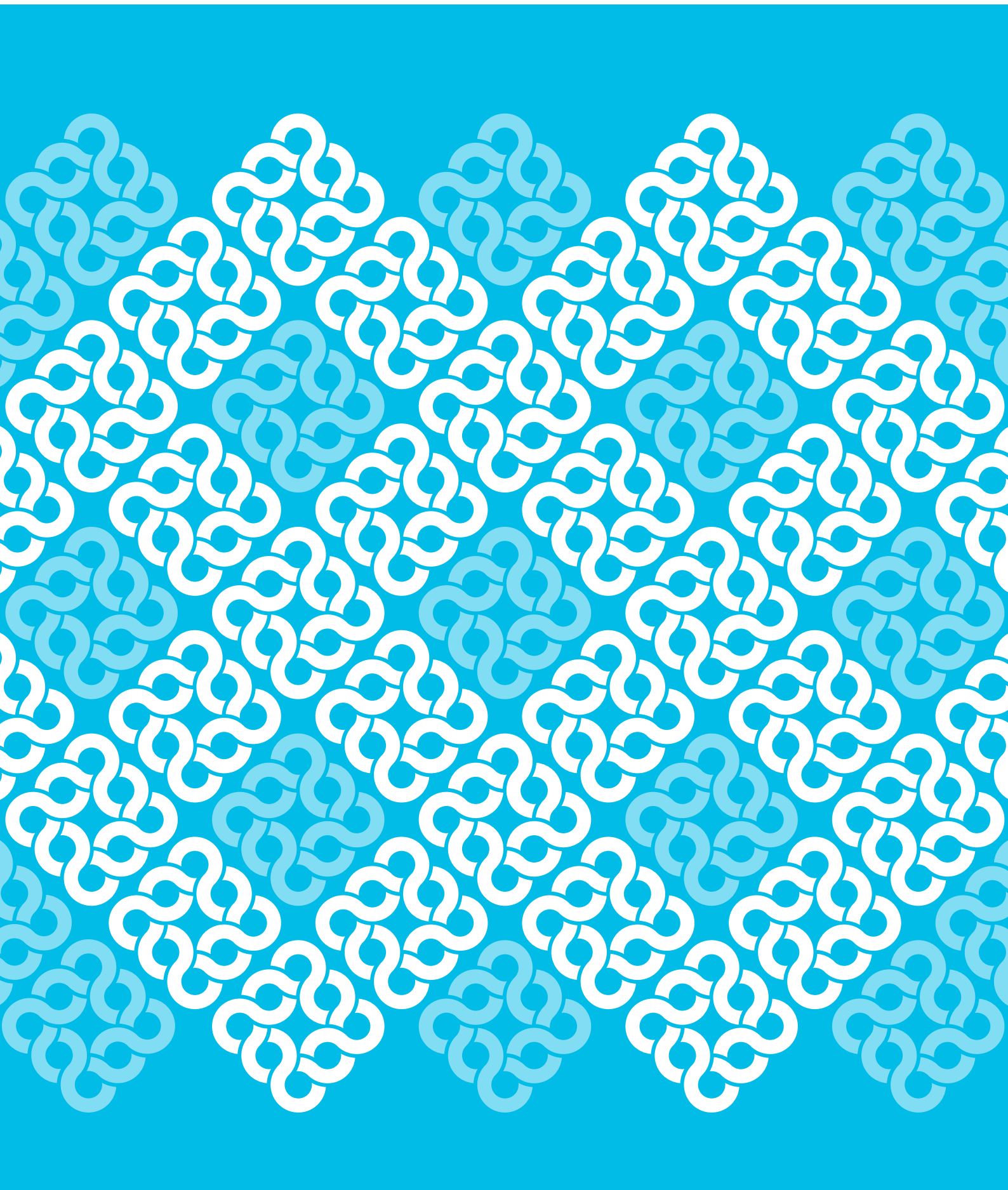


REMUNERATION REPORT 2020



Athora Netherlands NV



REMUNERATION

Introduction

This remuneration paragraph describes the principles, governance and elements of the remuneration policies within Athora Netherlands (§1). It also gives an overview of the payment of (variable) remuneration in 2020 (§2), as well as the actual remuneration of the (former) members of the Executive Board and Supervisory Board (§3).

