

REMUNERATION REPORT

The Supervisory Board reviewed and amended NIBC's remuneration policies in 2021 for the Supervisory Board and Managing Board. The review took into account all relevant laws, regulations and guidelines; the Dutch Banking Code; the DNB Principles on Sound Remuneration Policies (DNB principles), EBA Guidelines on Sound Remuneration; CRD V and the Dutch remuneration legislation for financial services companies ((Regeling beheerst belongingsbeleid van banken (RBB) and Wet belongingsbeleid financiële ondernemingen, WBFO).

NIBC's remuneration policies of the Managing Board and Supervisory Board for 2021 are outlined in this chapter. An overview of the remuneration components of other staff is also presented. Please see our [website](#) for further information about the remuneration policies of the MB and SB.

To avoid unnecessary duplication, we refer to note [8](#) and [49](#) of the Consolidated Financial Statements in this Annual Report for all relevant tables. These are considered to be an integral part of this Remuneration Report.

Remuneration principles

NIBC's remuneration policy is sustainable, balanced and in line with our chosen strategy, risk appetite and sustainability ambitions. It revolves around these six key principles: remuneration is (i) aligned with NIBC's business strategy, risk appetite and sustainability ambitions; (ii) appropriately balanced between short and long term; (iii) differentiated and linked to the achievement of performance objectives and the results of NIBC; (iv) externally competitive and internally fair; (v) managed in an integrated manner that takes into account total compensation and (vi) is determined in a gender neutral way.

Managing Board remuneration in 2021

In order to determine appropriate market levels of remuneration for the Managing Board, the Supervisory Board has identified a benchmark peer group, consisting of comparable European financial institutions that are or were private equity-owned. The composition of this peer group reflects the labour market in which NIBC competes for talent on Managing Board level. As such, it is an objective measure not based on an individual data point selected by NIBC.

Throughout the cycle, total compensation for the CEO and members of the Managing Board is targeted just below the median of their peers in the amended peer group, based on benchmark data provided by external independent compensation consultants and publicly available information. The positioning just below the median of the peer group is in line with the Dutch Banking Code.

Base salaries

In consideration of changed circumstances the total remuneration of the Managing Board has been looked at in 2021 and has been amended per 1 January 2021 (after approval by the General Meeting on 16 April 2021) taking into account the new ownership and amended peer group. In 2021, the base salary for the CEO was EUR 1,481,868 gross per year (2020: EUR 987,912). The base salary for the two other members of the Managing Board was EUR 1,077,723 gross per year (2020: EUR 718,482). Base salaries are paid in 12 equal monthly payments.

Variable compensation

The CEO and the other members of the Managing Board are not eligible for an annual performance based variable compensation. To ensure the necessary stability and continuity of the Company, following the acquisition of NIBC Holding N.V. by Blackstone, a one-off retention package has been introduced at acquisition date for the Managing Board members and a limited group of other selected senior staff members with a total magnitude of EUR 5.7 million of which EUR 4.4 million

relates to the Managing Board. The condition of continued employment until 30 December 2021 has been met and the retention package (consisting of cash, deferred cash, *Phantom Share Units (PSUs)* and *Restricted PSUs (RPSUs)*) has been granted. For the Managing Board members a holding period of five years applies to the PSUs and RPSUs.

Pension

The CEO and other Managing Board members participate in the NIBC pension plan, in line with the arrangements available to all other employees. In 2021, the pension plan consisted of a) a collective defined-contribution pension arrangement (CDC arrangement) up to a (fiscal) maximum pensionable salary of EUR 112.189, and; b) an additional (gross) contribution of 25% up to their respective base salaries above the maximum pensionable salary. The retirement age for the CEO and other members of the Managing Board was 68 in 2021. There are no contractual early retirement provisions.

Over 2021, NIBC has paid a standard flat-rate contribution for the CDC arrangement of 27,0 % (for the Managing Board as well as for all other employees). All employees are required to make a personal contribution of 5,0% of their pensionable salary to the CDC arrangement. The gross contribution by NIBC for pensions above the (fiscal) maximum pensionable salary is set at 25%.

Other key benefits

The CEO and other members of the Managing Board are entitled to a company car up to a certain price limit or, if they prefer, the equivalent value of the lease car limit as a gross cash allowance. The CEO is entitled to the use of a permanent chauffeur from the chauffeurs pool whilst the other members of the Managing Board are entitled to the use of a chauffeur from the pool for business purposes only unless otherwise agreed by the Supervisory Board.

As is the case with all our employees, the members of the Managing Board are entitled to a contribution towards their disability insurance, accident insurance and permanent travel insurance.

