

# Remuneration Policy

## Supervisory Board

2024



# Preamble

## 1. Evaluation of the Supervisory Board remuneration policy

### Background

During the upcoming Annual General Meeting ('AGM') on 16 April 2024, PostNL will put forward the updated Supervisory Board's remuneration policy ('Policy') for a binding shareholder vote. This updated Policy is the result of an evaluation that was primarily conducted in 2023 and testing the outcome of this review with key stakeholders.

The existing Policy was initially adopted by the 2020 AGM and is largely a continuation of the Supervisory Board remuneration approach as defined in 2011 following the TNT demerger. Over the last decade, PostNL's operating environment did change substantially, with heightened levels of macroeconomic uncertainty emerging in recent years. This changing operating environment has subsequently impacted the time commitment and responsibilities associated with the Supervisory Board. In combination with the Policy reaching the end of its four-year mandate, this has triggered the need for a comprehensive review of the existing Policy.

### Comprehensive review

The Remuneration Committee kicked off the evaluation of the Policy in the fourth quarter of 2022. Throughout the evaluation process, the Remuneration Committee has met on multiple occasions and considered a variety of internal and external perspectives and insights.

As a first step, the Remuneration Committee reviewed the guiding principles on which the Policy for the Supervisory Board is built. These principles are: *alignment, independence, transparent, compliant, and simple*. The Remuneration Committee concluded that the existing principles are still fit-for-purpose and align with PostNL's objectives for the remuneration policy and its view on remuneration. The guiding principles and acknowledgment of the societal context in which PostNL operates, formed the basis for the further evaluation of the existing Policy.

As market alignment is one of the factors in setting appropriate remuneration levels, the review of the guiding principles was followed with a market assessment of the Supervisory Board remuneration levels. The Remuneration Committee concluded that the use of the same peer group as for the Board of Management remains most appropriate. Furthermore, the Remuneration Committee tested the design of the various remuneration elements against the guiding principles, external market developments, corporate governance developments and the societal context and environment in which PostNL operates.

## 2. Outcomes of the review process

In the evaluation of the Supervisory Board remuneration policy, PostNL identified two key items on which the current Policy does not fully align with its guiding principles, objectives and ambitions. These are summarised below:

| Theme                           | Key items  |
|---------------------------------|--|
| <b>Fee levels and structure</b> | <ul style="list-style-type: none"><li>The current fee levels are below the Policy ambition, which is set between the 25<sup>th</sup> percentile and the median of the peer group.</li><li>The current fee structure does not accommodate for providing compensation to PostNL's newly established ESG Committee.</li></ul> |

During the evaluation of the Policy and when drafting a proposal for the updated Policy, PostNL has carefully considered the internal perspective and the societal context in which it operates. The Policy ambition to have a modest positioning against external market levels was maintained (fee levels set between the 25<sup>th</sup> percentile and median of the peer group).

### 3. Stakeholder engagement

Conscious of PostNL’s diverse stakeholder environment and deep roots in Dutch society, a great effort was made to engage in a two-way dialogue with various internal and external stakeholders in the update of the Policy. After the evaluation of the Policy, PostNL consulted with shareholders, shareholder representatives, proxy advisors and the Central Works Council during a roadshow, which commenced in September 2023. During the roadshow, the proposed changes to the Policy and their rationale were presented. In turn, these stakeholders were invited to provide their feedback and suggestions on the proposed changes.

In accordance with the Dutch Civil Code, PostNL has also made a formal request for advice to PostNL’s Central Works Council on the proposed Policy. The request for advice, the (positive) advice provided by the Central Works Council and PostNL’s response are posted as part of the 2024 AGM convening notice.

PostNL would like to thank all stakeholders that attended, for sharing their views on the Policy proposal. No material feedback was provided on the Supervisory Board’s Remuneration Policy and as such, no further changes or adjustments were made to the proposed Policy.