1 REMUNERATION POLICIES ATHORA NETHERLANDS

Athora Netherlands' ambition

The primary objective of Athora Netherlands' remuneration policy is to enable Athora Netherlands to recruit, retain and motivate employees and to stimulate high performance. The policy aligns with and strengthens Athora Netherlands' strategy and core values. It is prudent, moderate and sustainable and meets the requirements of Athora Netherlands' risk policy and applicable legislation and regulations. Athora Netherlands ensures long-term value creation and has chosen to use three Sustainable Development Goals (SDG) as a guideline for further development of the Corporate Social Responsibility policy in business operations. One of these SDGs is linked to our HR principles for remuneration.

The Group Remuneration Policy Athora Netherlands applies to all employees working under the responsibility of Athora Netherlands NV. Besides the Group Remuneration Policy, specific remuneration policies are applicable to Above-CLA employees, Executive Board Athora Netherlands, Statutory Board of ACTIAM and Identified Staff and non-Identified Staff employees within ACTIAM. For information regarding the remuneration policies of ACTIAM we refer to the annual report of ACTIAM NV.

At the end of 2020, for 1,635 of 1,674 of the employees the Athora Netherlands CLA (Collective Labour Agreement) 2018-2019 is applicable.

Principles

Every remuneration policy is based on the following principles:

- It supports Athora Netherlands' corporate strategy, and is aligned with the mission and values of Athora Netherlands;
- It is compliant with the applicable legal rules and regulations;
- It may not threaten Athora Netherlands' ability to maintain an adequate capital base;
- It takes into account the interests of all stakeholders of Athora Netherlands: customers, employees, shareholders and society;
- It is transparent, easy to understand and simple to execute;
- It is aligned with Athora Netherlands' ambition to be a socially responsible and number one pension provider in the Netherlands;
- It fits the risk profile of Athora Netherlands and of the relevant employee;
- It supports the attraction and retention of qualified employees that fit the job;
- It encourages high team and company performance; and
- It is gender and age neutral.

Governance

The Group Remuneration Policy was established by the Executive Board and approved by the Supervisory Board after, insofar as applicable, fulfilment of any rights of the Works Council. The Supervisory Board also supervises the implementation of the Group Remuneration Policy by the Executive Board.

Athora Netherlands' general meeting adopted the remuneration policy for the members of the Executive Board after consultation with the Supervisory Board. The Supervisory Board is also responsible for the implementation and evaluation of this policy.

The Remuneration Policy for Above-CLA employees was adopted by the Executive Board and approved by the Supervisory Board. The Supervisory Board also supervises the implementation of this policy by the Executive Board.

The Supervisory Board's Remuneration and Nomination Committee (ReNomCo) prepares all decisions on remuneration to be adopted by the Supervisory Board. The Group Remuneration Policy is published on our website: www.athora.nl.

The Remuneration Policies are based on and in line with the Financial Undertakings Remuneration Policy Act (Wet Beloningsbeleid Financiële Ondernemingen) which is incorporated in the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht or **FMSA**), the Commission Delegated Regulation (EU) 2015/35 (**Solvency II**), the Guidelines on System of Governance of the European Insurance and Occupational Pensions Authority (**EIOPA Guidelines**) and the Regulation on Sound Remuneration Policies 2017 (Regeling Beheerst Beloningsbeleid 2017, **RBB 2017**) with respect to staff working under the responsibility of Zwitserleven PPI NV.

With respect to staff working under the responsibility of ACTIAM NV, the remuneration policies of ACTIAM NV are also based on the Alternative Investment Fund Managers Directive 2011/61/EU (**AIFMD**) and the ESMA Guidelines on sound remuneration policies under the AIFMD (**ESMA Guidelines**).

Identified Staff

Every year, Athora Netherlands designates members of staff as 'Identified Staff' on the basis of applicable laws, rules and regulations. In order to establish the list of identified employees of Athora Netherlands, we use Solvency II regulation as of 2018. For staff of ACTIAM NV, we follow the ESMA Guidelines and for the statutory board of Zwitserleven PPI NV, we follow RBB 2017.

Athora Netherlands has established a Working Group Identified Staff comprising of the directors of HR, Legal, Financial Risk, Non-Financial Risk and Audit (**Working Group Identified Staff**). The Working Group Identified Staff may provide and will at request provide input on any decision of the Executive Board and the Supervisory Board on the list of any Identified Staff as well as any decisions on remuneration in relation to Identified Staff.

