 April 2022 NSI NV shall keep this remuneration report publicly available on its website for a period of 10 years. If NSI NV chooses to keep the remuneration report available for a longer period it will no longer contain the personal data of directors.

AUDIT OF INFORMATION PROVIDED IN THIS REMUNERATION REPORT

PriceWaterhouseCoopers Accountants NV, the statutory auditor of NSI NV as referred to in article 2:393 paragraph 1 Dutch Civil Code, has checked that the information required by article 2:135b and article 2:145 subsection 2 Dutch Civil Code has been provided in this remuneration report. Reference for this is made to the independent auditor's report on the financial statements 2021 dated 3 March 2022 that is included in the annual report of NSI N.V.

Amsterdam, 3 March 2022

NSI NV Supervisory Board

Jan Willem de Geus, *Chairman* Margreet Haandrikman
 Karin Koks - van der Sluijs Harm Meijer
 Jan Willem Dockheer

⁹ This chapter contains the information required by article 2:145 paragraph 2 Dutch Civil Code as specified in Article 2:135b paragraph 1 Dutch Civil Code under letters f, g, i, j and k.