



## Remuneration report 2018

### Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board was adopted by the General Meeting of Shareholders on 25 April 2014. The remuneration of the Supervisory Board members is not dependent on the company's results.

The amount of remuneration adopted by the General Meeting of Shareholders on 25 April 2014 is € 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 is € 7,500 per year. The amount of remuneration for membership of the Selection and Appointment Committee and the Remuneration Committee of the Supervisory Board is € 3,750 per year.

### Remuneration 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 27 April 2012. An adjustment to the maximum percentage of the CEO's variable remuneration was adopted at the Extraordinary Meeting of Shareholders of 25 August 2016. An adjustment to the maximum percentage of the CIO's variable remuneration was adopted at the General Meeting of Shareholders of 20 April 2018.

The full text of the remuneration policy can be viewed on NSI's website.

The objectives of the remuneration policy are as follows: to be able to recruit, retain and motivate qualified Management Board members in order to realise the company's goals; to ensure that the members of the company's Management Board are remunerated in accordance with the weight of their position; and to stimulate value creation for the company and its stakeholders.

The remuneration of the Management Board consists of a fixed annual salary, a variable remuneration and secondary conditions of employment.

CEO Bernd Stahli, received a fixed salary of €385 thousand for his employment in 2018.

CFO Alianne de Jong received a fixed salary of €240 thousand for her employment in 2018.

CIO Anne De Jong received a fixed salary of €310 thousand for his employment in 2018.

### Variable remuneration of the Management Board

Since 1 January 2012, the variable remuneration component for the Management Board has consisted exclusively of the Long Term Share Plan (LTSP). The LTSP covers a period of three years and stipulates a maximum payment under the LTSP: for the CEO it has been set at 180% (max 60% per year) of the average fixed annual salary over the term of the LTSP; for the CIO the maximum has been set at 120% (max 40% per year) and for the CFO the maximum has been set at 90% (max 30% per year). The LTSP pays out every three years. The LTSP allocation is paid in cash under the condition that the respective Management Board member uses 2/3 of the net amount to purchase NSI shares. A lock-up period of three years applies.

To contribute to Long Term Value Creation, 80% of the remuneration achievable under the LTSP is based on total shareholder return (TSR) over the term of the LTSP. The TSR takes into account NSI's share price at the beginning and at the end of the period as well as distributions to shareholders during the period. NSI's TSR is then compared with the TSR of the 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 performance in relation to the benchmark. A sliding scale is applied for this purpose.

The remaining 20% of the LTSP remuneration is based on the achievement of individual targets set for the members of the Management Board. These are determined by the Supervisory Board taking scenario analyses into consideration and are evaluated by the Supervisory Board.

The LTSP period for the CEO commenced on 1 January 2017 and expires on 31 December 2019.

The LTSP period for the CFO commenced on 1 January 2018 and expires on 31 December 2020.

The LTSP period for the CIO commenced on 1 January 2018 and expires on 31 December 2020.

### Pay ratios

In 2018 the pay ratio of average fixed monthly salary of Management Board members (€25,972) to the average monthly salary of NSI employees (€5.205) was 5:1. (2017: 5.5:1) All salaries are calculated on a 100% FTE basis.

Under the Variable Income Plan NSI employees are entitled to a maximum of 4 extra months per year of their fixed salary. The Variable Income Plan pays out every year. The pay ratio (expressed in months) of the maximum variable remuneration component (LTSP) for the Management Board to the maximum variable income for the NSI employees is 1.8:1 for the CEO, 1.2:1 for the CIO (2017 0.9:1) and 0.9 :1 for the CFO.

Hoofddorp, March 6<sup>th</sup>, 2019

#### **The Supervisory Board**

Luurt van der Ploeg, Chairman

Karin Koks - Van der Sluijs

Margreet Haandrikman

Harm Meijer