

Annual General Meeting

Company Participants

- David Alan Cole, Independent Chair of the Supervisory Board
- David E. Knibbe, Chairman of Executive Board
- Delfin Rueda Arroyo, Vice Chairman of Management Board
- Hélène Maria Vletter-van Dort, Independent Vice-Chair of the Supervisory Board

Other Participants

- Armand Kersten, Analyst
- Cecilia Reyes, Analyst
- Inga Beale, Analyst
- Mart van Kuijk, Analyst
- Peti De Wit, Analyst
- Rob Lelieveld, Analyst

Presentation

David Alan Cole {BIO 7251632 <GO>}

Good morning, everyone. A warm welcome to our shareholders to the NN Group Annual General Meeting, which this year is again hosted as a virtual event. That means that we cannot shake hands or have the sort of interaction that we normally like to have during the Annual General Meeting, and we sincerely regret that. However we're glad that Dutch law, in the form of the temporary Act COVID-19 Justice and Security, allows us to hold our Annual General Meeting in a fully virtual way. This year, we've offered our shareholders the additional option to vote electronically during the meeting and to ask questions via live video or audio connection. We're happy to see that a number of shareholders has indicated they wish to ask questions during the meeting, and we look forward to giving them the floor later today.

When I spoke to you in May last year, we knew little about the actual impact and duration of the COVID-19 pandemic. In the meantime, the picture is clear. COVID-19 has impacted our lives in many ways and on different levels. The pandemic is inflicting massive hardship. But luckily, we are also able to focus on the conditions that can support a solid and sustainable recovery. While uncertainties remain regarding the different strains of the virus, there now seems to be light at the end of the tunnel. More and more people around the world are being vaccinated every day and many parts of our economies that were forced to close down are now slowly opening up again. On that positive note, I'd like to start our meeting today. On behalf of my colleagues in the Supervisory Board and the Management Board, I hope that you're doing well. We're broadcasting to you from our headquarters in The Hague this morning.

Here with me on the far right, are Hélène Vletter-van Dort, Vice-Chair of the Supervisory Board and Chair of the Supervisory Board's Remuneration Committee; on my immediate right, NN Group CEO, David Knibbe; and on my left, NN Group's CFO, Delfin Rueda. I'd also like to introduce you to Janet Stuijt, Company Secretary and member of the Management Board as General Counsel. Janet is participating in this meeting via video connection this morning. The other members of the Supervisory Board and Management Board are either in the room or following the meeting via the webcast.

In addition to you, our shareholders, I'm pleased to welcome and introduce to you some other guests. First, our external auditor, Mr. De Wit, representing KPMG, who's joining this meeting via video connection.

Our notary, Ms. Cremers of Stibbe, who also joins the meeting online and who will cast all votes on the basis of the electronic proxies with voting instructions granted to her; and finally, Cecilia Reyes, Rob Lelieveld, Inga Beale, who have all been nominated for appointment of Supervisory Board member and who are also joining us today in a virtual way.

As you may have noticed, I'll chair the meeting in English and all other speakers today will also be presenting in English. The webcast, however is available in both English and Dutch, so you'll be able to listen to the meeting in your preferred language.

Before we start, just a few announcements, some formal, some less formal. First, the formal. The shareholders have been convened in accordance with the applicable law and the company's articles of association. The general meeting is thus able to validly adopt resolutions. I note no shareholders have submitted proposals to be included on the agenda.

As of the record date, which was the 22nd of April 2021, the issued share capital consisted of 330,278,210 ordinary shares. 21,123,602 ordinary shares are held by NN Group N.V. itself, so no votes can be cast on these shares. So altogether, 309,154,608 votes are eligible for casting. I will inform you on the present and represented share capital prior to the first voting item. Also note, the entire meeting will be recorded in order to be able to minute the meeting. Just a few other procedural announcements. Shareholders have been given the opportunity to submit questions on agenda items in advance of the meeting. I'd like to thank all shareholders who made use of this option. The questions we receive will be answered during this meeting, some of them combined by theme. The answers will be available on the company's website via the webcast, which will continue to be available for replay. The questions and answers will also be included in the minutes of this meeting. Those shareholders who've registered to virtually attend and vote during this meeting may also ask questions during the meeting.

Some voting items will be briefly summarized. An extensive explanation of these items is included in the convocation notice. The proposals that will be put to a vote regard the full proposals as included in the convocation notice. Shareholders who've registered to virtually attend and vote during this meeting can cast their votes at any time during the meeting. As you see, voting is already open, and you'll be able to continue voting until

the end of agenda item 10, which is the last voting item on the agenda. Voting results will therefore only be shown at the very end of the meeting after the close of the agenda item 11.

So let me now turn to the first matter on the agenda, which is agenda item 2. Here, I'd like to refer to the 2020 annual review, part one of the 2020 annual report as well as the 2020 financial report, part two of the 2020 annual report and more specifically, Pages 1 through 32 as well as Page 44. I'd like to give the floor to David Knibbe, CEO of NN Group. David will give an explanation of the annual report and will look back on the financial year 2020, including the financial results. The adoption of the annual accounts for the financial year 2020 will be addressed in agenda item 3. David?

David E. Knibbe {BIO 17996037 <GO>}

Yes. Good morning, everyone, and I hope you're doing well. For the second year in a row, our Annual General Meeting is a virtual event, so it goes without saying that I wish we were able to speak and meet in person. But it's good to have the opportunity to connect with you via this virtual meeting. Moreover, as Dave indicated, we added a new feature to the virtual AGM this year. You're being given the option to vote live during this meeting, which is one of the many examples showing the transformative impact of COVID-19 on technology and the pace of change. In my presentation today I will first reflect on how NN Group navigated this extraordinary year and how the company performed. Secondly, I will speak about our new strategy, our role in society and how we aim to create value for all of our stakeholders as well as the priorities for the coming years. But let's start with the reality of today. The COVID-19 virus is still impacting people and their livelihoods all over the world. It has changed the way we live, work, travel, communicate, consume and interact.

As a company, we, too, had to adapt to the new situation overnight. Working from home became the new normal, replacing daily commutes, moving meetings online and offering flexible working hours. Our employees embraced this new way of working, which allowed us to continue servicing our customers.

Amidst the pandemic, customer satisfaction remained broadly stable with 4 of our businesses, scoring an above-average market in Net Promoter Score. I'm impressed by the resilience of our people showed and how they continue to support each other, our customers and our communities. For example, in several countries, we introduced digital sales and client signature process, enabling our sales force to remotely serve customers.

Our sales processes have moved almost entirely online, and we can serve our customers fully digitally. In these changed conditions, NN Group's financial and commercial performance in 2020 was strong. The impact of COVID-19 on the operating result was relatively limited at EUR 53 million on a total operating of EUR 1.9 billion.

Now let me share a couple of highlights. In the Netherlands, our Life & Pension business posted strong results. Commercially, we maintained our defined contribution market share of around 40%. In the Dutch Non-life business, we showed again a strong

combined ratio of 95.3%. An increase in the disability claims was offset by favorable claims development in Property & Casualty, and we completed the acquisition of VIVAT Non-life, making us the leading player in the Dutch nonlife insurance market.

NN Investment Partners saw its total assets under management increased to EUR 300 billion with a net inflow of third-party assets of more than EUR 13 billion. NN Bank, which is now the fifth retail bank in the Netherlands, continued to show growth and originated new mortgages for a total amount of more than EUR 8 billion. Most of these mortgages are transferred to the investment portfolios of our insurance companies.

Now while new sales in Europe and Japan were hit by the pandemic lockdown in the first half of 2020, we saw sales rebound in the second half of the year. It reflected how well our brokers and agents in particular have adapted to the new digital ways of reaching customers.

Our operating capital generation was impacted by the exceptional market circumstances and low interest rates as well as the suspension of bank dividends. On the other hand, the accelerated shift to higher-yielding assets provided some offset in the form of higher investment margin. Total OCG for 2020 came to almost EUR 1 billion, and we are on track to reach our 2023 target. During the year, further expense savings were realized across the company, allowing us to achieve our cost-saving target of EUR 400 million. It improved our efficiency. Our Solvency II ratio remained strong at 210%, which allows for resilient capital returns in line with the commitments we have made in our dividend policy. Our 2020 results show that NN is in a strong position. Together with our 15,000 colleagues, we serve approximately 18 million customers in 20 countries, supporting them in every phase of their lives. We provide travel insurance, help young professionals looking to buy their first home, and we support pensioners looking for a carefree retirement. We can make a difference in the life of our customers, and that gives us a solid foundation for the future.

But of course there's more work to do. The world around us is changing rapidly. Customer demands, seamless digital experience and more sustainable products. New competitors are entering and disrupting the market. In the meantime, our industry continues to face a challenge of low interest rate environment. Climate change is affecting our living environment. Against this background, we presented our new strategy at our Capital Markets Day in June after talking to and getting feedback from many different stakeholder groups.

It all starts with our purpose. Why do we exist? It is our purpose to help people care for what matters most of them, and we do so guided by our values, care, clear, commit and by our brand promise, You matter. In order to make our purpose more tangible, we also defined our ambition for the next 5 to 10 years. In other words, what do we want to be known for?

It is our ambition to be an industry leader known for customer engagement, talented people and contribution to society. Then our strategy, this is the how, which is written in 5 strategic commitments. Underlying all of this is the belief that if we take good care of

customers, employees and society, this will also result in solid long-term returns for shareholders. Therefore, we have not only set financial but also nonfinancial targets.

So let me probe a bit deeper into the 2 strategic commitments around customer distribution and products and services. In order to enhance customer experience and engagement, we need to make sure that we further increase our speed, adjust our business model and optimize processes. More and more, we are becoming active at the front end of customer engagement by our agents and other distribution channels and by actively participating in platforms such as around carefree retirement. The power of technologies, such as artificial intelligence and data analytics, enables us to invigorate our service to customers.

With that aim, we are looking at developing new platforms for retail as well as business clients. These are platforms developed in-house, platforms that we set up together with partners or we join a platform owned by a partner. To give you a few examples, Powerly support people with tailored advice on making their homes more energy-efficient, for example, by installing solar panels or a heat pump. Kagyo Aid was launched in Japan for the children of SME owners, so they can interlink and assist each other in preparing for a successful business takeover from their parents.

