



REMUNERATION REPORT 2020

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 21 April 2021 to hold an advisory vote³. In the following (2021) remuneration report NSI shall explain how the vote by the general meeting of 21 April 2021 has been taken into account.

In the general meeting of 24 April 2020 a total of 89,4% of the votes were in favor of adopting the 2019 report. The Supervisory Board has followed last year suggestion of Eumedion to evaluate and set the target achievement for the variable components earlier in the year. As a result we were now able to report the 2020 target achievement for the variable components in the 2020 report as requested by Eumedion. Last years report contained many tables referring to various variable components for various years. The Supervisory Boards has tried to accommodate Eumedions request to simplify the report. There are however still seven main components that we report in table 2, referring to various years for various positions as specified below:

Reported Remuneration Component	Paid in 2020	To be paid in 2021
Long Term Share Plan 2017-2019	CEO € 692,396	
Short Term Incentive 2019	CIO € 109,089 CFO €85,305	
Long Term Incentive 2019	CIO € 103,853 CFO € 82,781	
Base fee 2020	CEO € 415,000 CIO € 132,000 CFO € 289,333	
Short Term Incentive 2020		CEO € 63,329 CFO € 68,288
Long Term Incentive 2020		CEO € 71,664 CFO € 52,679
Target Amount 2020	CIO € 69,000	

In the 2021 report the number of reported components is expected to drop to three (2021 base fee, 2021 STI and 2021 LTI)

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 DCC

3 Following Article 2:135b paragraph 2 DCC

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 24 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 both on 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.

CONTRIBUTION OF THE REMUNERATION TO THE LONG TERM PERFORMANCE OF NSI

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

Long Term Value creation is further linked to 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. 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 2020 are explained in more detail.

TOTAL REMUNERATION

Split out by component in relative proportion of fixed and variable remuneration paid in 2020

Bernd Stahli
CEO



Anne de Jong
CIO



Alianne de Jong
CFO

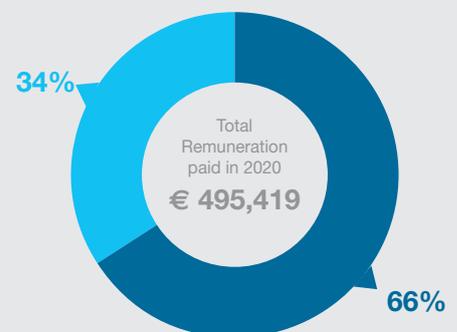


Table 1: Remuneration of Directors for the reported financial year 2020⁴

Name and position	Salary	Variable components paid out in 2020 (1)	Social security	Pension Expense	Other (2)	Total Remuneration paid in 2020	Proportion of fixed and variable remuneration
Bernd Stahl CEO	€ 415,000	€ 692,396	€ 10,000	€ 14,000	€ 3,000	€ 1,134,396	39% fixed 61% variable
Anne de Jong CIO	€ 132,000	€ 281,942	€ 3,000	€ 5,000	€ -7,000	€ 414,942	32% fixed 68% variable
Alianne de Jong CFO	€ 298,333	€ 168,086	€ 13,000	€ 13,000	€ 3,000	€ 495,419	66% fixed 34% variable
Total	€ 845,333	€ 1,142,424	€ 26,000	€ 32,000	-€ 1,000	€ 2,044,757	40% fixed 60% variable

Note 1: The relative large proportion of variable components is due to the fact that in 2020 variable payout for the CEO was based on a three years and variable payout for the CIO on two years. The amounts under 'Variable components' are the amounts that were paid during 2020 under the 2017-2019 Long Term Share Plan (LTSP) of the CEO and under the 2019 STI and 2019 LTI of the CIO and CFO and under the Target Amount 2020 of the CIO. The STI 2020 and LTI 2020 for the CEO and CFO will pay out in 2021. 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 (2021) in the meaning of article 2:383c paragraph 1, letter b, Dutch Civil Code

Note 2: the item "Other" consists mainly of the movement/change in accrued holiday days (compared to prior year).