Elements of the Remuneration Policies

Fixed Annual Salary

The fixed annual gross salary consists of a fixed annual gross salary, which includes a holiday allowance of 8% and a 13th month payment of 8.33% and, to the extent applicable, other fixed allowances. The annual gross salary is based on the applicable salary scales. According to the CLA, once a year an employee may receive a periodic increase in salary based on his or her performance in the previous year. The precise link between the competency assessment and the periodic increase, is as follows: Insufficient: 0.0%; Almost sufficient: 0.0%; Good: 2.6%; Very good: 3.3%; Excellent: 4.0%. Awarding this increase is also subject to financial criteria at the level of Athora Netherlands (knock-out).

The process regarding the annual salary increase for the Above-CLA employees follows the process as described above, applicable for the employees in the CLA. Increase of the salaries of the members of the Executive Board is only possible after adopting a proposal of the Supervisory Board in the general meeting of the shareholder, after adopting a proposal of the ReNomCo in the Supervisory Board.

Job functions at Athora Netherlands are independently evaluated. The outcome of this evaluation results in a certain salary scale for such function.

Total direct compensation is the total of fixed and variable remuneration (for Athora Netherlands only the total of fixed remuneration as we abolished variable remuneration within Athora Netherlands), excluding benefits such as pension and allowances. We aim to provide total direct compensation levels for expected business and individual performance which, on average, are at the median of the markets in which we operate, benchmarked against relevant peer groups. To ensure we adhere to this policy, we monitor and benchmark salary levels. Fixed remuneration represents a sufficiently high proportion of the total direct compensation, which is in line with the level of expertise, years of experience and required skills.

Pension

Nearly all employees participate in the same pension scheme of Athora Netherlands. The current scheme is a Collective Defined Contribution (CDC) pension scheme, which is based on a pension accrual including an employee contribution of 4.5%. The scheme qualifies as a defined contribution scheme for IAS 19 purposes. The contributions are paid by Athora Netherlands and employees respectively as employer and employee contributions. For employees who were employed by Athora Netherlands as per 31 December 2017 and with a salary exceeding the maximum pensionable salary for pension accrual, a compensation of 16.35% on an employee's pensionable salary in excess of € 110,111 is applied. The permanent supplement payment is not pensionable and is not taken into account for the calculation of severance payments, including the transition fee (transitievergoeding) or any other wage components or benefits.

Variable Remuneration

As of 2018 Athora Netherlands abolished the performance related bonus in the CLA and abolished the variable remuneration for the Executive Board of Athora Netherlands NV, Above-CLA employees (our Senior Management) and for the Statutory Boards of ACTIAM NV and Zwitserleven PPI NV.

For Athora Netherlands' asset management activities, employees are still entitled to variable remuneration based on their performance (with the exception for the Statutory Board of ACTIAM and for Above-CLA employees (our Senior Management)). The level of variable remuneration within ACTIAM is maximised at 50% of the annual fixed salary for senior portfolio management in the event of stretched performance (a lower maximum applies for other functions in the event of stretched performance). Awarding is subject to a financial condition (knockout).

Retention & Sign-on Bonus

Athora Netherlands exercises great restraint when agreeing such arrangements as sign-on bonus or retention bonus. Such arrangements may be agreed only if they are approved in accordance with legislation, regulations and Athora Netherlands' governance.

Other Benefits

Depending on the position on the salary scale, Above-CLA employees and some (senior) managers are eligible for a lease car or a lease car allowance. As part of Athora Netherlands' commitment to sustainable investment principles, certain types of cars and certain brands are no longer included in this policy, however exceptions are made for 100% electric models.

Hold Back & Claw Back

Athora Netherlands has the power to hold back or claw back all or part of any variable pay awarded (Section 135 (6 & 8), Book 2 of the Dutch Civil Code in connection with FMSA Section 1:127 Subsection 2 & 3). Whole or partial hold back or claw back will take place in any case if the employee has not met relevant competence standards and standards for appropriate conduct, or was responsible for conduct that led to a considerable deterioration of the financial position of Athora Netherlands NV, ACTIAM NV and/or Zwitserleven PPI NV.

Severance Payment

If and insofar a severance payment is due to an employee, such payment will be equal to the transitional fee within the meaning of article 7:673 of the Dutch Civil Code unless (i) the relevant employee can benefit from a different arrangement as explicitly agreed upon in an applicable social plan or (ii) otherwise determined at the discretion of the Executive Board or, where it relates to Above-CLA employees, Athora Netherlands Identified Staff or ACTIAM Identified Staff, the Remuneration and Nomination Committee and approved by the Supervisory Board. No severance payment is due and payable when a contract is terminated at the employees own initiative, by serious culpable conduct or neglect by the employee or failure of Athora Netherlands if the employee is considered day-to-day policy maker.