Another strategic commitment is around financial strength and return to our shareholders. We have set out a clear investment proposition, which is based on 3 pillars. First, we prioritize a strong balance sheet so that we are well positioned to navigate market volatility. Second, we are taking management actions to secure strong cash flows in the Netherlands.

Thirdly, we are pursuing profitable growth opportunities in attractive markets in Europe and Japan. This should allow resilient and growing long-term capital generation. We target an operating capital generation, or OCG, of EUR 1.5 billion in 2023 as well as mid-single-digit annual growth of OCG over time. Although OCG is a new metric, we believe that it better aligns with how we manage the business for value. Our targets form the basis for delivering on our capital return policy, consisting of a progressive dividend per share and an annual share buyback program of at least EUR 250 million. Additional excess capital will be returned to shareholders unless it can be used for value-creating opportunities.

For 2020, we have proposed a final dividend of EUR 1.47 per ordinary share. The interim dividend of EUR 2.26 per ordinary share that we paid last September comprised EUR 1.40, equal to the amount of the 2019 final dividend that was suspended in April last year, plus EUR 0.86 equal to the regular 2020 interim dividend. Together, the proposed 2020 final dividend and the regular 2020 interim dividend gives a pro forma total dividend of EUR 2.33 per ordinary share.

This is an increase of almost 8% compared with 2019. We also announced a new share buyback program of EUR 250 million in February this year. Our attractive investment proposition is underpinned by our focus on growing long-term capital generation in combination with our commitment to return capital to shareholders. In 2020, we paid out

total dividend of around EUR 700 million and executed a EUR 250 million share buyback. Altogether, the total shareholder return in 2020 was 11.7%. As a group, we have an international footprint, and this is one of our strengths. As part of our strategic process, we form assessments of our individual businesses on a regular basis.

We do this to ensure that we manage our portfolio in the most optimal way with the aim to create value for our stakeholders. In general, the Central and Eastern European region is of strategic importance to NN as these are attractive markets offering growth potential. However as part of our regular review, we decided to divest our Bulgarian activities as well as our Turkish broker business, Sigorta Cini.

We believe this is in the best interest of our local customers, business partners, employees and shareholders. And recently, we announced a review of strategic options for our asset manager, NN Investment Partners. This review covers a broad range of options, including merger, joint venture or a partial divestment and is aimed at assessing opportunities to create a broader platform that enables NN IP to accelerate its growth. In considering these different strategic alternatives, particular focus will be given on how NN IP can continue to provide the best investment offering and service to enhance insurance business and Asset Management clients in a rapidly evolving industry. We will give an update when appropriate.

As I already mentioned, we formulated in 2020 a set of nonfinancial targets as part of our strategic framework. These targets support our ambition of wanting to be an industry leader known for customer engagement, talented people and contribution to society. We have made a promising start delivering on these objectives. Our employee engagement increased substantially with an overall score of 7.9, up from 7.4 in 2019. At the end of 2020, 33% of senior management were women. This shows there's still work to be done to reach our target of 40% by 2023. Both diversity and engagement are important drivers for our strategic commitment around people. Last but not least, we included a strategic commitment regarding our contribution to society, also underpinned by various targets.

We are pleased that our ESG-integrated assets under management increased to 74% from 68% in 2019. With the aim to contribute to the well-being of people and planet, our asset manager engaged with hundreds of investee companies on the range of ESG topics and voted for change at shareholder meetings. Through these actions, we work on realizing our target to transition our proprietary investment portfolio to net-zero carbon emissions by 2050. Playing our part in helping the real economy to decarbonize serves as a guiding principle in our approach.

Furthermore, in the coming period, we will be significantly upscaling the contribution to our communities by pledging to invest 1% of our operating result in cash donations and hours of volunteering by 2023. To reach this ambitious target, we will grow existing and start new partnerships. For example, in the Czech Republic, employees have been supporting single-parent families and people in senior care homes with care packages. In the Netherlands, 350 colleagues were trained as home administration volunteers, helping family members and friends when facing difficult financial circumstances.

We are pleased to have received external recognition for our ESG performance by being included again in the Dow Jones Sustainability Indices and by our improved CDP climate change disclosure A- rating. In 2020 across the globe, there has been a lot of attention to increased inequality, both social and economic. These are important themes for NN, and we plan -- we shared our plans for a more inclusive workforce, customer experience and communities in NN's diversity and inclusion statement.

Let me conclude. For 175 years, our values and purpose have underpinned what we do, and these will continue to be imperative as we adapt NN Group to changing customer expectations in an evolving economic, political and digital landscape. During our journey, shareholders have played an important role and have continued to support us along the way. We are truly grateful for your continued trust and loyalty. As societies and economies are step-by-step opening again we can slowly see the silhouettes of a post-COVID-19 world. Our focus will remain on all the people we work with and for: our customers, employees, business partners, the communities we serve and, of course you, our shareholders. Thank you very much.

David Alan Cole {BIO 7251632 <GO>}

Thank you, David. We will now answer questions that were submitted by shareholders in advance of the meeting. After that, we'll answer questions from the shareholders who are virtually attending this meeting. Let's start with the questions submitted by Mr. Sy [ph] about the Dutch pension agreement and the potential impact on NN Group's pension business. Mr. Sy quotes the NN Group 2020 annual report, which states, "The Dutch pension agreement announced in 2020 will lead to major changes for our Pension business, including eventually phasing out defined benefit products, which will be quite a task." In light of this, Mr. Sy has 3 questions.

Firstly, how well is NN Group equipped to transition current DB, defined benefit, pension clients to the DC, defined contribution, pension products that NN offers? Second, does NN see any signs that current DB pension clients are changing back to their original sector pension fund as a result of the new pension agreement, and subsequently, new pension law? And finally, how will NN compete or bring in new business now that guarantees of traditional pension funds are gone and pension funds and pension insurers are competing in the same level playing field under the new pension agreement? David, can you please address these questions?

David E. Knibbe {BIO 17996037 <GO>}

Yes, sure. Well first of all, I think it's good news that we have a pension reform took place. The implementation will take a while. What is very important is that we will now shift to what we call a flat premium rate. So essentially, it means that the insurance market today and the pension fund market, that the system will be more aligned. We will have a more similar scheme for the full pension market, which is, I think good news. It also means that we have the advantage, that we've been operating actually in the DC market for a long time, mostly through life cycle investment, so we're very well equipped to play a role in this market. I mean on the question of pension funds.

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We haven't seen any real movement back to these type of pension funds. I think for probably a decade now, we've seen a trend where the number of pension funds is reducing. Insurance companies like ourselves can play a role in that, for example, through pension buyouts. That trend, we expect to continue. In terms of our own positioning, we're very well positioned for this pension reform. The market is now moving with a flat premium more and more to DC-type of arrangements. We are already market leader with 40% market share. DC is very much around do you have an efficient administration platform that you can run at low cost? Do you have good performance, strong life cycle? And do you have very good portals to service and inform your employees? And I think all the 3, we have in place, that's why we also have such a strong market share. So I expect that the more we move in that -- the market will move in that direction will be supportive for our position in the Dutch pension market.

David Alan Cole {BIO 7251632 <GO>}

Thank you. We've received a couple of questions from the VEB on the announcement of the strategic review of NN Investment Partners or NN IP. I think we can deal with some of these questions together. So the first question is as follows: As NN is considering the divestment of in an NN IP, is it not worried that a further reduction in the diversification of its activities may be seen as a confirmation of its perceived lack of clear international ambitions? And on the same subject, the VEB notes that NN IP rather than NN Group that has signed up to the Finance for Biodiversity Pledge and asked whether NN Group will endorse this initiative after it divest NN IP. So David, I'll turn to you for these answers.

David E. Knibbe {BIO 17996037 <GO>}

Yes. Well first, let me clarify our announcement. So we have announced that as part of a regular assessment that we do of our individual businesses that we're reviewing strategic options for our Asset Management business. This is done to see if we can accelerate the growth of NN IP by giving it a broader platform. That means all options are on the table. We're not ruling anything out, but the main options that we're looking at are a merger, a joint venture, a partial or a full divestment, as we stated also in our press release. In terms of our international footprint, we are a very international company. I mean most of the -- for example, in Spain, we already went into the '80s into these markets. We've been in Japan for over 30 years. When the wall came down, we were one of the first companies actually to go into Central and Eastern Europe.

So the international footprint is very much part of NN Group. It also provides a lot of advantages. There's, of course financial diversification effects, there is the advantage of that quite a few of these markets internationally that we operate in are a very important pillar of growth for our company, as you can see, for example, through our VNB, our value new business numbers, but also diversity and talent.

We can attract a larger talent base by operating in all these markets. So the international footprint has been in the past and will continue to be an important part of NN Group. Then last, the question on the commitments we have done. Indeed, some commitments we do at group level, some commitments we do at NN IP level. But make no mistake, the - all these commitments are important for NN Group. I was just saying earlier, part of our

ambition is contribution to society. We have 5 strategic commitments, and one of them is very much around society and sustainability. So we will continue to support these pledges in any scenario.

David Alan Cole {BIO 7251632 <GO>}

Thank you, David. Let's continue with another question from the VEB. The VEB notes that 2 of NN IP's investment teams have recently left the company, including a team of sustainable investment specialists, which they say is bad news in light of the current demand for sustainable investment expertise. The VEB asked whether investors should question NN's ability to retain sustainable investment experts, as they believe this is precisely where NN Group should make a difference if it is to achieve its sustainability ambitions. So David, once again would you like to take this question?

David E. Knibbe {BIO 17996037 <GO>}

Sure. Well I mean first of all, as you all know, asset management is very much a global and a highly competitive business, and team lift-outs happen. I mean we've seen it across the industry and team lift-outs happen, and we are not immune to that. Very important, we have shown that if that happens, we can very quickly take action, protect the interest of our customers and also rebuild quickly. That's also exactly what happened with the sustainability team. We made sure that we contained very much the portfolios so the client interest were preserved. And in fact, we have already rebuilt the team. We recruited some very talented people in the field of sustainability. So the team is rebuilt, and we now have a very strong position, again in a sustainable market. You're absolutely right. This is really important. This is one of our most prominent features of our investment proposition, not just within NN IP, but also for NN Group. So this is and will remain an important priority for us.