### 4. Proposed key changes

Based on the results of the evaluation of the Policy, and after testing these outcomes with various stakeholders, PostNL proposes to implement the key changes outlined below.

| Element              | Key changes  | Rationale  |                |                |       |          |          |        |          |          |  |
|----------------------|--|--|----------------|----------------|-------|----------|----------|--------|----------|----------|--|
| <b>Fee structure</b> | <ul style="list-style-type: none"> <li>Introduction of ESG Committee fees in accordance with the formal instalment of an ESG Committee.</li> </ul>   | <ul style="list-style-type: none"> <li>Provide compensation for the additional responsibilities and time spent.</li> </ul> |                |                |       |          |          |        |          |          |  |
|                      | <ul style="list-style-type: none"> <li>Annual Board fees and Committee fees are increased:</li> </ul> <table border="1"> <thead> <tr> <th>Board</th> <th>Current Policy</th> <th>Updated Policy</th> </tr> </thead> <tbody> <tr> <td>Chair</td> <td>€ 55,000</td> <td>€ 65,000</td> </tr> <tr> <td>Member</td> <td>€ 40,000</td> <td>€ 47,500</td> </tr> </tbody> </table>   | Board  | Current Policy | Updated Policy | Chair | € 55,000 | € 65,000 | Member | € 40,000 | € 47,500 |  |
| Board                | Current Policy   | Updated Policy   |                |                |       |          |          |        |          |          |  |
| Chair                | € 55,000   | € 65,000   |                |                |       |          |          |        |          |          |  |
| Member               | € 40,000   | € 47,500   |                |                |       |          |          |        |          |          |  |
| <b>Fee levels</b>    | <table border="1"> <thead> <tr> <th>Other Committee</th> <th>Current Policy</th> <th>Updated Policy</th> </tr> </thead> <tbody> <tr> <td>Chair</td> <td>€ 7,500</td> <td>€ 9,000</td> </tr> <tr> <td>Member</td> <td>€ 5,000</td> <td>€ 6,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Other Committees are the Remuneration Committee, the Nomination Committee and the ESG Committee.</li> <li>The Audit Committee fee levels remain unchanged at € 10,000 for the Chair and € 7,500 for a Member.</li> </ul> | Other Committee  | Current Policy | Updated Policy | Chair | € 7,500  | € 9,000  | Member | € 5,000  | € 6,000  | <ul style="list-style-type: none"> <li>Bring fee levels in line with Policy ambition.</li> <li>Acknowledge that fee levels have not been adjusted since 2011.</li> </ul> |
| Other Committee      | Current Policy   | Updated Policy   |                |                |       |          |          |        |          |          |  |
| Chair                | € 7,500  | € 9,000  |                |                |       |          |          |        |          |          |  |
| Member               | € 5,000  | € 6,000  |                |                |       |          |          |        |          |          |  |

Section 5 (Policy revision) in the Policy document provides a detailed overview of all changes on Policy elements, including detailed rationale for the proposal.

# Remuneration Policy Supervisory Board

## 1. Introduction

The purpose of PostNL is to deliver special moments and the ambition is to become the leading logistics and postal service provider in, to and from the Benelux area. This will be achieved by focusing on a number of strategic drivers that add value for shareholders and other stakeholders. More information on the strategy can be found [here](#).

The Supervisory Board is charged with supervising the Board of Management and the general course of affairs of PostNL, as well as advising the Board of Management on relevant topics. In this context the objective and guiding principles of the Supervisory Board remuneration policy ('Policy') have been set to ensure PostNL can attract and retain Supervisory Board members to perform these duties.

The following sections set out the Policy, which will be put forward for a binding shareholder vote at the 2024 Annual General Meeting ('AGM'). Subject to shareholder approval, the Policy will take effect from January 1, 2024 onwards and is, in line with applicable legislation, intended to remain in place for four years.

## Objective and guiding principles

The objective of the Policy is to attract and retain qualified talent to perform the Supervisory Board's duties and act in accordance with the interests of PostNL and its stakeholders.

The Policy is built on the following principles:

- **Alignment** - the Policy is aligned with multi-stakeholder interests while acknowledging societal context;
- **Independence** - neither variable nor share-based compensation elements are part of the Policy;
- **Transparent** - the Policy and its execution are clear and predictable;
- **Compliant** - PostNL adopts the highest standards of good corporate governance and complies with laws and regulations;
- **Simple** - the Policy and its execution are simple and easy to understand for all stakeholders.