A severance payments to day-to-day policy makers, which includes also the members of the Executive Board, may not be in excess of 100% of the fixed annual gross salary.

Athora Netherlands has agreed upon an extension of Athora Netherlands' Social Plan until 2023 with the trade unions which is applicable in case of reorganisation(s).

2 OVERVIEW REMUNERATION 2020

Fixed Remuneration

According to the CLA Athora Netherlands (in 2020 CLA VIVAT 2018-2019) employees have received a periodic salary increase on 1 February 2020. There was no collective salary adjustment in 2020. The trade unions and Athora Netherlands started their negotiations for a new collective labour agreement in the summer of 2020. At the end of 2020 a negotiation result was accomplished for a new CLA 2021-2023.

Target Setting

The performance management cycle started with setting the performance targets in the first quarter of 2020 for the Executive Board and Above-CLA employees.

KPI's are used to monitor and track progress towards realisation of our strategic goals. The KPI's are fully aligned with the strategy and operational plan (OP); Above-CLA employees were asked to cascade their KPI's to their respective (management) teams. No more than 50% of the KPI's are financial. For the CFO, CRO and functional lines there is only a single financial KPI related to the direct costs of their respective departments. The KPIs were related to maintaining customer advocacy, sound and controlled organisation, a financial KPI and one or more individual KPIs. Besides KPIs also competences were set: result driven, change attitude and collaboration. Following the target setting for Executive Board and Above-CLA employees, employees set their KPIs and competences. These personal development skills (with a maximum of three) are chosen from the company's broad set of values with two general skills: result driven and customer focus.

For Identified Staff, specific rules apply for setting performance targets and KPIs, for determining the extent to which performance targets have been achieved, and for setting and paying variable remuneration. The performance targets and KPIs are subject to an ex ante and ex post risk assessment.

Variable Remuneration

In 2020, a total amount of € 1.4 million was unconditionally awarded to 88 ACTIAM employees as a variable remuneration over the year 2019 (consisting of amounts between € 2 thousand and € 30 thousand per employee) and a total amount of € 0.2 million was unconditional awarded to 19 (former) employees as deferred and final part of the variable remuneration over the year 2016. Due to the financial results of 2019 of ACTIAM the total amount of variable remuneration is capped at the amount for performance realisation at-target.

The decision about awarding variable remuneration within ACTIAM for the year 2020 will be made after the date of publication of this annual report.

In 2020, Athora Netherlands did not use the right to apply a holdback and clawback.

Retention & Sign-on Bonus

Due to the announced strategic review by the shareholder, at the end of 2018 Athora Netherlands offered a retention scheme to a group of employees. In 2019, a second retention scheme was offered to another group of employees. The vesting and payment of these schemes are subject to certain conditions and law and regulations, which contains deferred payment for Identified Staff. Athora Netherlands received the approval of the regulatory authorities before offering these retention schemes.

In 2020, as the conditions were met, retention bonus and sign-on bonus were paid for a total amount of € 3.1 million to 105 employees. The retention bonus of the Identified Staff are partly paid in 2020 (60%) and will be partly paid in three deferred payments up to 2023 (40%).

Severance Payment

Our Social Plan 2020 is applicable for employees who became redundant in 2020. They received severance payments in line with this social Plan. The former members of the Executive Board received their contractual agreed severance payment which is in line with the applicable remuneration policy Executive Board and applicable legislation.

Number of Employees with a Remuneration Exceeding € 1 Million

In 2020, three employees received a total remuneration exceeding € 1 million (2019: one employee). The increase to three employees with a remuneration exceeding € 1 million is due to a combination of salary, retention bonus and severance payment.

3 ACTUAL REMUNERATION (FORMER) MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

The Executive Board

The Executive Board is responsible for the strategy and operations of Athora Netherlands. The Executive Board carefully weighs the interests of all stakeholders and acts in the interests of Athora Netherlands.

Composition, Appointment and Role

Athora Netherlands applies the full large company regime under which the members of the Executive Board are appointed by the Supervisory Board. Only the Supervisory Board may suspend or remove a member of the Executive Board.