COVID 19 AND THE PAY OUT OF BONUSES

Before setting the bonuses for 2020 according to the Remuneration Policy the Supervisory Board has considered whether there were legal or other impediments to apply the policy and the previously agreed schemes relating to the Short Term Incentive and the Long Term Incentive.

Legal restrictions

Under the Temporary Emergency Bridging Measure for Sustained Employment (Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud NOW) companies that expect substantial turnover losses can claim a compensation to pay wage. Companies that receive NOW compensation are not allowed to pay out bonuses or dividend over 2020 until their AGM's in 2021.

NSI has not applied for compensation under the NOW nor for any other government relief plan related to Covid-19. There are no legal restrictions to pay out bonuses over 2020.

Standards of reasonableness and fairness

The Remuneration Policy contains an Ultimatum Remedium clause applicable to grants both under the short-term and the long-term incentive scheme. The Supervisory Board has the authority to discretionary revise the bonus payout retrospectively to a deemed appropriate amount in case the calculated payout would be unacceptable according to the standards of reasonableness and fairness.

In this context the Supervisory Board has examined the extent to which all relevant stakeholders have been affected by the negative consequences of Covid-19 in comparison to the Management Board.

- *Shareholders.* Following the outbreak of Covid -19 the market price of NSI shares fell from a level above €50 to a level of €32.80 per year end 2020. The losses thus incurred by shareholders have been felt by the Managing Directors as well as they all have or are building up substantial shareholdings in line with their Shareholding Requirement under the Remuneration Policy. Furthermore the TSR of NSI, which is the basis for the determination of the Long Term Incentive took a hit from the lower share price, leading to substantially lower LTI outcomes over 2020 in comparison to 2019 for the Managing Directors.
- *Employees.* No employees have been made redundant as a consequence of Covid-19. No cuts in Variable Income Plan of the employees have been applied over 2020. The quantitative company targets and achievements applied for the determination of the Variable Income Plan of the employees are identical to the quantitative company targets and achievements applicable for the determination of the Short Term Incentive of the Management Board.
- *Tenants.* NSI has offered several forms of relief to tenants that have been affected by Covid-19. Several measures were taken free of charge for tenants to safeguard the health and well being of tenants and the safe usage of NSI buildings although the management Board was aware that the corresponding €1.6 million cost had a negative effect on the Net Rental income and in fact made it impossible to reach the NRI threshold level under the Short Term Incentive. The Management Board is commended for the fact that it let tenant interests take precedence over their own Short Term Incentive Interests.

Despite Covid-19 the Management Board has achieved a robust operational performance.

⁴ Table 1 contains the information specified in Article 2:135b paragraph 1 DCC under letters a and b.

The targets themselves were set pre Covid and thus turned out to be very ambitious during 2020. The targets have not been changed during 2020 to accommodate for Covid-19 effects. The fact that the management Board nevertheless achieved their targets for EPRA EPS, EPRA cost ratio and Portfolio Development make the corresponding payments for these targets under the Short Term Incentive in the opinion of the Supervisory Board appropriate.

The achievements for the targets set for Occupancy (and Net Rental Income as per above) did not reach the threshold targets levels set pre Covid. For these targets the management receives no bonus under the Short Term Incentive.

All things considered the Supervisory Board considers the bonus payout reasonable and fair and does not see grounds to discretionary revise the bonus payout retrospectively.

APPLICATION OF THE POLICY IN 2019 AND 2020

Table 2: Management Board Remuneration Policy compliance and application in 2019 and 2020⁵

APPLICATION POLICY IN 2019

Some variable remuneration elements applicable in 2019 were not yet evaluated and/or set when the 2019 Remuneration Report was submitted to the shareholders on 5 March 2020. As promised in the 2019 Remuneration Report these elements are now reported in this 2020 Remuneration Report. See the headings "Short Term Incentive 2019 CIO and CFO", "Long Term Incentive 2019 CIO and CFO" and "Long Term Share Plan 2017-2019 CEO" in the table below.