The Remuneration Committee takes multiple factors into account when determining compensation levels, including the type of role, the pay conditions of PostNL's employees, societal context and relevant market developments. Taking the aforementioned elements into account, the Supervisory Board aims to position compensation between the lower quartile and median levels of the peer group for all compensation elements of the Policy.

## Societal context

As outlined in our guiding principles, the Policy acknowledges the societal context PostNL is operating in. PostNL has deep roots in society, and through their business they connect with millions of stakeholders on a daily basis. As a large company, PostNL is responsible for the various ways impact is created across society, in the Benelux and beyond. This is reflected in the strategy and objectives, but also in how PostNL looks at the value that is created over the longer term and on a broader range of societal topics. The strategic objectives go beyond financial value creation only, also focusing on customer, social and environmental value.

PostNL sees a pivotal role for stakeholder engagement to ensure the design of the Policy and the operation thereof sufficiently balances the interests of all stakeholders. PostNL engages on a regular basis with a wide range of stakeholders, including the Central Works Council, to seek input about remuneration. The Central Works Council represents the view of over 30,000 employees and is a fair representation of Dutch society at large and the context PostNL operates in.

PostNL takes notice of the input received during the regular stakeholder engagement sessions to ensure that the Policy sufficiently acknowledges the societal context PostNL operates in. This is reflected in:

- **Guiding principle 'alignment'**: The Policy is, amongst others, built on the guiding principle 'alignment'. Herein, explicit reference is made to the importance of balancing the interests of all stakeholders and acknowledging the societal context PostNL operates in.

- **Remuneration level:** PostNL operates a modest approach on Supervisory Board remuneration, with a preferred market positioning between the 25<sup>th</sup> percentile and median levels of the peer group for all compensation elements.
- **Internal and external perspective:** The operation of the Policy takes multiple factors into consideration and is not driven by an external comparison only as pay conditions of PostNL's employees are considered.

## Market perspective

The Remuneration Committee considers market perspective as one of the factors that it takes into account when determining adequate remuneration levels. In principle, the same peer group is used as for the Board of Management benchmark. The Remuneration Committee reviews a peer group to ensure a balanced representation of the relevant labour market. The main criteria applied to determine the peer group are Dutch listing and comparability to PostNL in terms of size (revenue, employees, market capitalisation, assets), board structure and geographical focus.

The 2024 peer group consists of the following 14 companies:

|          |            |                   |           |
|----------|------------|-------------------|-----------|
| Aalberts | Arcadis    | BAM Groep         | Basic Fit |
| Brunel   | ForFarmers | Fugro             | Heijmans  |
| KPN      | Signify    | Sligro Food Group | TKH Group |
| TomTom   | Vopak      |                   |           |

The Supervisory Board may decide to replace peer companies in case of delisting or significant changes in the size, board structure, geographical focus of PostNL and/or peer companies. Such a decision will be disclosed in the remuneration report.

PostNL will benchmark the remuneration of the Supervisory Board against a reassessed peer group at least every four years. Based on such benchmarking, adjustments of the Policy and/or its application might be considered and (if applicable) submitted for approval at the AGM.

## 2. Fee structure

The Policy contains the following compensation elements:

- **Board fees for chairman and members:** A fixed compensation that reflects time spent and responsibilities of the respective roles in the Supervisory Board;
- **Committee fees for chairman and members:** A fixed compensation that reflects time spent and responsibilities of the respective roles in a Committee;
- **Other benefits:** Service awards granted to Supervisory Board members;
- **Expenses:** All expenses reasonably incurred by Supervisory Board members in the course of performing their duties are considered business expenses and are reimbursed at cost.

No loans, advance payments, guarantees or severance payments in the event of termination are granted.

The fee structure is as follows:

| Annual Board fees                               |          |
|---|----------|
| Chair   | € 65,000 |
| Member  | € 47,500 |
| Annual Committee fees                           |          |
| Chair Audit Committee                           | € 10,000 |
| Chair Remuneration / Nomination / ESG Committee | € 9,000  |

Member Audit Committee € 7,500

Member Remuneration / Nomination / ESG Committee € 6,000

In case of appointment or step down of a Supervisory Board member in the course of a year, pro rata fees apply. Detailed information on the remuneration of individual members of the Supervisory Board will be provided in the remuneration report.