The Executive Board as of 31 December 2020 consists of the following members:

COMPOSITION, APPOINTMENT AND ROLE			
Name	Nationality	Position	Date of appointment
R.H. (Tom) Kliphuis	Dutch	Chief Executive Officer	1 April 2020
Y. (Yinhua) Cao ¹	Chinese	Chief Financial Officer	23 October 2015
A.P. (Annemarie) Mijer	Dutch	Chief Risk Officer	1 July 2020
A. (Angelo) Sacca	Italian	Chief Strategy & Commercial Officer	1 April 2020
S.A. (Stefan) Spohr	Swiss	Chief Operating Officer	1 April 2020

¹ Yinhua Cao will step down as Chief Financial Officer and member of the Executive Board of Athora Netherlands N.V., effective on 1 May 2021.

On 31 January 2020, J.J.T. (Ron) van Oijen stepped down as Chief Executive Officer. On 1 April 2020, X.W. (Xiao Wei) Wu stepped down as Chief Transformation Officer, L. (Lan) Tang stepped down as Chief Risk Officer, W.M.A. (Wendy) de Ruiter-Lörx stepped down as Chief Commercial Officer, and J.C.A. (Jeroen) Potjes stepped down as Chief Operating Officer.

Actual Remuneration (former) Members of the Executive Board

The following table provides a breakdown of the total remuneration of the Executive Board, including former and existing key management.

BREAKDOWN OF REMUNERATION (FORMER) MEMBERS OF THE EXECUTIVE BOARD		
In € thousands	2020	2019
Short-term employee benefits	3,766	4,677
Post-employment benefits	108	124
Other long-term benefits	74	308
Termination benefits	4,531	-
Total	8,479	5,109

The other long-term benefits and a part of the short-term employee benefits relate to a retention scheme as recognised in the statement of profit or loss; the vesting of this scheme is subject to certain conditions and any payment will be made in instalments based on current remuneration regulations.

The termination benefits consist of contractual agreed severance payments to former members of the Executive Board and their salary until the end of their notice period without the obligation to perform work. This is in line with the applicable remuneration policy Executive Board and applicable legislation.

Loans, Advances and Guarantees

There are no loans, advances or guarantees outstanding on 31 December 2020 (and 2019) and/or granted to members of the Executive Board during 2020.

The Supervisory Board

The Supervisory Board is responsible for supervising the management of the Executive Board, the general business of Athora Netherlands, and providing advice to the Executive Board. Supervision includes monitoring the realisation of objectives, strategy, risk policies, integrity of business operations and compliance with laws.

The Supervisory Board may on its own initiative provide the Executive Board with advice and may request any information from the Executive Board that it deems appropriate. In performing its duties, the Supervisory Board weighs the interests of all stakeholders and acts in accordance with the interests of Athora Netherlands and the business connected with it.

Composition, Appointment and Role

The members of the Supervisory Board are appointed by the General Meeting upon nomination of the Supervisory Board. The General Meeting and the Works Council may recommend candidates for nomination to the Supervisory Board. The Supervisory Board is required to nominate one-third of the Supervisory Board members on the special right of recommendation ('versterkt recht van aanbeveling') of the Works Council, unless the Supervisory Board objects to the recommendation on certain grounds.

The Supervisory Board as of 31 December 2020 consists of the following members:

COMPOSITION, APPOINTMENT AND ROLE			
Name	Nationality	Position	Date of appointment
M.W. (Maarten) Dijkshoorn	Dutch	Chairman	23 December 2016
M.A.E. (Michele) Bareggi	Italian	Member	1 April 2020
F.G.H. (Floris) Deckers	Dutch	Member	1 April 2020
J.M.A. (Hanny) Kemna	Dutch	Member	1 April 2020
P.P.J.L.M.G. (Pierre) Lefèvre	Belgian	Member	26 July 2015

On 1 April 2020, M.R. van Dongen, M. He and K. Shum stepped down as members of the Supervisory Board. M. Dijkshoorn and P. Lefèvre were reappointed.

Actual Remuneration (former) Members of the Supervisory Board

The following table provides an overview of the total remuneration of the (former) Supervisory Board members (excluding 21% VAT).

BREAKDOWN OF REMUNERATION (FORMER) MEMBERS OF THE SUPERVISORY BOARD		
In € thousands	2020	2019
Total fixed actual remuneration for Supervisory Board members	555	610
Total remuneration for the members of the Supervisory Board's Committees	21	25
Total	576	635

Loans, Advances and Guarantees

There are no loans, advances or guarantees outstanding on 31 December 2020 (and 2019) and/or granted to members of the Supervisory Board during 2020.

ATHORA NETHERLANDS

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