SHORT TERM INCENTIVE 2019	CIO AND CFO
REMUNERATION POLICY	APPLICATION IN 2019
<p>Short Term Incentive</p> <ul style="list-style-type: none"> • Performance period: 1 year • Payout incentive zone (threshold – target – maximum): <ul style="list-style-type: none"> - CEO: 10% - 20% - 24% of base salary - Other members: 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 	<p>Short Term Incentive 2019</p> <ul style="list-style-type: none"> • Performance period 2019 • Payout incentive zone (threshold – target – maximum): <ul style="list-style-type: none"> - CEO: The Transition Arrangement for the new Remuneration Policy adopted at the AGM of 17 April 2019 stipulated that the CEO would complete his Long Term Share Plan 2017 – 2019 and that the new Remuneration Policy – as regards to Short Term and Long Term Incentive would apply to the CEO starting 1 January 2020. As a result no Short Term Incentive was applicable for the CEO during 2019. - CIO and CFO: 15% - 30% - 36% of base salary • Linear payout incentive between target and maximum performance not applicable for CEO, see comment above. • Linear payout incentive between target and maximum performance for CIO and CFO will be reported in the 2020 Remuneration Report. • Applicable performance measures and their weights set for 2019: <ul style="list-style-type: none"> - Recurring EPS EPRA (20%) - Occupancy Rate strategic Portfolio (15%) - Net rental Income growth Like for Like - Strategic Portfolio (15%) - EPRA cost Ratio including vacancy (15%) - Portfolio Development (15%) - Personal targets (20%) <p>The CFO 2019 STI target achievement was evaluated and set at 103.4%, resulting in a pay out of € 85,305</p> <p>The CIO 2019 STI target achievement was evaluated and set at 105.4%, resulting in a pay out of € 109,089.</p> <p>The CFO invested € 14,359 in NSI shares The CIO invested € 18,363 in NSI shares</p>

⁵ Table 2 contains the information specified in Article 2:135b paragraph 1 DCC under letters c and d.

LONG TERM SHARE PLAN 2017-2019

CEO

REMUNERATION POLICY

APPLICATION IN 2019

Long Term Share Plan

Long Term Share Plan 2017 – 2019 CEO

- The LTSP of the CEO covered the period 2017 – 2019 and stipulated a maximum payment 180% of the average fixed annual salary over the term of the LTSP as a long Term Incentive for these three years
- 80% of the remuneration achievable under the LTSP is based on NSI's total shareholder return (TSR) over the term of the LTSP compared with the TSR of a benchmark group. This benchmark group consists of Wereldhave, VastNed Retail, Alstria, Befimmo, Cofinimmo and Eurocommercial Properties.

The amount of remuneration under the LTSP is determined depending on NSI's outperformance in relation to the benchmark. A sliding scale is applied for this purpose. The maximum payout is achieved when NSI outperforms the peers by 1.5% or more on an annualized average basis and the "share price factor" (share price on the last day of the term divided by the share price on the last day preceding the term) is 1 or more.

- 20% of the LTSP remuneration is based on the achievement of individual targets yearly set and evaluated by the Supervisory Board.

The LTSP is a cash-settled transaction.

The LTSP allocation is paid in cash under the condition that the CEO uses 2/3 of the net amount to purchase NSI shares. A lock-up period of three years applies.

Long Term Share Plan

- CEO: The Transition Arrangement for the new Remuneration Policy adopted at the AGM of 17 April 2019 stipulated that the CEO would complete his Long Term Share Plan 2017 – 2019 and that the new Remuneration Policy – as regards to Short Term and Long Term Incentive would apply to the CEO starting 1 January 2020.

Long Term Share Plan 2017 – 2019 CEO

The average fixed annual salary of the CEO over the period 2017 – 2019 was $\frac{((\text{fixed gross base fee 2017 (€ 385,000)}) + (\text{fixed gross base fee 2018 (€ 385,000)}) + (\text{fixed gross base fee 2019 (€ 415,000)}))}{3} = \text{€ } 395,000$ the maximum payout of the TSR related part of the LTSP for the CEO was $80\% \times 1 \times 180\% \times \text{€ } 395,000 = \text{€ } 568,800$

During 2017 – 2019 NSI outperformed its peers by 76.2% and the "share price factor" (share price 31.12.2016 € 28,68 divided by share price 31.12.2019 € 43,40) was 1,51.