David Alan Cole {BIO 7251632 <GO>}

Thank you, David. Now let's move to another topic. The VEB notes that NN identifies good corporate citizenship as one of its key risk. However the VEB considers this to be more of an opportunity than a risk unless it concerns the risk of legal liability. So there are two parts to this question. First, if NN identifies good corporate citizenship as a key risk, why is this not included in the materiality analysis? And second, is there a clear substantiation of the legal liability component of provisions as included on the balance sheet? So David, perhaps you can answer the first part of the question on corporate citizenship. And after that, Delfin, could you explain the provisioning of legal liabilities.

David E. Knibbe {BIO 17996037 <GO>}

Yes. Sure. So I think first of all, I mean corporate citizenship. So we define it as how do you balance -- or do you adequately balance all the stakeholder interests that deviate from society's norms around responsible investment, environment protection, equality? So there's many interest that we need to balance. The question on good corporate citizenship is do we do that in the right way? That's how we define it. And of course I agree, this is more an opportunity than a risk. This is also why it is part of our ambition and

this is also why it's part of our strategic commitments that we have set. However when we're doing this analysis, it was in the context of a risk report. So therefore, you can also view it from the risk perspective. Your question on the materiality index. Well the actual word is not in there, but actually, it's quite a general term. Therefore, if you would look into the material index, you would see that, at a more detailed level, there's quite a few elements that are referring to this, for example, ESG integration, green recovery. So these elements are represented in the index, and you've probably also seen that actually the importance of that relatively has increased in the materiality index. And I think on the provisioning, we move to Delfin there.

Questions And Answers

A - Delfin Rueda Arroyo {BIO 7032761 <GO>}

So thanks, David. This question refers to the risk of legal liabilities and, in particular, the unit-linked cases in the Netherlands. Let me start by explaining how we provision for this risk. As you all know, our annual accounts are prepared in accordance with IFRS, and we therefore need to strictly follow the IFRS requirements on both how to recognize and measure provisions, including provisions for legal claims. Among other requirements, IFRS prescribes that a provision has to be recognized if and only if it meets two conditions. The first is that there has to be an obligation for which it is probable that a cash outflow will be required to settle that obligation. With probable, it is meant with a likelihood of more than 50%.

The second condition is that this cash outflow can be reliably estimated. We, therefore, periodically assess our exposure to potential legal claims for both likelihood and estimate. If a legal exposure can be reliably estimated and its likelihood is assessed to be probable, a provision is recognized. If not, no provision is recognized under IFRS. But in this case, the exposure is disclosed, of course unless the exposure is considered very remote. The potential outcome of the legal claims related to unit-linked products in the Netherlands cannot be reliably estimated or quantified. As such, no provisions is recognized. But the exposure is adequately disclosed in our annual accounts. I trust this answers the question.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, David and Delfin. Here's another question from the VEB on NN's key risk. According to the VEB, it's not immediately clear how NN has prioritized its key risk as disclosed in its annual report, particularly given the formulation of strategic challenges. In this respect, VEB would like to hear how NN has complied with best practice 1.4.2 of the Dutch Corporate Governance Code. So Delfin, would you please address this question?

A - Delfin Rueda Arroyo {BIO 7032761 <GO>}

Of course. Thanks, Dave. Let me cover first the second part of the question about compliance with the best practice of the Dutch Corporate Governance Code that you referred to. This best practice, 1.4.2 is very broad and requires, among other aspects that we explained in the management report, the principal risk we face in relationship to our risk appetite, how the design and operation of the internal risk management and control

systems have operated during the past financial year, and if there has been any major failings in the internal risk management and control systems. I'm glad to say that with extensive information on our operating environment and risk management that we have disclosed in our annual report, we believe that we have complied with the relevant provisions of the Dutch Corporate Governance Code, including this particular one.

To the question about how we prioritize the material topics, key risks and opportunities disclosed in the annual report, the short answer is that we follow a structured approach using quantitative and qualitative techniques like scenario analysis and heat maps. We have a thorough process to identify and prioritize relevant challenges and material topics affecting our company and key stakeholders. This is part of our regular risk management activities, including the elaboration of our own risk and solvency assessment and the identification of emerging risks. We also use input and intelligence coming from external parties like the World Economic Forum, the CRO Forum and other national and international bodies. For the identification of material topics, for example, we start with a long list compiled by internal and external resources, and we narrowed that list after several interactions and input from management and different stakeholders, including the NN Group's Purpose Council. This year, we ended up with 16 material topics, as reflected in the annual report. And from there, we derived the list of key risk and opportunities. I hope I've been clear on my explanation, and thanks to VEB for their question.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Delfin. Now let's turn to a question on inflation risk submitted by PGGM, also on behalf of a number of Eumedion participants. PGGM notes that almost 88% of NN Group's portfolio is concentrated in low- or negative-yielding assets. Therefore, what is the impact for NN of the significant rise in inflation? Delfin, I think in your role as CFO, probably you're best placed to answer this. I'll turn it to you.

A - Delfin Rueda Arroyo {BIO 7032761 <GO>}

Yes. Thanks, Dave, and thanks for the question raised. Indeed, some market participants are predicting a potential significant increase of inflation due to the normalization of the economic activity once the vaccination rate has reached a sufficiently high level, and the consequences of the enormous monetary and fiscal stimuli put in place by governments all around the world to mitigate the negative economic impact of the COVID-19 pandemic.

The latter has naturally increased public deficits, and with it, the ability for states to borrow at low or even negative rates might come to an end. Inflation per se is not such a material risk for NN as both revenues and expenses will likely move up with potential price increases. There are, of course some expense components that are linked to inflation. However I would say that the impact from inflation changes on expenses is manageable.

And when looking at our liabilities, inflation risk is also limited as it is hedged to a very large extent. The vast majority of NN's pension contracts do not include any guaranteed payout linked to inflation development. This is true, except for a limited number of contracts of the former Delta Lloyd Life entity, which are hedged with inflation-linked instruments. This covers the risk of higher inflation per se. If this were to come together

with an associated increase of interest rates, that would have a net positive impact on the operating environment for life insurance in general and on NN in particular. I hope this sufficiently answers the question.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Delfin. The next question from the VEB is about purpose statements, which they consider to be particularly relevant in the light of the public debate about the various interests to be taken into account by companies and their management. NN's purpose statement is, "We help people to care for what matters most to them." The VEB finds it hard to establish what NN's goal is as it sounds more like a statement of fact and ask, what is the goal in NN's purpose statement and how would NN like to be measured against it. In other words, what are the concrete financial and nonfinancial performance objectives that can be used to hold NN accountable? So David, I think this one's for you.

A - David E. Knibbe {BIO 17996037 <GO>}

Yes. Yes, absolutely. Yes. Thanks for the question because I guess it gives another opportunity to explain why we're doing it the way we're doing it. I think first of all, I mean you're referring to the purpose, which is the why, which is always a statement, relatively high level. It's why do we exist. Indeed, we have written a purpose on the kind of company that we would like to be. But then you want to make it one level more concrete, which is the what. That's the ambition we have set. And ambition, typically, we define as what we want to be in 5 to 10 years. Obviously this one we have defined as we want to be known as an industry leader known for customer engagement, talented people, and contribution to society. So that's the ambition where we want to be. So if you would, in an ideal world, ask people or our customers in 5 to 10 years what you think of NN, this is the type of ambition that we have. But to your question on what does it exactly mean we also translate into the how. So how do you want to achieve this ambition in 5 to 10 years? And that is the what. So when you look at that ambition, we defined the 5 strategic commitments, and these are the commitments that we're working on in the business units to drive eventually to get to the purpose. Now in terms of target setting, we therefore, have also the five strategic commitments translated into targets. Therefore, you probably have seen that we've set not only financial targets, but also nonfinancial targets.

So the five strategic commitments are, for example, around products, they are around customer, they're around contribution to society and they're around people, next to financials. Therefore, you also see that we have nonfinancial targets. Indeed, around people, around engagement, around diversity, for example, but also around sustainability, meaning the amount of ESG-integrated assets under management that we have, where we set a target, for example, of 80% or the 1% and -- that we want to contribute of our operating result. So you'll see that actually, when we start indeed with a fairly high-level purpose on why do we exist, we do translate it into what do we mean the ambition, and then the how, which is the 5 strategic commitments. That is then translated into KPIs, both financial and nonfinancial. That means that we'll continue to report on that, and you can also follow our progress then on a semiannual basis.

A - David Alan Cole {BIO 7251632 <GO>}

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We now have several questions around the theme of sustainability and the reduction of CO2 emissions. First, a question from the VBDO. In 2020, NN set itself the target to have a net-zero carbon proprietary investment portfolio by 2050. The VBDO says that it appreciates NN Group's choice to link its strategy to the ambitious 1.5-degree scenario. The question is when will interval objectives and a clear implementation strategy for all asset classes be set. And how will NN ensure that it not only reduces the CO2 emissions of its portfolio on paper, but that it also has a positive effect on the prevention and reduction of CO2 emissions in the real economy? So David, may I ask you to address the question?

A - David E. Knibbe {BIO 17996037 <GO>}

Yes, sure. So indeed, in June 2020, we launched our ambition that we signed up for the Paris Agreement, and we want to achieve a net-zero greenhouse gas emission by 2050. Since then, we have what we call internally a Paris Alignment Council, and here, we're developing our specific approaches. This obviously goes in a step by step. So we have defined our strategy, for example, for sovereign bonds in the beginning of 2021, and we're currently working on the alignment strategy, for example, for corporate bonds and equity. All of this, we will translate into what we call a Paris Alignment road map, and this will include intermediary targets and also actions.

We will publish this in our annual report next year, so the annual report of 2021, which we expect to publish in March 2022. Now obviously if we finalize this road map earlier and we see an opportunity, we can also inform our stakeholders before that. But you will see this commitment coming next year, also, not only on the 2050, but also on the intermediary steps. Now obviously the other question is around realizing real change, and I think that's also key to our approach. So for now, we categorize a lot of investments in certain categories, and we need to define how they will contribute to the decarbonization in the real economy. Essentially, it means for most existing investments, we go for engagement. So we have engagement, we have stewardship actions, sometimes individually, sometimes collectively with other -- and with other investors to try and influence and positively support the companies that we invest in, in their road map towards decarbonization. For new investments, of course we try to look at best-in-class. So we incentivize -- we look actively at companies that are best-in-class and that are leading the way in the transition. Then we can also increase allocation in these type of climate solution companies. Exclusion also is on the table. But of course our preference route is to do this via engagement.