### 3. Contractual arrangements

Supervisory Board members are appointed by the Annual General Meeting on nomination of the Supervisory Board in accordance with statutory, legal and regulatory requirements. The members are appointed for a maximum period of four years and may then be reappointed once for another four-year period. A Supervisory Board member may subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. Termination is subject to a notice period of one month for either party.

Furthermore, provisions regarding independence, confidentiality and insider trading are in place.

### 4. Governance provisions

#### Derogation

The Supervisory Board may, upon recommendation of the Remuneration Committee, temporarily derogate from the Policy in exceptional circumstances as defined by the Dutch Civil Code. Such circumstances may result for example in Supervisory Board members taking a different role within the Supervisory Board or supporting the Board of Management and/or Executive Committee in an advisory role, introducing an ad-hoc Committee or overall significant changes into Supervisory Board time commitment and/or changes in responsibilities.

This may concern granting higher or lower fees, depending on the character of the circumstances. In case derogation is applied, this will be disclosed in the remuneration report.

#### Procedure

The Supervisory Board is responsible for the Policy and its implementation in accordance with statutory, legal and regulatory requirements.

The Remuneration Committee is appointed by the Supervisory Board to make at least once every four years a proposal to the Supervisory Board for the Policy to be pursued and to prepare the remuneration report on the implementation of the Policy. The Supervisory Board presents the Policy and remuneration report to the Annual General Meeting.

### 5. Policy revision

(Representing bodies of) several stakeholders, both internal and external, have been consulted in drafting this Policy, as described in the preamble of this Policy.

The policy contains the following adjustments compared to the previous (2020-2023) policy:

| Element    | Previous policy  | Changes  | Rationale  |
|------------|--|--|--|
| Peer group | <ul style="list-style-type: none"><li>Main criteria to determine the peer group are Dutch listing and comparability to PostNL in size, board structure and geographical focus.</li><li>The 2020 peer group consists of 16 companies.</li></ul> | <ul style="list-style-type: none"><li>An updated peer group of 14 companies is proposed.</li></ul> | <ul style="list-style-type: none"><li>In line with Board of Management remuneration policy decision making: ensure the peer group composition is aligned with the selection criteria and methodology and</li></ul> |

|               |  |   |   |
|---------------|--|---|---|
|               |  |   | fit for purpose for the upcoming four years   |
| Fee structure | <ul style="list-style-type: none"> <li>Committee fees for the Chair and Member of the Audit, Remuneration and Nomination Committees are provided.</li> </ul>   | <ul style="list-style-type: none"> <li>Introduction of ESG Committee fees in accordance with the formal instalment of an ESG Committee.</li> </ul>  | <ul style="list-style-type: none"> <li>Reflect a compensation for additional time spent and responsibilities in relation to the ESG Committee.</li> </ul>   |
| Fee Levels    | <ul style="list-style-type: none"> <li>Chair SB: € 55,000</li> <li>Member SB: € 40,000</li> <li>Chair Audit: € 10,000</li> <li>Member Audit: € 7,500</li> <li>Chair Other*: € 7,500</li> <li>Member Other*: € 5,000</li> </ul> <p>*Other Committees are the Remuneration Committee and the Nomination Committee.</p> | <ul style="list-style-type: none"> <li>Chair SB: € 65,000</li> <li>Member SB: € 47,500</li> <li>Chair Audit: € 10,000</li> <li>Member Audit: € 7,500</li> <li>Chair Other*: € 9,000</li> <li>Member Other*: € 6,000</li> </ul> <p>*Other Committees are the Remuneration Committee, Nomination Committee and the ESG Committee.</p> | <ul style="list-style-type: none"> <li>Better align fee levels with the policy ambition (between 25<sup>th</sup> percentile and market median levels within the peer group)</li> <li>Acknowledges that fee levels have not been adjusted since 2011, while time spent and responsibilities have increased since.</li> </ul> |
| Derogation    | <ul style="list-style-type: none"> <li>A generic derogation clause is in place, allowing for derogation on all remuneration elements.</li> </ul>   | <ul style="list-style-type: none"> <li>Derogation clause further specifies in which circumstances and regarding which elements derogation can be applied.</li> </ul>  | <ul style="list-style-type: none"> <li>Bring the derogation clause in line with best practice governance standards and increase transparency of the policy.</li> </ul>  |