As a result, the TSR related part of the LTSP reached the maximum payout of $80\% \times 1 \times 180\% \times \text{€ } 395,000 = \text{€ } 568,800$.

- As reported and specified in the 2019 Remuneration Report:

Overall 2017 individual target achievement was evaluated by the Supervisory Board in 2018 and set at 75% (equivalent to 9% of "average fixed gross base management fee) and .

Overall 2018 target achievement was evaluated by the Supervisory Board in 2019 and set at 79.5% (equivalent to 10.29% of "average fixed gross base management fee).

The 2019 individual CEO targets and their weights set for the 20% comprised of the following:

Financial Targets

- Recurring EPS EPRA (20%)
- Occupancy Rate strategic Portfolio (15%)
- Net rental Income growth Like for Like (strategic portfolio) (15%)
- EPRA cost Ratio including vacancy (15%)

Non financial targets

- Portfolio Development (15%)
- Personal targets (20%)

Overall 2019 target achievement was evaluated and set by the Supervisory Board on 30 March 2020 at 103.4% (equivalent to 12.41% and maximized at 12% of "average fixed gross base management fee).

As a result the 2017 – 2019 LTSP reached a payout of $\text{€ } 395,000 \times 31,29\% = \text{€ } 123,595.50$ for the part related to the achievement of the 2019 individual targets.

The full LTSP 2017 – 2019 payout of $\text{€ } 692,395.50$ has been awarded and effected on 30 March 2020.

LONG TERM INCENTIVE 2019

CIO AND CFO

REMUNERATION POLICY

APPLICATION IN 2019

Long-term incentive

- Performance period: 3 years (The Transition Arrangement for the new Remuneration Policy adopted at the AGM of 17 April 2019 stipulates that the Performance period for 2019 would be 2019; for 2020: 2019 – 2020; and as from 2021 3 years (T-2, T-1 and T)
- Payout incentive zone (threshold – target – maximum):
 - Other members (other than CEO, meaning CIO and 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.

Long-term incentive

- Performance period: 2019
- Payout incentive zone (threshold – target – maximum):

CIO and CFO: 7.5% - 30% - 45% of base salary. The 2019 target achievement will be evaluated and set in 2020 and will be reported in the 2020 Remuneration Report.

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 (2020) in the meaning of article 2:383c paragraph 1, letter b, Dutch Civil Code

- Relative TSR 2019 within the EPRA Eurozone Index will be used as performance measure
- Actual 2019 payout according to TSR payout table

TSR percentile score	Payout % of target
47% TSR = 90%	150%
41.79% TSR = 80%	125%
34.67% TSR = 70%	100%
25% TSR = 60%	75%
23% TSR = 50%	50%
19% TSR = 40%	25%
Lower than 40%	0%

NSI 2019 TSR score was 34,76% corresponding with a TSR percentile score of 71.36% and a Payout % of target of 100.341%

- A Payout of € 82,781.33 (100.341% of 30% of base fee) was awarded to the CFO.
- A Payout of € 103,852.94 (100.341% of 30% of base fee) was awarded to the CIO.

The CFO invested € 27,868 in NSI shares

The CIO invested € 34,962 in NSI shares

APPLICATION POLICY IN 2020

BASE SALARY 2020

CEO, CIO AND CFO

REMUNERATION POLICY

APPLICATION IN 2020

Base Salary 1.1.2020 – 30.04.2020(2019 Policy)

- Set considering NSI's market positioning within the reference market (90% (CEO) and 80% (other members) of the median TDC level), the internal pay differences at NSI and the intended pay mix

Base Salary 1.5.2020 – 30.04.2020(2020 Policy)

- Set considering NSI's market positioning within the reference market (90% of the median TDC level), the internal pay differences at NSI and the intended pay mix (Following the Division of the function of the CIO between the CEO and the CFO the General Meeting of 24 April 2020 has increased the market positioning percentage of median TDC level for the CFO from 80% to 90%)
- TDC benchmark in the reference group and assessment of internal pay differences conducted every three years; no adjustments to pay levels in the years in between