A - David Alan Cole {BIO 7251632 <GO>}

Okay. On a similar topic, we have a question from PGGM, also on behalf of a number of Eumedion participants. NN has a target to reduce direct CO2 emissions by 3% per FTE per annum. In contrast to the net-zero carbon ambition for the proprietary investment portfolio, there's no long-term target for the reduction of direct emissions, although NN is considering setting a science-based target for this in the future. So PGGM asked, will you also set a science-based target for scope 3 emissions and does NN have a 2050 net-zero ambition for this scope as well? David?

A - David E. Knibbe {BIO 17996037 <GO>}

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Yes. Well so as I already mentioned, so for what we call scope 3, which is around proprietary investment portfolio, we set the target of 2050 to carbon-neutral, virtually no coal also in 2030. I think that we're well on our way to develop plans as I -- and implement those. Indeed, our own ambition, which is, I guess more scope 1 and 2, our own emission and then also related to, in scope 2 on, let's say the type of energy that we use internally in our company, also here, we're setting intermediary targets. So we are working on the formulation of science-based targets for our direct emissions, so not only scope 3, but also scope 1 and 2. And also here, we expect to have these intermediary targets before the end of the year. In any case, we will also include them again in the next annual report so that also shareholders can follow our ambition and whether we are on track to deliver on these commitments that we have set.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you. Okay. We've received several questions on diversity, which I think we can deal with together. The first question is from PGGM, also on behalf of a number of Eumedion participants. The question is as follows. NN has stated that it aims to support gender diversity in senior management positions and that succession planning is an important element of this. PGGM's question is how does NN intend to appoint more women through succession planning. Which other initiatives is NN taking to appoint women to senior management positions? The VBDO has raised a similar question regarding NN's target of 40% women in senior management by 2023 and notes that this percentage dropped from 36% to 33% in 2020. The VBDO also notes that NN has appointed a new diversity manager. The question from VBDO is the following. What specific programs will NN and its new diversity manager deploy to achieve this goal? David, may I turn to you for the answers?

A - David E. Knibbe {BIO 17996037 <GO>}

Sure. Yes. So indeed, so diversity is an important topic for us. This is also why I was talking earlier around the nonfinancial targets. This is also why we set a separate target on it. We set a target of 40%. So indeed, we dropped from 36% to around 33%. There was a small change in definition, but it makes clear that we still have some way to go in order to get to the 40%. To be honest, the target and the number by itself is not the most important thing. I think the most important thing is actually what we're doing in order to get to the 40%. There, there is happening a lot. So first of all, we have ongoing talent management conversations where there's extra attention paid to the role of women and the career paths of women.

We have fast-track leadership programs, where we also make sure that there is a good representation of women. If we end up hiring external, we will always make sure that at least -- of the external candidates, at least 50% of the candidates that we will talk to is female. Trainee programs, also there. We make sure that there is a significant and often more than half representation of women in the trainee programs. So there is a lot happening internally.

The other thing we're doing is actually we're doing an unconscious bias training. I think all have our biases, and this will apply to everybody, but it's also important to be aware of that, so also within the company, and the same will apply for the Management Board, for

the Supervisory Board, who will also participate in that, we will take unconscious bias training also to further create awareness of our own biases when we're hiring and promoting people. So in short, there's a lot happening also externally. We sponsor the TEDx Women in Amsterdam. We're supporting leadership networks. We're looking at also a female mentor program. So I think what is really important right now is not so much the number, but is all the activities that we're taking to make sure that we create a much broader talent bench also. Therefore -- and that will support us to get to the 40% target that we have set.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you. Let's follow this with another question on diversity. This one from PGGM, also on behalf of a number of Eumedion participants. PGGM notes that NN published its statement on diversity and inclusion in December 2020, in which the importance of ethical diversity -- ethnical diversity, sorry, is highlighted. Which initiatives is NN taking to improve the ethnical diversity in the organizations and in management positions? David?

A - David E. Knibbe {BIO 17996037 <GO>}

Yes. Also here, this is also an important topic to make sure that as an NN, we stand for diversity, we stand for inclusion, and also very importantly, we stand for equal opportunities. So it is important for us to have an inclusive culture. This is also reflected in the statement that have made on diversity and inclusion. And a significant part of these diversity and inclusion activities also focuses on building this inclusive culture that we're trying to build. Now this come through in the NN values, but also in the NN Code of Conduct. Apart from that, we're putting an effort in supporting and professionalizing, let's say internal employee networks. We believe this is also an effective way to promote diversity and inclusion. These networks are supported also by us in the organization. Also here, I'd like to mention that the same unconscious bias training, also unconscious bias obviously in this theme, plays an important role.

Finally, we have been taking a careful look at our communication. So our website and a lot of communication that we have done has been rewritten to write it in a more gender- and more culture-neutral way. So yes, there's still a lot to do. We have the policies in place. We're taking steps, and we'll continue to actively work on ensuring that we have an inclusive culture within NN Group.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you. The following question is from the VBDO regarding NN's analysis of the gender pay gap and the conclusion that no differences in remuneration were found. VBDO asked if NN will report more extensively on the method and results of this analysis in its next annual report. And furthermore, VBDO would like to see these results divided into nonmanagement, mid-management and management. So David, how do we respond?

A - David E. Knibbe {BIO 17996037 <GO>}

Yes. So indeed, this is something that we have looked at. We concluded the gender is not an underlying driver of pay difference. So there is equal pay for equal work. We do see

differences. If you do the statistical analysis, then you do see differences. But these can be explained by important factors like, for example, the job grade or Hay level, as we call it, job family, but also the amount of years of experience or the age. So from -- but from that analysis shows that there is no gap. Now we will continue to pay attention to that. In fact, we had -- when we were reviewing all the salaries, pay increases also for the year, also within the Management Board, we had specific attention what's happening between male and female, and do we see anything specific happening there that we need to pay attention to. So this is clearly on our radar. Going forward, we will extend the analysis. So this analysis has been done for the Netherlands. We would like to extend it for several of our largest business units also outside of the Netherlands to make sure that we cover the, let's say the vast majority of the population at NN Group. Yes. And based on the results of the analysis, we will see what we can report on it in the annual report of 2021. We'll take into account your request on different management levels. We'll take that into consideration whether we should also report separately on that.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you. And now a question from PGGM, also on behalf of a number of Eumedion participants. PGGM asks which steps NN is currently taking to support human rights in its procurement processes or to mitigate or rectify violations. David?

A - David E. Knibbe {BIO 17996037 <GO>}

Yes. So in general -- so we have, of course reviewed this. In general, if we look at the way we set this up, we meet the criteria and the -- as you can expect obviously from a company like ourselves. We have seen that when we're looking at, for example, procurement, that -- and that's why we also made it a priority, that we can pay extra attention to the partners that we work with. Therefore, we've also said that we divided -- or developed a separate policy on the procurement side so that we can monitor also and help select whenever we're dealing with procurement and the hiring of external partners, external suppliers, that we will also take this into account going forward. That's where -- that's an area where we've now set the policy, and we believe we can further strengthen our own approach.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, David. And now we come to the final question that was submitted to us in advance for this agenda item. This one is from PGGM, also on behalf of a number of Eumedion participants and relates to the 3 proposed Supervisory Board members. The question reads as follows: the section self-assessment in the report of the Supervisory Board states that, "Attention should be paid to ensure an appropriate level of experience in relation to technology and transformation competencies, the broader insurance industry and listed large corporations." For the 3 nominated Supervisory Board of Directors, can you highlight which specific experience they have in these areas? So I think this one is probably for me as Chair of the Supervisory Board, so I'll provide the answer. And let me start with a general comment.

We think the three candidates bring a wealth of experience to the Supervisory Board and the NN Group, and we're very pleased with their proposed appointment. And allow me to provide a little bit more detail, and I'll start with Inga Beale. She has extensive experience

in the insurance sector, most recently as Chief Executive Officer of Lloyd's of London, the world's specialist insurance and reinsurance market. Before joining Lloyd's, Inga held a variety of executive roles at Canopus Group and Zurich Insurance Group, publicly listed insurance company. Inga is a modernizer with proven digital and operational transformational experience, alongside cultural transformation with a strong focus on performance and growth. And now let me turn to Rob Lelieveld, who in the past 30 years, has held various roles with EY, one of the Big Four accountancy firms. Rob's primary focus has been on the insurance industry as he's been responsible and involved as audit professional, including lead partner, for ING Group and NN Group, Aegon and asr in the past.

As such, Rob has a lot of experience working with large international corporates and he's frequently acted as sparring partner to an Executive Board and the Supervisory Board. And finally, Cecilia Reyes, over 25 years of experience in international financial markets. She had a variety of roles at ING and Credit Suisse before joining Zurich Insurance Group, where she served as Chief Investment Officer and as Chief Risk Officer of the publicly listed insurance company. Cecilia has unique experience in both investment management and risk management at the highest level of the insurance company.

So we believe that with these 3 candidates, we bring new perspectives and further strengthen the composition of the Supervisory Board with a focus on transformation. We're looking forward to working with them, and we welcome them to the NN Group. So thanks for your patience. Those were the questions submitted by shareholders prior to this meeting. I'd like to now ask to see if there are any questions from the shareholders who are virtually attending this meeting. I see we have a raised hand from Mr. Armand Kersten from VEB. So Mr. Kersten, may I turn to you?

Q - Armand Kersten

Yes. Thank you very much. First of all, I wanted to thank all of you for the replies to the questions that VEB had posed in advance. So my appreciation for that. I was intrigued, and I think it was, of course nothing but a slip of the tongue, but by the brainteaser from you Mr. Chairman on ethical diversity. There are two questions that I wanted to put to you also in view of the remarks that have been made so far with the full awareness on my part that the first question is perhaps rather to the annual accounts itself than to a more general discussion. However it is following up to a remark that was made by your CEO. This is to do with the effect of the pandemic, the effects of the pandemic.

One of the things that we see is that in your new sales Life insurance, there's been a drop from over EUR 1.7 billion in 2019 to 1-point -- just over EUR 1.1 billion last year and that this is explained as being the result of the COVID restrictions. I was interested to hear what part of the drop in the returns is -- because it's over 30%, mind you, is indeed, whatever you call it, but basically, due to the effects of the pandemic.