The total amount of remuneration per individual Board Member split out in the separate components is shown below:

2021	Base salary		Variable compensation		One-off retention		Pension		Other key benefits		Total
		%		%		%		%		%	
Mr. Paulus de Wilt	1,481,868	39.8%	-	-	1,806,683	48.5%	387,563	10.4%	45,634	1.2%	3,721,748
Mr. Herman Dijkhuizen	1,077,723	39.7%	-	-	1,313,953	48.4%	282,850	10.4%	38,434	1.4%	2,712,960
Mr. Reinout van Riel	1,077,723	39.7%	-	-	1,313,953	48.5%	281,765	10.4%	38,434	1.4%	2,711,875

Employment contracts MB

The CEO and members of the Managing Board all have indefinite employment contracts. Their appointment to the Managing Board is for a maximum term of four years. The term can be renewed.

Any severance payment is limited to 12 months' base salary and will not be awarded if the agreement with the member of the Managing Board is terminated early at the initiative of the member of the Managing Board, or in the event of seriously culpable or negligent behaviour on the part of the member of the Managing Board.

Other staff remuneration

In line with the DNB Principles, employees whose professional activities have a material impact on NIBC's risk profile are designated Identified Staff. Specific remuneration conditions may apply to Identified Staff (other than Managing Board members). The outlines of the remuneration policies for Identified Staff and other staff are given below. For further details on the policies for Identified Staff, please see our [website](#).

Total compensation funding

Each year, based on a proposal by the Managing Board, the Supervisory Board decides, at its discretion, on the overall amount of money available for total compensation, the amount of money available for variable compensation and the specific forms in which variable compensation may be awarded.

Variable compensation

Selected employees eligible for variable compensation have a pre-agreed set of financial and non-financial (at least 50%) performance targets. Their performance assessments take into account the achievement of pre-agreed targets, how they have behaved according to NIBC's corporate values, as well as their contributions towards the bank's longer-term objectives. Non-financial performance aspects include client satisfaction, employee satisfaction, transparency, and sustainability. The Dutch Banking Code serves as a guideline for all employees.

Whether or not an employee actually receives a variable compensation for his or her performance, is wholly discretionary and depends on the overall financial and non-financial performance of the bank, of the respective business unit, personal performance and relevant market levels of remuneration. Employees do not qualify for variable remuneration if their performance has been inadequate or poor; if they have failed to meet duty-of-care or compliance requirements, if they have displayed behaviour contrary to NIBC's policies and corporate values, or if they were subject to disciplinary action.

For employees the variable compensation, if any, is delivered in various components:

1. cash;
2. deferred cash;
3. vested PSUs;
4. unvested RPSUs.

The Managing Board determines the precise split between cash and equity-linked components, the proportion of deferred compensation and the form in which this is distributed (such as cash or unvested equity), whether a threshold applies for the deferred component and, if so, how high that threshold is.

For Identified Staff variable compensation is delivered in a pre-defined mix: 30% in cash, 20% in deferred cash, 30% in PSUs and 20% in RPSUs. In this way, NIBC complies with regulations that require Identified Staff to receive 50% of all variable compensation in the form of equity-linked instruments and for at least 40% of both the cash and equity linked component to be deferred. Since 2021, proportionality is introduced in the legislative framework with regards to remuneration (if an employee's variable compensation is lower than EUR 50.000 and is lower than 11.1% of the individual base salary, a payment may be made in cash only without a deferral period).

Special situations

Only in exceptional cases and only in the first year of employment the Managing Board can offer sign-on or guaranteed minimum bonuses to new employees. Additionally, the Managing Board can decide, in exceptional cases, to offer retention bonuses to existing employees. In the unlikely event that these bonuses amount to more than 100% of the base salary of the individual employee concerned, procedures will be followed in accordance with the regulations; the maximum ratio between fixed and variable remuneration will be respected.

Any severance payment made when NIBC terminates employment without cause, is subject to local legislation. For the Netherlands, the prevailing transition formula and, in the case of reorganisation, NIBC's Social Protocol, are applicable. Special compensation plans for specific groups of employees are subject to prior approval by the Managing Board, which annually informs the Remuneration and Nominating Committee and Supervisory Board about these arrangements.

Supervisory Board remuneration in 2021

The Supervisory Board remuneration policy 2021 has been approved by the Annual General Meeting in 2021. In order to determine appropriate market levels of remuneration for the SB, an analysis is made of comparable European financial institutions that are or were private equity-owned. As of 2021, the SB remuneration consists of basic fees and attendance fees.

The Chair, the Vice-Chair and the other members of the SB are entitled to an annual basic fee. The Chair and the members of a subcommittee are also entitled to an annual basic fee. In addition to the annual basic fees, the Chair and other members of the SB are entitled to further fees for the attendance of meetings. Such meetings qualify for an attendance fee in case the meeting lasts at least 1 hour, is planned in advance with an agenda, is minuted and when all members of the SB or committee are invited.

The Chair of the SB is entitled to an annual fee of EUR 135,000 (2020: EUR 79,059), the Vice-Chair of the SB is entitled to an annual fee of EUR 100,000 (2020: EUR 63,247) and the other members of the SB are entitled to an annual fee of EUR 75,000 (2020: EUR 52,506).