Base Salary1.1.2020 – 30.04.2020(2019 Policy)

CEO Bernd Stahli	€415,000 (x4/12)
CIO Anne de Jong	€345,000 (x4/12)
CFO Alianne de Jong	€275,000 (x4/12)

Base Salary 1.5.2020 – 30.04.2020(2020 Policy)

CEO Bernd Stahli	€415,000 (x8/12)
CFO Alianne de Jong	€310,000 (x8/12)

During the preparation of the 2019 Remuneration Policy an initial benchmark in the reference group has been conducted for both the CEO and CFO position on disclosed data of 2017 annual reports of the reference group.

Actual TDC at target levels have been set in 2019 by aging the results from the reference year of the benchmark assessment to the first year of application of the adjusted TDC levels (2019).

Following the division of the function of the CIO between the CEO and the CFO, the General Meeting of 24 April 2020 has set the actual base salary of the CFO at €310,000 as from 1 May 2020.

SHORT TERM INCENTIVE 2020

CEO AND CFO

REMUNERATION POLICY

APPLICATION IN 2020

Short Term Incentive

- Performance period: 1 year
- Payout incentive zone (threshold – target – maximum):
 - 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.

Short Term Incentive 2020

- Performance period 2020
- Payout incentive zone (threshold – target – maximum):
 - CEO: 10% - 20% - 24% of base salary
 - CFO: 15% - 30% - 36% of base salary
- Applicable performance measures and their weights set for 2020:
 - Recurring EPS EPRA (20%)
 - Occupancy Rate strategic Portfolio (15%)
 - Net rental Income growth Like for Like (strategic portfolio) (15%)
 - EPRA cost Ratio including vacancy (15%)- Portfolio Development (15%)
 - Personal targets (20%)

The overall CEO 2020 STI target achievement was evaluated and set at 76.3%, resulting in a pay out of € 63,329

The overall CFO 2020 STI target achievement was evaluated and set at 76.3%, resulting in a pay out of € 68,288

Pay out and investment in shares will follow in April 2021 after the adoption of the Annual Accounts by the General meeting of Shareholders

LONG TERM INCENTIVE 2020

CEO AND CFO

REMUNERATION POLICY

APPLICATION IN 2020

Long-term incentive

- Performance period: 3 years (The Transition Arrangement for the new Remuneration Policy adopted at the AGM of 17 April 2019 stipulates that the CEO Performance period for 2020 would be 2020; for 2021: 2020 – 2021; and as from 2022 3 years (T-2, T-1 and T)

(The Transition Arrangement for the new Remuneration Policy adopted at the AGM of 17 April 2019 stipulates that the CFO Performance period for 2019 would be 2019; for 2020: 2019 – 2020; and as from 2021 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

CEO

- Actual payout according to 2020 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%

CFO

- Actual payout according to 2019-2020 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.

Long-term incentive

- Performance period:
 - CEO 2020
 - CFO 2019-2020

- Payout incentive zone (threshold – target – maximum):
 - CEO: 15% - 60% - 90% of base salary
 - CFO: 7.5% - 30% - 45% of base salary.

- Relative TSR 2020 within the EPRA Eurozone Index will be used as performance measure for the CEO
- Relative TSR 2019-2020 within the EPRA Eurozone Index will be used as performance measure for the CFO

CEO

- Actual payout according to 2020 TSR payout table

TSR percentile score	Payout % of target
21% TSR = 90%	150%
0% TSR = 80%	125%
-4% TSR = 70%	100%
-8% TSR = 60%	75%
-15% TSR = 50%	50%
-20% TSR = 40%	25%
Lower than 40%	0%

NSI 2020 TSR score was -19.55% corresponding with a TSR percentile score of 41.51% and a Payout % of target of 28.78%

- A Payout of € 71,664.00 (28.78% of 60% of base fee) was awarded to the CEO.