The question in this regard is what the lessons learned are from the pandemic. For example, would the impact of COVID-19 have been relatively more limited if NN was more advanced with the digitalization of its products and sales channels? And on a completely different matter, the NN IP options that you are analyzing, if -- and indeed, of course I'm

fully aware that you've stated its -- we're looking at all the options available. If it were to come to selling it off and disposing of it, of course we realize that there is over EUR 300 million of goodwill in NN IP. To us, it seems somewhat improbable that a purchaser would be prepared to also pay that premium. So that is a second question, if you will.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you very much, Mr. Kersten. Let me just briefly summarize. So first question is regarding the impact of COVID on our sales of Life product, asking for an indication of what part of the drop may have been related specifically to COVID as well as a follow-on question, are there lessons that we've learned from the COVID pandemic that we may wish to take forward in our business. The second was related to the announcement regarding our strategic review of NN IP, asking questions about the impact on us as a group going forward subsequent to such a potential divestment. So David, I think for these, I'll turn to you.

A - David E. Knibbe {BIO 17996037 <GO>}

Yes. Yes. Thank you, Mr. Kersten, for your questions. So on sales, so what we have seen in the first half of the year was actually a drop in sales. What we've particularly seen is that with countries going into lockdown that for, I guess for obvious reasons, our sales dropped. What I thought was really remarkable and actually quite impressive is that we've seen in the second half of the year that the sales, the value of new business in Europe and especially in Japan actually increased versus the second half of 2019. So we've seen the VNB, for example, in Japan, it went up from EUR 18 million to EUR 46 million.

In Japan -- oh, sorry, in Europe, there was a bit of a smaller increase. But we all know that the second half of '19 was a, let's say a non-COVID period, while the second half of 2020, most countries were in partial or full lockdown. I think -- so what we have seen there is that especially the proprietary channels, so our tied agent channel and to a certain extent, brokers, we're very resilient. We saw banks -- our bank sales was a bit more under pressure. Banks were very actively looking at all sorts of things during the crisis, but insurance sales was a bit less high on their priority list. So it shows that the specialized proprietary channels that we have are very resilient. So when they are -- even in lockdown, they're able to do it. So what's the lesson here?

I think we've been -- if I'm very honest, we've been, for a long time, wanting to digitalize our channels more. And for a long time, we wanted to do a lot more online sales via screens, and the progress that we made there was limited. There was still a high wish from some customers and agents to have really a face-to-face meeting, especially in the South and in the Eastern part of Europe. That has fundamentally changed now. Also there, it is very accepted now to have an advice via webcam and the technology-enabled.

So I think we all know the joke on who's driving the technology in companies, is it the CEO, the CTO or COVID. Well I'm not going to answer it. But COVID certainly helped speeding up the digitalization. The good news now is also that we've seen banks also recover in terms of sales. So I'm actually optimistic that the sales channels have been navigating through the COVID crisis in such a positive way. It also -- even if the economies open more up, we will continue to benefit from the fact that we were able to digitalize our

channels. So I think there is, in any crisis, some silver lining. On NN IP, well, obviously so we have announced a strategic review. There's multiple options on the table.

We have given the main options, which is a joint venture, a merger, a partial sale or a full sale. Now any of these options -- and we haven't ruled out any of the other options -- any of these options we will ultimately judge on, long-term, what is the best way to service insurance customers and the asset manager and both the institutional and the retail customers. So that is how we will judge the options going forward. Other elements obviously around sustainability and all sorts of elements also play an important role. So there's multiple factors. And based on that, we'll have to take a decision on what is the best way forward to accelerate the growth for NN IP. And underlying, of course the main criteria is how do we, long-term, service best the customers that we have.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, David. I see we have another question from Mr. van Kuijk from the VBDO. Mr. van Kuijk, please go ahead.

Q - Mart van Kuijk

Yes. Thank you. I represent the Dutch Association of Investors for Sustainable Development. We do appreciate this opportunity to speak live. Let's hope we can meet again next year in The Hague. So thank you for clear answers to our questions. I have one more question related to NN IP, and I think was also addressed in the last answer. But perhaps you could elaborate on again. I will first start with the question, first. So for the first time last month, and again in this meeting, you speak about the intention to sell NN IP or find another form of collaboration and then emphasized NN IP is a leader in sustainable investing, which we agree on. However after several consolidations in the asset manager market, we have some concerns that a new owner might have different priorities related to sustainability. So yes, we would like to have or would like to hear something more about how you will take sustainability into account as an aspect for a possible takeover or merger.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you for your question. David?

A - David E. Knibbe {BIO 17996037 <GO>}

Yes. Yes. Good morning, Mr. Kuijk, and indeed, hopefully, we can next time in person again. Well as I said, so we announced a strategic review and there's multiple options on the table. So let's not try and draw any interim conclusions or speculate on it. There's 4 main options on the table and we haven't ruled out the other options. Indeed, the question on criteria, I said something also in my previous answer on that. Long term, we want to service the institutional, the retail and the insurance customers, what is the best way to service these customers going forward in an industry that has been consolidating, where there's further specialization ongoing, there's a shift to passive, there's fee pressure. There's -- clearly, there's a lot happening in that industry.

The question is how can we accelerate the growth of NN IP by giving it a broader platform. So that's what we're investigating. Now I think you're asking also how do you judge in those options in the context of sustainability. Well sustainability is an important pillar for us. As I mentioned earlier, we have -- in our ambition, we said we want to be known in 5 to 10 years for -- as an industry leader for customer engagement, talented people and contribution to society. Of course sustainability is an important element of contribution to society. When we translate that ambition into our 5 strategic commitments, one of them is again around society and sustainability. And this is also why you see it within our targets, for example, the 80% ESG-integrated assets, the 2050 carbon-neutral that I already spoke about. So these targets are integrated because they are an integral part of our strategy but also of our ambition. So based on that, you can also trust that questions around how do we -- how important is sustainability also going forward in your investment decision and portfolio, that will remain the case. So it is an important criteria when judging all the strategic options that I mentioned.

Q - Mart van Kuijk

Thank you.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you very much, David. I'd just highlight it's also very important to the Supervisory Board of the NN Group, so fully concur with David's comments just now. At this point, I see there are no further questions, so I'd like to thank all the shareholders who have submitted their questions either in advance or during the course of the meeting. As I mentioned at the start, your questions as well as our answers will be taken up in the minutes of the meeting. So you'll be able to see those back in the minutes once they're published. So I'd like to now close this item. Before we move on to the next item, I think I owe you the present and represented share capital. So as you can see on the screen here, the present and represented share of capital today amounts to 72.39%.

With that, we'll move on to the next item on the agenda, which is agenda item 3, which is a proposal to give a positive advice on the 2020 remuneration report. Here, I'll refer to the 2020 remuneration report Pages 33 to 42 of the 2020 financial report. I'd like to give the floor to Hélène Vletter-van Dort, Chair of the Remuneration Committee of the NN Group Supervisory Board. Hélène will give an explanation of agenda item 3.

A - Hélène Maria Vletter-van Dort

Thank you, Dave. Indeed, I'm happy to provide some context and background in relation to the remuneration report for the year 2020. And let me start by giving an overview of the most relevant topics in the remuneration report and what we've discussed in the Remuneration Committee. Then I will sort of quickly go through the most important remunerations decisions that have been taken by the Supervisory Board, including setting their variable remuneration awards for the year 2020 and determining the at-target compensation packages of the members of the Executive Board for the year 2021.

Overall, it's fair to conclude, and I'm saying nothing new, that 2020 was a challenging year in which many relevant topics were discussed in the Supervisory Board. During the

annual meeting this year -- or I should say the Annual Meeting 2020, so that was over the -- it was last year's general meeting, we put to our shareholders the NN Group's remuneration policy for the Executive Board and the Supervisory Board because they have been brought in line with the new legal requirements of the Shareholders Rights Directive. Now the remuneration policy for the Executive Board was adopted with well over 94% of the votes.

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The remuneration policy for Supervisory Board was adopted with a little over 95% in favor of the proposal. The proposal to give a positive advice on the 2019 remuneration report was also adopted by a huge majority. 2020, as has been said, was marked by the COVID pandemic and the launch of the company's new strategy, which David spoke about. The Supervisory Board held various consultation sessions with stakeholders, including shareholders, proxy advisers, shareholder interest groups and employee representatives. The purpose of all of those meetings was to get their feedback on how the COVID-19 pandemic should be reflected in executive remuneration. Of course the first question we posed was should we reflect that.

We took all of the views into consideration during the decision-making process on the discussions that followed, and including, by the way in the decisions to determine the 2021 compensation packages and the 2020 variable remuneration awards. I take this opportunity to thank everyone once again who gave their time to provide the Supervisory Board with their observations. And as I announced, we intend to continue to reach out to relevant parties in the future. We thought it was a very beneficial dialogue.

Another subject that was brought up during the stakeholders' meetings was the need to provide further transparency in relation to the performance objectives of the Executive Board. Supervisory Board is pleased to present more detailed and elaborate information in relation to the 2020 performance objectives and the achievements for each of those objectives in remuneration report. Disclosures in relation to the year 2020 are a step forward compared with previous years, and as I promised last year, Supervisory Board is committed to make further steps in the future.

Now let me move on to the remuneration decisions taken by the Supervisory Board for the members of the Executive Board. To recap, our remuneration framework is designed to allow a clear and transparent remuneration policy. At the same time, it should also be adequate to attract and retain expert leaders, senior staff and other highly qualified employees. It aims to focus on creating long-term value for all stakeholders and keeps the future in mind. Remuneration of executive and senior staff is frequently benchmarked with relevant national and international peers.

They are both within and outside the financial sector. The peer group consists of companies which are similar to NN in various terms, for instance, number of employees, revenue, market capitalization and total assets. We also involve external experts, and we ask them their advice on the determination of the peer group.

In line with the remuneration policy for the members of the Executive Board, Supervisory Board aims to set the remuneration levels below market median for the Executive Board

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members. When determining the remuneration of the Executive Board members, the Supervisory Board takes into account the interests of all relevant stakeholders, customers, shareholders, employees, society, both within and outside of the Netherlands. And after a balanced assessment, Supervisory Board decided not to grant an increase of the base salary for the Executive Board members, so that's David and Delfin, for the year 2020. Their base salaries will also remain unchanged for the year 2021.

Now in relation to the variable remuneration for the year 2020 and as mentioned in the remuneration report, the performance objectives and ambition levels that we had set, they remain unchanged. The Executive Board performance was therefore assessed against the performance objectives as set by the Supervisory Board in January 2020, so pre-COVID. Details of the performance assessments of the financial and the nonfinancial objectives have been provided in our report. When establishing the variable remuneration awards, additional consideration has been given to the views and interest of the various stakeholders of NN Group. And as I explained, we specifically focused on the effects of the COVID-19 pandemic.