In addition, all Chairs of the AC, RPCC and RNC of the Supervisory Board are entitled to an annual fee of EUR 20,000 (2020: 15,812). Members of the AC, RPCC and RNC are entitled to an annual fee of EUR 10,000 (2020: EUR 10,541). The members of the RPTC are entitled to an annual fee of nil (2020: nil). Per meeting, an attendance fee is applicable. For the Chair of the SB this equals EUR 5,000, for members of the SB this fee is EUR 4,000. For the Chair and members of a committee, it equals EUR 2,500. All members of the SB are entitled to reimbursement of genuine business expenses incurred while fulfilling their duties.

Remuneration governance

In line with the various recommendations and guidelines issued by regulators, NIBC has strengthened governance around the annual remuneration process and agreed upon key roles for the Human Resources, Risk Management, Compliance, Audit and Finance functions (control functions).

The Supervisory Board discussed the performance and remuneration of Identified Staff, as well as the performance and remuneration of control functions. The Supervisory Board also discussed the highest proposed variable compensations in 2021. Scenario analyses were conducted by Risk Management to assess the possible outcomes of the variable remuneration components on an individual and collective basis. The internal annual report 'Harrewijn' is discussed in the RNC as well as with the Works Council. This report provides information on the composition and development

of compensation and benefits of its employees. Amongst others the report covers an internal pay ratio analysis.

In 2021, the base salary pay ratio of the CEO compared to the base salary of the other members of the Managing Board was 1.4 (2020: 1.4).

In 2021, the average base salary pay ratio of the Managing Board members compared to the base salary of the non-statutory members of the Executive Committee was 2.9 (2020: 1.9).

In 2021, the base salary pay ratio of the CEO compared to the median fulltime base salary of all employees was 19.4 (2020: 13.2).

Any vested amounts of variable remuneration are subject to clawback by the Supervisory Board in the event they have been based on inaccurate financial or other data, fraud, or when the employee in question is dismissed 'for cause'. Moreover, in exceptional circumstances, the Supervisory Board has the discretion to adjust downwards any or all variable remuneration if, in its opinion, this remuneration could have unfair or unintended effects. In assessing performance against pre-agreed performance criteria, financial performance shall be adjusted to allow for estimated risks and capital costs. In addition to clawbacks, the concept of 'malus' is part of the remuneration policy. This is an arrangement that permits NIBC to prevent vesting of all or part of the amount of deferred compensation in relation to risk outcomes of performance. Malus is a form of ex-post risk adjustment, one of the key requirements in addition to ex-ante risk adjustments. If an employee resigns, any unvested amounts of variable compensation are forfeited.

Conclusion

The RNC and the Supervisory Board believe NIBC's remuneration policy responsibly links performance and reward and is compliant with the applicable laws, regulations and guidelines. The Supervisory Board continues to believe in prudent management of remuneration whilst recognising that NIBC operates in a competitive market place where it needs to be able to attract, motivate and retain sufficient talent.

NIBC is determined to make a positive contribution towards fair compensation practices in the banking sector in consultation with its stakeholders. Furthermore, we aim to create the level playing field that regulators envisage with regard to variable compensation.

Determination Remuneration Report 2020

As a consequence of the delisting of NIBC Holding N.V. (effectively as from 18 February 2021) the remuneration report 2020 was not subject to an advisory vote at the Annual General Meeting in 2021. In this report we explain how the Statutory Board and Supervisory Board remuneration policies are implemented and share details of remuneration awarded in 2020. As Blackstone owns more than 95% of the ordinary shares of NIBC Holding N.V., effectively as of 30 December 2020, the remuneration report 2020 was directly discussed within Remuneration and Nominating Committee (RNC) and the Supervisory Board (SB). The RNC / SB decided not to change the contents and disclosures of the remuneration report 2020.

Disclosure on Dutch Remuneration Legislation for Financial Services Companies

The total amount of variable income granted in 2021 with respect to the performance over 2020, amounts to EUR 2.0 million. This grant consists of (direct and deferred) cash and (vested and unvested) equity-linked instruments. In 2021, three employees were awarded a total compensation of more than EUR 1 million (2020: one employee).

Disclosure on Shareholders Rights Directive

Due to the acquisition of NIBC Holding N.V. by Blackstone the Shareholders Rights Directive is not applicable anymore as of 18 February 2021. To prevent a hybrid situation in 2021, i.e. to present details of the development of the remuneration of every Statutory Board member until 19 February 2021 compared to 2020 and not thereafter for the period 19 February 2021 until 31 December 2021 compared to 2020, NIBC Holding N.V. opted for referring to note 8 Personnel expenses and share-based payments and note 51 Related party transactions where the information relating to remuneration of individual Statutory Board members that served NIBC Holding N.V. over the year 2021 compared to 2020 is fully disclosed.