CFO

- Actual payout according to 2019-2020 TSR payout table

TSR percentile score	Payout % of target
49% TSR = 90%	150%
33% TSR = 80%	125%
20% TSR = 70%	100%
16% TSR = 60%	75%
4% TSR = 50%	50%
-1% TSR = 40%	25%
Lower than 40%	0%

NSI 2019-2020 TSR score was 8.41% corresponding with a TSR percentile score of 53.544% and a Payout % of target of 58.859%

- A Payout of € 52,679.13 (58.859% of 30% of base fee) was awarded to the CFO.

Pay out and investment in shares will follow in April 2021 after the adoption of the Annual Accounts by the General meeting of Shareholders

TARGET PAYOUT 2020

CIO

REMUNERATION POLICY

APPLICATION IN 2020

If it is known by the end of the calendar year before the year in which the appointment period of a participant ends, that the participant will not be nominated for a new term or is not available for such a nomination, the participant will not participate in the variable pay programs in the year in which the appointment ends; for this year the participant will be entitled to a target payout set by the Supervisory Board for both STI and LTI, prorated to the actual time of service during the year of termination.

By the end of 2019 it was known that CIO Anne de Jong was not available to be nominated for a new term. For 2020 the Supervisory Board set a target payout for both the STI and LTI prorated to the remaining four months of service during 2020.

The target payout was based on the payout percentages that would otherwise have been applicable for "at target" achievements under the STI (30% of base fee) and the LTI (30% of base fee)

The performance measure was the extent to which the CIO – to the satisfaction of the Supervisory Board – would continue to perform his duties to the best of his abilities until the end of his tenure and would give his full cooperation and assistance to a smooth and seamless handover of his existing duties.

The CIO 2020 target achievement was evaluated and set in June 2020 at 100%, resulting in a pay out of € 69,000.

Additional pay programs

Upon discretionary authority of the Supervisory Board

Additional pay programs

No additional pay programs were introduced during 2020. No additional pay was awarded during 2020.

Shareholding requirement

- CEO: 125% of gross base salary
- CFO: 75% of gross base salary

Shareholding per 31.12.2020

- CEO: 14,646 shares = € 480,388.80 = 115.76% of gross base salary
- CFO: 4,055 shares = € 133,004 = 48.37% of gross base salary

Other benefits

- 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

Other benefits

Pension maximum pensionable salary 2020: € 110,111

Premium paid

- CEO: € 14,000
- CIO: € 5,000
- CFO: € 13,000

Note: The pension premiums paid differ because the CEO and CIO in another age group as the CFO and pension premiums were paid for the CIO until 30 April 2020

- Insured benefits and company cars;
To contribute to NSI long term sustainability goals all Directors drive fully electric cars.