Of course we took into account other factors as well when we determined the height of the variable remuneration award. For example, we looked at the fact that dividend payments and share buyback program were temporarily suspended in April 2020 in response to regulatory restrictions and that they were resumed in August. Several actions were taken to ensure an uninterrupted service to our customers and to enhance the new ways of working for NN Group employees.

From a societal perspective, NN Group did not apply for government support during the pandemic and has continued to focus on supporting our communities during the COVID-19 crisis through various initiatives. It's obvious that the pandemic provided for an exceptional leadership challenge, requiring many actions to be taken to minimize the impact of the pandemic. Even though last year was an extraordinary year, Supervisory Board concluded that the NN Group has succeeded in continuing its business and delivering ongoing value to its stakeholders, including shareholders, customers, employees and society at large.

All in all, it was deemed appropriate to apply the Executive Board remuneration policy, as was adopted in the general meeting last year, without invoking discretionary adjustments. This approach is in line with the conclusions that were drawn from the stakeholder reach-out that we did. Supervisory Board concluded that the Executive Board delivered a strong performance in what we should probably call an unprecedented year.

When assessing the performance of the Executive Board member against the performance objectives, different weighting percentages apply for each Board member. This is in line with the requirements of the Dutch regulatory regime, as is applicable to our group and generally leads to different outcomes per group -- per Board member. David, in his capacity as CEO, has been granted a variable remuneration of 16% of his base salary, which is on target. In addition to his regular duties as CFO, Delfin has also assumed the CRO responsibilities on an at-interim basis during the first part of last year. Delfin has been granted a variable remuneration of around 17.5% of his base salary, which is about 109% off-target. I would like to end this agenda item with mentioning that NN Group

recognizes the ongoing impact the COVID pandemic still has on societies and economies in the world. Towards the future, we will continue to closely monitor the developments and the impact on our stakeholders. Thank you.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Hélène. We will now address a question that was submitted by a shareholder in advance of the meeting. After that, we'll answer questions from the shareholders who are virtually attending this meeting. (Operator Instructions) We received a question from the VEB on this item. The VEB notes that only 40% of the CEO's 2020 performance objectives are financial targets and is concerned that as a consequence, it's difficult to measure, let alone, obtain assurance on Mr. Knibbe's performance against his objectives. The VEB also notes that to the extent that Mr. Knibbe's performance could be measured against quantifiable targets, he did not achieve at least one of the objectives as NN Group's remuneration report states that the operating capital generation target was not met in 2020. Nonetheless, it's indicated that overall, the CEO achieved 100% of target for the purpose of variable remuneration. The VEB ask whether NN agrees that external parties could consider the CEO's performance objectives to be soft and overly subjective given that only 40% of the objectives are measurable against financial targets. Hélène, could you please address the questions?

A - Hélène Maria Vletter-van Dort

Yes. Thank you. And let me provide some relevant context. As we've explained in our remuneration report, but I'm happy to have the opportunity to explain a bit further now, we use nonfinancial objectives in addition to financial objectives. That is in line with our new strategy that is designed to meet the interests of various stakeholders. Examples are employee and customer engagement, brand consideration, sustainability measures and the gender diversity ratio. We've set clear targets, and the progress we report is reviewed by our external auditor. Supervisory Board gathers information and insights to obtain a solid understanding of the factual situation and to minimize subjectivity. In this process, Supervisory Board is supported by relevant experts, typically acting in independent control functions, to report on the progress made versus the clearly defined ambition levels that were set for the year. As you probably know, in line with Dutch legislation for the financial industry, a maximum of 50% of the performance objectives relate to the financial performance of NN Group. We have decided on a 40% weighting for the CEO, which underscores our commitment to keep in mind the long-term interest of the various stakeholders.

Regarding the question on Mr. Knibbe's variable remuneration, Supervisory Board looked at all of our CEO's targets. Supervisory Board was impressed by how NN quickly adapted to the new circumstances and continued to care for each other, our customers and communities. On some performance objectives, our CEO clearly outperformed, especially taking into account the challenging circumstances of last year, for example, on employee engagement. The operating capital generation was, as he explained, impacted by the exceptional market circumstances and low interest rates as well as the suspension of bank dividends. Taking all of these factors into account, we came to the conclusion that overall, and looking at the total picture, Mr. Knibbe met his targets. Thank you.

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A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Hélène. That was the only question submitted by a shareholder prior to this meeting. I'm looking now to see if there are any questions from shareholders who are virtually participating, but at this point, I do not see any. So I'd like to then close this item. Note that the voting on this proposal to give a positive advice on the 2020 remuneration report as included in agenda 3 -- agenda item 3 is open until the end of the meeting. I'd like to now move to the next agenda item, item 4, specifically 4A, which is proposal to adopt the annual accounts for the financial year 2020. Once again this is a voting item. I'll refer here to the annual accounts for the financial year 2020, as included in the 2020 financial report, specifically Pages 45 through 186, as well as the presentation David provided as part of agenda item 2.

Just a brief bit of explanation. The annual accounts were drawn up by the Executive Board in English on the 10th of March 2021 and have been available on the website of NN Group as from the 11th of March 2021. The annual accounts are also available free of charge in NN Group's head office for inspection by shareholders. The annual accounts were audited by the external auditor. He's issued an unqualified auditor's report, 2020 financial report, Pages 187 through 203. You can find the independent auditor's report. I'd like to note the Supervisory Board advises to adopt the annual accounts.

Before I give the floor to Peti de Wit from KPMG, our external auditor, I'd like to note that the NN Group has released KPMG from its obligation to maintain confidentiality in order for Peti to be free to comment on the audit performed on the auditor reports for the purposes of this meeting. The external auditor has an obligation to rectify in Dutch, *herstel* (Speaking via interpreter), which means that in case of statements in relation to the annual accounts or the auditor's report that might give a materially inaccurate view of the affairs of the company, Peti De Wit may request the corrections be made either during this meeting or prior to the adoption of the minutes of this meeting. And with that, I'll now give the floor to Peti De Wit of KPMG, the external auditor.

Q - Peti De Wit

Thank you, Mr. Chairman. Well dear shareholders, I'm pleased with the opportunity to present on the audit that we have performed. As been said, my name is Peti de Wit. On behalf of KPMG, I signed the independent auditor's report, as included in the 2020 financial report. This was the fifth time that I was ultimately responsible for the external audit of NN Group, and I'm pleased to address you on our 2020 audit, although, as been said before, I regret that like last year, we cannot meet in person. The Chairman also confirmed that during the duration of the Annual General Meeting, we are released from client confidentiality restrictions. Therefore, I'm free to talk to you about our audit and the results thereof. I would like to start by explaining our audit and auditor's opinion. I start with what did we audit. Well we audited the 2020 parent company and consolidated annual accounts of NN Group. We issued, as been said, unqualified auditor's opinion on these accounts. We also performed the review of the half year interim accounts of NN Group and a review resulted in an unqualified review report on these interim accounts. In line with prior years, we also reviewed the nonfinancial information as included in the 2020 annual review.

We issued an assurance report, concluding that nothing has come to our attention to believe that the information related to material nonfinancial topics is not prepared, in all material respects, in accordance with the reporting criteria applied by NN Group. You can find our assurance report on Pages 70 to 72 of the annual review. I would now like to focus on the financial audit. Our independent auditor's report on the parent company and consolidated annual accounts can be found on Pages 187 to 203 after financial report. I will now navigate to the components of the opinion.

So first, the conclusion. Based on the audit work performed, we concluded that the annual accounts give a true and fair view of the financial position of NN Group as at December 31, 2020 and of its result and cash flows for the year then ended. It's also important to confirm to you that as from October 1, 2015 onwards, we have been independent of NN Group. In 2020, we confirmed our auditor's independence to the Audit Committee of the Supervisory Board on a quarterly basis.

Before I continue to present on the other elements of the audit opinion, I would like to pause and talk about the COVID-19 impact on the audit first. During most of 2020, NN employees worked from home. The KPMG audit was almost completely performed remotely. How did this impact on our audit? I would like to talk to you about 5 elements. The first is the going concern assumption of accounting. When the uncertainties came, management prepared a going concern analysis supporting the assumption underlying the preparation of the annual accounts.

In our audit, we found this assumption adequately supported. The second item is materiality. Management prepared, during 2020, additional financial forecast based on a number of scenarios in response to COVID-19. We have discussed these scenarios and forecasts and concluded that the financial implications for the group were relatively limited. Therefore, we did not change our approach to materiality.

A third element is the audit of accounting estimates, including the valuation of insurance contract liabilities and the reserve adequacy test, Solvency II own funds and SCR calculations and the valuation of investments with a focus on what we call hard-to-value assets, such as real estate investments and private equity investments. In auditing these accounting estimates, we duly considered the COVID-19 implications on management's assumption setting, methods and models and interpretation of the outcomes. I will get back to this when discussing our key audit matters in the 2020 audit opinion.

The fourth item that I would like to mention to you is the audit of disclosures related to COVID-19, such as Note 2 that is specifically addressing the COVID-19 pandemic, Note 36 about the fair value of nonfinancial assets, and Note 51 on risk management. Based on the audit work performed, we found these disclosures appropriate, including the disclosure on estimation uncertainties.

The last item, the fifth item, is how did COVID-19 impact on us obtaining sufficient and appropriate audit evidence. While we adapted our testing methods to respond to changes in the business, including the timing of our testing, for example, related to impairment indications, the nature of the testing, for example, remote access to NN's

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books, records and financial reporting, and the extent of the testing, so we modified our procedures such as alternative procedures to get comfort over, for example, the authenticity of documentation that is provided to us. Because of travel restrictions, we could not visit NN's foreign businesses and their auditors, like we did in previous years. However we have had remote interviews with local management, for example, in Japan, Belgium and Romania.

In line with our audit planning, we remotely reviewed the audit work performed by all component auditors, both in the Netherlands and abroad. This allowed us to conclude on the audit and issue our audit opinion. Now I would like to go back to what is, in your opinion, an important element is materiality. Since our first year audit in 2016, we determined materiality on the basis of what we call core equity, being the total equity minus the revaluation reserves. As I mentioned before, for the 2020 audit, we did not see a reason to change this approach, and we audited the annual accounts using a materiality of EUR 140 million or 1% of this core equity benchmark. This is consistent with our 2019 outlook. Some parts of the annual accounts, however we audit with a higher level of precision as a response to the nature of certain disclosures. This so-called qualitative materiality is, for example, applicable to the audit of the management remuneration disclosures.

We also paid specific attention to the appropriateness of the COVID-19 pandemic disclosure on Page 68 of the financial report. All identified and unadjusted audit misstatements in excess of EUR 7 million have been reported in writing to the Audit Committee of the Supervisory Board. These misstatements are both individually and in aggregate not material to general accounts. In line with last year, the number of misstatements is low, taking into account the size and complexity of the NN Group annual accounts containing both IFRS and Solvency II financial information.

The next item is on the scope of the audit. In order to take full responsibility for the audit of the annual accounts, we instruct local auditors to perform audit procedures on our behalf. We determine which entity and with what level of materiality these local audits need to be performed. In doing so, we consider the impact of COVID-19 on both the risk profile and the financial relevance of the components to the group as a whole. This year, we included VIVAT Non-life in the scope of our audit as this business was acquired by NN Group on the 1st of April 2020. All audits have been performed by KPMG audit teams.

Then a word on the audit in relation to fraud risk. In the design and execution of the external audit, we consider the risk of fraud. We evaluated management's response to fraud risk and the functioning of the 3 lines of defense in that regard. We also evaluated the presumed fraud risk of management override of controls by performing substantive audit procedures such as data analysis on high-risk journal entries.

The next section in the opinion deals with compliance with laws and regulations. In our audit, we identified areas of law and regulations that could reasonably be expected to have a material effect on the annual accounts based on our general understanding and sector experience and through discussion with, for example, group compliance and also the Management Board and the Audit Committee of the Supervisory Board.

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We made a distinction between laws and regulations with a direct impact on the annual accounts, such as corporate income tax regulation or Solvency II regulation, and laws and regulations with an indirect effect, such as financial and economic crime regulation or data privacy regulation. Then I would like your attention on what we call significant risks and key audit matters. Based on our professional judgment, we identified significant risks. What are they?

Well significant risks have a higher probability of a material misstatement of the annual accounts. Significant risks are often linked to significant nonroutine transactions or to matters that require significant management judgment. For each significant risk, we obtained an understanding of the design, existence and effectiveness of the internal controls that NN Group put in place to mitigate such risks. In addition, we performed specific substantive audit procedures to obtain sufficient and appropriate audit evidence that these risks did not result in material misstatements in the 2020 annual accounts.

Based on our audit of significant risks, we then identified 5 key audit matters, and these have been included in our auditor's opinion, and they related to: one, the valuation of the insurance contract liabilities and the reserve adequacy test; two, the valuation of hard-to-value assets; three, the unit-linked exposure; four, Solvency II disclosure; and number five, IT, general and cybersecurity controls. Compared to last year, our audit opinion contains one new key audit matter for valuation of hard-to-value assets.

Let me give you some further explanation. With hard-to-value assets, I refer to unquoted investments reported at fair value, either in the balance sheet or in the notes to the accounts. Given the inherent subjectivity of the valuation of unquoted investments, so-called level 3 assets, we consider the valuation of these as a significant risk like we did in 2019. However as a result of COVID-19, we observed a significant increase in valuation uncertainty and a drop in liquidity for certain asset classes and, in particular, for certain categories of real estate and private equity investments. Therefore, we consider this a key audit matter for a 2020 audit.

Our response consists of a mix of testing of internal controls and substantive test procedures tailored to the size and risk profile of parts of the portfolio, in particular real estate, private equity and mortgages. We extended the involvement of our real estate and corporate finance valuation specialists in performing such procedures.

Our audit procedures led to the conclusion that management's valuations at year-end 2020 were reasonable. For an explanation of the other key audit matters, I would like to refer to you to the text in our independent auditor's report. Dear shareholders, in summary, our audit work provided us with sufficient and appropriate audit evidence to support our conclusion that the 2020 annual accounts give you a true and fair view on the basis of which, you, our shareholders in NN Group, can form your own conclusions.

Before I hand over to the Chairman of this meeting, I would like to mention that auditor's independence regulations set a maximum term of five years for the signing external audit partner. Therefore, my time as your external auditor will come to an end after this meeting. In the last year, I have worked closely with my successor, Dick Korf, who will be

your external auditor as from 2021 onwards. I am confident that this handover will bring you both the sustained quality and the freshness that the audit independence requirements have in mind. I would like to thank you, as shareholders, but also the Supervisory Board, the Executive and Management Boards and all employees of NN Group for the trust and collaboration in the last five years. Mr. Chairman, that ends my presentation, and I'm available for any questions related to our audit.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Peti. I will address you personally a little bit later in the meeting. For now, we will address the questions that were submitted by shareholders in advance of the meeting. And following that, we'll answer questions from the shareholders who are virtually attending this meeting. We received two questions from the VEB on this item. Let me start with the first question, which is a question for KPMG. The VEB notes that NN Group considers good corporate citizenship to be one of its key strategic risk. At the same time, none of the key audit matters include a material aspect to reflect this, although KPMG does refer to fraud risk in the form of management by passing control measures. VEB asked for a clarification on how the assessment of materiality, the risk appetite adopted by management and the corresponding prioritization of strategic risks are consistent with the key audit matters that the auditor has identified. So Peti, over to you for answers to this question.

Q - Peti De Wit

Yes. Thank you for the question. Yes, first, I would like to point at Pages 57 to 60 of the annual review where management describes key risks linked to NN's strategic framework and related strategic commitments. One of the key risks is good corporate citizenship. I would also like to refer to management's responses to the questions earlier on this topic. But what does this mean for the audit of the annual accounts and for our audit opinion?

First, management's strategic commitments and related key risks are directed towards long-term value creation. In our audit of the annual accounts, we discuss management's long-term value creation perspectives and the key risks they identified. This is part of our risk assessments and planning procedures related to what auditors call understanding the entity and its environment. The outcome of our risk assessment is, however directed to the annual accounts and our audit thereof. This also means that we apply materiality as explained earlier, with an amount of EUR 140 million. The fact that management identified, for example, good corporate citizenship as a key risk demonstrates that NN is aware of societal expectations and the developments thereof.

The third element of my answer is the annual accounts are prepared on the basis of EU IFRS and Solvency II regulatory frameworks. In our audit, that is, of course dominant norm against which our test work is being performed. Our audit work is, however deeper and more nuanced than just doing that. I will give you an example related to the recognition and measurement of legal provisions. As the CFO explained earlier, there are certain recognition and measurement criteria to be respected in the accounting for legal provisions. The application of those criteria requires, amongst others, making estimates of future cash flows.

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As part of our audit work related to NN's unit-linked exposure, our key audit matter 3 on Page 197 of the financial report, we discussed and challenged management's estimate of future cash flows in the field where legal developments are taking place in a developing societal context. These developments relate to and NN specifically and to broader market participants. Based on the work performed and how we observe management's approach to addressing this topic, we found that management's conclusion that the financial consequences of the unit-linked exposure cannot be reliably estimated, and therefore, no provision is recognized in the December 31, 2020 balance sheet to be sufficiently substantiated. We also found the disclosure in Note 44 to be adequate.

Finally, in our audit of the annual accounts, management override of controls is a presumed fraud risk. We performed risk assessment procedures, such as reading and discussing management's approach to, for example, setting the tone at the top and establishing a Purpose Council. But we also performed detailed test work on, for example, high-risk journal entries to obtain evidence that the actual preparation of the annual accounts was not impacted by inappropriate management behavior in overriding internal controls. Overall, our test work did not result in significant findings. That would be my answer to the question, Mr. Chairman.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Peti. The second question from the VEB is about the nonfinancial statement within the meaning of the decree on disclosure of nonfinancial information. The VEB points out that the NN Group annual report does not include a nonfinancial statement, and it has not been able to establish on what grounds this statement has not been included. The VEB asked for an elaboration on the relevance of the nonfinancial statement and the considerations underlying the decision not to include it, at least not explicitly. David, would you like to address the question?

A - David E. Knibbe {BIO 17996037 <GO>}

Yes, sure. So in practice, the requirements of the decree are interpreted as reporting on all elements of the nonfinancial statement in a coherent report, so -- as opposed to disclosing it in a separate statement. This is also a common approach taken by other companies. So in the NN Group, annual review contains all elements of a nonfinancial statement, and therefore, we believe that we've met the requirement of this decree. This view has also been confirmed by our external auditor, KPMG.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you. Okay. Those were the questions submitted by shareholders prior to the meeting. I'm looking to see if there are any additional questions coming during the meeting. I see there are none at this point in time. I'd just like to remind you that voting on the proposal to adopt the annual accounts for the financial year 2020, as included in agenda item 4A, is open until the end of the meeting. With that, I'll close this item, and we'll move to the next item. Agenda item 4B, which is the explanation of our dividend policy. It's a discussion item.

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I'd like to refer to the dividend policy as published on NN Group's website. You see a summary of that here also on the screen. According to NN Group's dividend policy, NN Group intends to pay a progressive ordinary dividend per share. Under normal circumstances, NN Group intends to declare an interim dividend, which will be calculated at approximately 40% of the prior year's full year dividend with the disclosure of its first year -- first half year results, and to propose a final dividend at the Annual General Meeting of Shareholders.

NN Group intends to pay dividends either in cash after deduction of withholding tax, if applicable, or in ordinary shares at the election of the shareholder. Earlier this year, it was decided that dividends paid in the form of ordinary shares will be delivered from NN Group's treasury shares. If and to the extent that treasury shares are not used for the payment of stock dividend, dividend paid in the form of ordinary shares will be issued from the share premium reserve.

NN Group intends to neutralize the dilutive effect of the stock dividend through repurchase of ordinary shares. The group also intends to execute a recurring annual share buyback of at least EUR 250 million. Additional excess capital is to be returned to shareholders unless it can be used for value-creating opportunities. When proposing a dividend or announcing a buyback, the NN Group will take into account, amongst other things, its capital position, leverage and liquidity positions, regulatory requirements and strategic considerations as well as the expected developments thereof.