EVOLUTION OF REMUNERATION AND COMPANY PERFORMANCE

Table 3: Comparative table of the remuneration and the company performance⁶

	2015	2016	2017	2018	2019	2020
Annual change of Directors Remuneration						
Base fee CEO Bernd Stahl (annualized)	na	€ 385,000	€ 385,000	€ 385,000	€ 410,000	€ 415,000
Base fee CIO Anne de Jong (annualized)	€ 270,000	€ 300,000	€ 300,000	€ 315,000	€ 345,000	€ 345,000
Base fee CFO Alianne De Jong (annualized)	na	na	€ 240,000	€ 240,000	€ 275,000	€ 298,333
Annual change of the performance of the company						
LTI/LTAP at target as % of base fee CEO Bernd Stahl (annualized)	na	na	60.00%	60.00%	60.00%	60.00%
Actual payout LTAP 2017-2019 in 2020)	na	na	tbd	tbd	tbd	175.70%
LTI/LTAP at target as % of base fee CIO Anne de Jong (annualized)	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Actual payout (LTI 2019 in 2020)	tbd	tbd	tbd	88.50%	28.31%	30.10%
LTI/LTAP at target as % of base fee CFO Alianne De Jong (annualized)	na	na	na	30.00%	30.00%	30.00%
Actual payout (LTI 2019 in 2020)	na	na	na	tbd	28.70%	30.10%
STI at target as % of base fee CEO Bernd Stahl (annualized)	na	na	na	na	na	20.00%
STI at target as % of base fee CIO Anne de Jong (annualized)	na	na	na	na	30.00%	30.00%
Actual payout STI CIO (determined in 2020)	na	na	na	na	tbd	31.62%
STI at target as % of base fee CFO Alianne De Jong (annualized)	na	na	na	na	30.00%	30.00%
Actual payout STI CFO (determined in 2020)	na	na	na	na	tbd	31.02%
Annual change of the performance of the company						
Net Rental Income (in million Euro)	€ 91.3	€ 74.2	€ 74.5	€ 69.2	€ 67.2	€ 60.5
change vs previous reported year in percent		-18.75%	0.35%	-7%	-3%	-10.06%
Total Investment result (in million Euro)	€ 63.8	-€ 17.8	€ 91.6	€ 91.5	€ 196.3	-€ 20.4
change vs previous reported year in percent		-127.95%	-613.67%	-0.08%	114.47%	-110.40%
Earnings per share	€ 0.44	-€ 0.12	€ 5.05	€ 4.95	€ 10.47	€ 2.35
change vs previous reported year in percent		-127.27%	-4,308.33%	-1.98%	111.52%	-77.55%
Dividend per share	€ 2.16	€ 2.16	€ 2.16	€ 2.16	€ 2.16	€ 2.16
change vs previous reported year in percent		0.00%	0.00%	0.00%	0.00%	0.00%
EPRA NAV per share (as of 2020 EPRA NTA)	€ 38.32	€ 34.61	€ 36.66	€ 39.75	€ 47.97	€ 44.44
change vs previous reported year in percent		-9.6%	5.9%	8.4%	20.7%	-7.36%
Loan to Value (LTV)	43.2%	44.1%	36.9%	36.9%	27.4%	29.2%
change vs previous reported year in percentpoints		0.9%	-7.3%	0.0%	-9.5%	1.80%
Total Shareholder Return	14.66%	-3.49%	29.55%	4.29%	34.76%	-19.55%
change vs previous reported year in percentpoints		-18.15%	33.04%	-25.26%	30.47%	-54.31%
Average remuneration on a full time equivalent basis of Directors						
Average monthly Base fee Directors	€ 28,769	€ 30,334	€ 25,694	€ 26,111	€ 28,750	€ 29,583
change vs previous reported year in Euro's		€ 1,565	-€ 4,640	€ 417	€ 2,639	€ 833
change vs previous reported year in percent		5.44%	-15.30%	1.62%	10.11%	2.90%
Average remuneration on a full time equivalent basis of Employees						
Average monthly Base Salary employees	€ 4,421	€ 4,729	€ 4,779	€ 5,205	€ 5,306	€ 5,646
change vs previous reported year in Euro's		€ 308	€ 50	€ 426	€ 100	€ 340
change vs previous reported year in percent		6.96%	1.07%	8.92%	1.93%	6.41%
Pay ratio Directors/Employees						
Ratio Base fee Directors/Base Salary employees	6.51	6.42	5.38	5.02	5.42	5.24
change vs previous reported year		-1.42%	-16.19%	-6.70%	8.02%	-3.30%

⁶ Table 3 contains the information specified in Article 2:135b paragraph 1 DCC 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

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 and max 24% of base fee STI vs employees max 33.3% of base fee = 3.42 (2017 – 2018: 1.8)
- CFO max 45% of base fee LTI and max 36% of base fee STI / employees max 33.3% of base fee = 2.43 (2015 – 2017 not applicable; 2018: 0.9)

FURTHER INFORMATION⁷

- 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 2020

Movement of Provisions for Variable Remuneration 2020

	CEO Total	CEO LTI	CEO STI	CFO Total	CFO LTI	CFO STI	CIO Total	CIO LTI	CIO STI	TOTAL
Balance as per 1 January 2020	681,937			165,000			277,000			1,123,937
Release prior year provision (provision for LTSP of CEO and LTI of CFO and CIO)	-681,937			-165,000	-82,500	-82,500	-277,000	-138,500	-138,500	-1,123,937
Provision for 2020 (Long Term Incentive and Short Term Incentive for CEO and CFO)	124,500	62,500	62,000	116,250	41,250	75,000				240,750
Balance as per 31 December 2020	124,500			116,250			0			240,750
Payments (for LTSP of CEO and LTI/STI of CIO and CFO)	692,396	692,396		168,086	82,781	85,305	281,942	138,353	143,589	1,142,424
Release prior year provision	-681,937	-681,937		-165,000	-82,500	-82,500	-277,000	-138,500	-138,500	-1,123,937
Provision for 2020 (LTI and STI for CEO and CFO)	124,500	62,500	62,000	116,250	41,250	75,000				240,750
Result 2020	134,959	72,959	62,000	119,336	41,531	77,805	4,942	-147	5,089	259,237

⁷ This chapter contains the information specified in Article 2:135b paragraph 1 DCC under letters f, g, i, j and k.

REMUNERATION OF THE SUPERVISORY BOARD

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

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

The remuneration policy for the members of the Supervisory Board applicable in the first four months of 2020 was adopted by the General Meeting of Shareholders on 25 April 2014.

During this period the amount of remuneration was € 30,000 per year for a Supervisory Board member and € 45,000 per year for the chairman. The amount of remuneration for membership of the Audit Committee and the Real Estate Committee of the Supervisory Board was € 7,500 per year. The amount of remuneration for membership of the Selection and Appointment Committee and the Remuneration Committee of the Supervisory Board was € 3,750 per year.

The remuneration policy for the members of the Supervisory Board applicable in the last eight months of 2020 was adopted by the General Meeting of Shareholders on 24 April 2020.

During this period the amount of remuneration was € 36,000 per year for a Supervisory Board member and € 48,000 per year for the chairman. The amount of remuneration for memberships of the Committees remained unchanged.

Table 5: Supervisory Board remuneration for the reported financial year 2020

Remuneration of the Supervisory Board

	2015	2016	2017	2018	2019	2020
Luurt van der Ploeg	€ 38,000	€ 41,000	€ 51,000	€ 53,000	€ 53,000	€ 54,000
change vs previous reported year in Euro's		€ 3,000	€ 10,000	€ 2,000	€ 0	€ 1,000
change vs previous reported year in percent		7.89%	24.39%	3.92%	0.00%	1.89%
Jan Willem Dockheer	na	na	na	na	na	€ 26,000
change vs previous reported year in Euro's						na
change vs previous reported year in percent						na
Margreet Haandrikman	na	na	€ 17,000	€ 38,000	€ 38,000	€ 41,000
change vs previous reported year in Euro's				€ 21,000	€ 0	€ 3,000
change vs previous reported year in percent				123.53%	0.00%	7.89%
Karin Koks - van der Sluis	na	€ 25,000	€ 40,000	€ 49,000	€ 53,000	€ 58,000
change vs previous reported year in Euro's			€ 15,000	€ 9,000	€ 4,000	€ 5,000
change vs previous reported year in percent			60.00%	22.50%	8.16%	9.43%
Harm Meijer	na	€ 25,000	€ 45,000	€ 38,000	€ 38,000	€ 42,000
change vs previous reported year in Euro's			€ 20,000	-€ 7,000	€ 0	€ 4,000
change vs previous reported year in percent			80.00%	-15.56%	0.00%	10.53%
Supervisory Board	€ 210,000	€ 225,000	€ 210,000	€ 189,000	€ 180,000	€ 221,000
change vs previous reported year in Euro's		€ 15,000	-€ 15,000	-€ 21,000	-€ 9,000	€ 41,000
change vs previous reported year in percent		7.14%	-6.67%	-10.00%	-4.76%	22.78%

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.

Publication

After the general meeting of 21 April 2021 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 DCC, has checked that the information required by article 2:135b DCC and 2:145 subsection 2 DCC has been provided in this remuneration report. Reference for this is made to the independent auditor's report on the financial statements 2020 dated 4 March 2021 that is included in the annual report of NSI N.V.

Hoofddorp, 4 March 2021

NSI NV Supervisory Board

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