I'd just like to note that no questions have been submitted by shareholders in advance of the meeting. I'd like to check and see if there are any questions from shareholders who are attending virtually. I see no hands have been raised, therefore, I'd like to close this item, which was a discussion item only. We'll move to the next item on the agenda. So we're now at item 4C, which is a proposal to pay out dividend. I'll refer to the proposal to pay out dividend, which was already mentioned by David in his presentation and will now officially be put to a vote. Here, I refer specifically to the proposal to pay out dividend as included in the convocation notice on Page 4. Let me first explain the situation in 2020, which is somewhat different than in prior years.

As announced on the 6th of April 2020, NN Group acted in accordance with the recommendations of EIOPA and the Dutch Central Bank, as published on the 2nd of April 2020, which urged insurers to temporarily suspend their dividend distributions and share buyback programs as a consequence of the COVID-19 pandemic. Although NN Group was well capitalized and had a strong liquidity position, it postponed the payment of dividends on its ordinary shares in line with EIOPA and DNB recommendations. The proposal to pay a 2019 final dividend of EUR 1.40 per ordinary share was therefore not included on the agenda of last year's Annual General Meeting.

In line with NN Group's intention that this distribution to shareholders would still be made in the second half of 2020, if and at such time that in the opinion of the Executive and Supervisory Boards this would be appropriate in light of COVID-19 developments, the interim dividend that was paid last September comprised of EUR 1.4 per ordinary share, equal to the amount of the suspended 2019 final dividend; plus EUR 0.86 per ordinary share, equal to the regular 2020 interim dividend, resulting in a total amount of EUR 2.26

per share. Today's proposal is to pay out a final dividend of EUR 1.47 per ordinary share. The proposed 2020 final dividend of EUR 1.47 per ordinary share, plus the regular 2020 interim dividend of EUR 0.86 per ordinary share, gives a pro forma total dividend for 2020 of EUR 2.33 per ordinary share. The key dates for the proposed dividend are shown on the following slide.

I note that no questions have been submitted by shareholders in advance of the meeting. (Operator Instructions) I see that no one has raised their hand. Therefore, I would like to close this item. I'd like to note that voting on this proposal to pay out dividend as included in item 4.C is open until the end of the meeting. With that, we'll move to the next agenda item, 5A, release from liability. Here, the proposal is to release members of the Executive Board from liability for their respective duties performed during the financial year 2020. This is a voting item.

I'd like to note that no questions have been submitted by shareholders in advance of the meeting. (Operator Instructions) I see no hands have been raised. I'd like to note that the voting on the proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2020 as included in our agenda item 5A is open until the end of this meeting. I'll now close this agenda item. We'll move to the next item, 5B. Here, the proposal is to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2020.

Once again this is a voting item. This proposal was included in the convocation notice on Page 4. I'd also just like to note that in addition to the current members of the Supervisory Board, this proposal also includes the release from liability of Mr. Dick Harryvan, former Vice-Chair of the Supervisory Board, whose term of appointment ended at the close of the Annual General Meeting on the 28th of May 2020, as well as the release from liability of Mr. Rob Ruijter, whose term of appointment ended on the 12th of April 2020.

I note that no questions have been submitted by shareholders in advance of the meeting. (Operator Instructions) I see no hands have been raised. So I'll note once again that voting on the proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2020, as included in agenda item 5B, is open until the end of this meeting. Now I'd like to close this item and move to the next agenda, item 6, composition of the Supervisory Board, and more specifically, item 6A, proposal to appoint Cecilia Reyes as member of the Supervisory Board. This is a voting item. This proposal was included in the convocation notice on Page 5.

As announced, the number of members of the Supervisory Board of the company will be increased to 9. The first person the Supervisory Board has nominated for appointment as member of the Supervisory Board a term of four years is Cecilia Reyes. Cecilia, thank you for joining today's meeting in a virtual way. If adopted, Cecilia's appointment shall become effective as from the close of this meeting and ends at the close of the Annual General Meeting in 2025. As announced, it is intended that Cecilia will also become a member of the Supervisory Board's Remuneration Committee and Risk Committee.

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A short biography of Cecilia is included in the convocation notice as well as in the presentation. Cecilia has been nominated for appointment on the basis of her extensive experience in international insurance and financial markets, her solid knowledge and experience on investment management as well as risk management as well as her experience as an executive and nonexecutive director. The nomination of Cecilia is in accordance with the profile of the Supervisory Board, which can be found on the company's website. The Central Works Council has informed the Supervisory Board that it does not have recommendations for this nomination and that it supports the appointment of Cecilia. The proposed appointment of Cecilia has been approved by the Dutch Central Bank, and more information can be found in the convocation notice, once again on Page 5.

The nomination of Cecilia is subject to the condition that the general meeting will not recommend any other person for nomination. We've not received any such recommendations in advance in the meeting. I'm just looking to see if there are any members participating -- shareholders participating who'd like to make such a recommendation. I assume that's not the case. Therefore, since the general meeting does not recommend any other persons for nomination, the proposal to appoint Cecilia Reyes as a member of the Supervisory Board will officially be put to a vote. And before we go to the vote, I'd like to invite Cecilia, if she'd like to say a few words. Cecilia?

Q - Cecilia Reyes {BIO 3934728 <GO>}

Thank you very much, David, for your very strong words of support. It will be an honor for me to serve as member of the Supervisory Board of NN. It is such an exciting time and kind of uniquely challenging environment to come on board, and I look forward to working very hard with colleagues to deliver success for NN under the leadership of David Cole as Chair and David Knibbe as CEO. Thank you.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Cecilia. I note that no questions have been submitted by shareholders in advance of the meeting. I'll look to see if any of the shareholders participating virtually would like to ask questions. I see that there are none. Therefore, I'd like to just remind everyone that voting on the proposal to appoint Cecilia Reyes as a member of the Supervisory Board as included in the agenda item 6A is open until the end of this meeting. I'll close this item and move to Item 6B, proposal to appoint Rob Lelieveld as member of the Supervisory Board. Once again this is a voting item. This item was also included in the convocation notice on Page 5.

Let me provide a bit of explanation. The Supervisory Board has also nominated Rob Lelieveld for appointment as a member of the Supervisory Board for a term of four years. Hello, Rob, thank you for joining us as well, virtually. If adopted, Rob's appointment shall become effective as of the 1st of September 2021 and ends at the close of the Annual General Meeting in 2025. As announced, it's intended that Rob will also become a member of the Supervisory Board's Audit Committee as well as Nomination and Corporate Governance Committee. In addition, if appointed, Rob will also become a member of the Remuneration Committee.

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The Central Works Council of the company has made use of its enhanced recommendation rights and has asked the Supervisory Board to nominate Rob as the person recommended by the Central Workers Council. A short biography of Rob is included in the convocation notice as well as in the presentation. Rob has been nominated for appointment on the basis of his extensive knowledge and experience in the audit and insurance industry, his profound understanding of the regulatory framework and corporate governance as well as his experience as a Board member.

The nomination of Rob is in accordance with the profile of the Supervisory Board. The proposed appointment of Rob has been approved by the Dutch Central Bank. More information regarding Rob can be found in the convocation notice, as I mentioned. The nomination of Rob is subject to the condition that the general meeting will not recommend any other person for nomination.

I'd like to note, we've not received any such recommendations in advance of the meeting. We'll assume the general meeting does not wish to recommend any other person. Paul is to confirm that. Since the general meeting does not recommend any other persons for nomination, the proposal to appoint Rob Lelieveld as a member of the Supervisory Board will officially be put to a vote. Rob, once again before we go to a vote regarding your nomination, would you like to say something to our shareholders?

Q - Rob Lelieveld

Yes. I will. Thank you, Dave. Yes. I'm really honored to be proposed as a member NN Supervisory Board that have been involved in the insurance industry for a very long time. I'm looking forward to working with all your stakeholders. And especially, I want to thank the Works Council for their trust. Thank you.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you, Rob. No questions have been submitted by shareholders in advance of the meeting. Check to see if the shareholders participating virtually in the meeting would like to ask any questions. I see that's not the case. Just remind you that the voting on the proposal to appoint Rob Lelieveld as a member of the Supervisory Board as included on the agenda Item 6 billion is open until the end of the meeting. With that, we'll close this item and move to Item 6C, which is the proposal to appoint Inga Beale as member of the Supervisory Board, once again a voting item.

This proposal was included in the complication notice on Page 6. A brief explanation. The Supervisory Board has also nominated Inga Beale for appointment as a member of the Supervisory Board for a term of four years. Inga is also joining us today. Hello, Inga, welcome. If adopted Inga's appointment shall become effective as from the close of this meeting and ends at the close of the Annual General Meeting in 2025.

As announced, it is intended that Inga will also become a member of the Supervisory Board's Risk Committee and the Nomination and Corporate Governance Committee. A short biography of Inga was included in the convocation notice as well as in the presentation today. Inga has been nominated for appointment on the basis of her

experience in international insurance and financial markets, our extensive knowledge and experience on digitalization and transformation, our commitment to diversity and inclusiveness as well as her experience as an executive and nonexecutive director.

The nomination of Inga is in accordance with the profile of the Supervisory Board. The Central Works Council has informed the Supervisory Board and does not have recommendations for this nomination and that it supports the appointment of Inga. I'd also like to announce the proposed appointment of Inga has meanwhile been approved by the Dutch Central Bank.

As earlier indicated, more information and background can be found in the complication notice on Page 6. The nomination of Inga is subject to the condition that the general meeting will not recommend any other person for nomination. We've not received any such recommendations in advance of this meeting. I'll just check to see if any of the virtual participants would like to nominate someone else. I see that's not the case. Since the general meeting does not recommend any other person for nomination, the proposal to appoint Inga Beale as a member of the Supervisory Board will officially be put to a vote. Before doing so, Inga, once again I'd like to ask if you'd like to share something before we go to a formal vote. Over to you.

Q - Inga Beale

Well thank you very much, Dave. I'm very, very keen to receive the support of shareholders today. I would also like to thank you and all of the other NN Supervisory Board members and the Central Works Council who have already shown confidence in me by supporting my nomination. I would so look forward to contributing to NN Group's future. I would feel extremely proud to be associated with an organization that has put people at the very heart of its purpose. Thank you.

A - David Alan Cole {BIO 7251632 <GO>}

Indeed. Thank you, Inga. I note that no questions have been submitted by shareholders in advance of the meeting. Check to see if the virtual participants would like to ask any questions. I see this not the case. Again just a friendly reminder, the voting on the proposal to appoint Inga Beale as a member of the Supervisory Board as included in agenda item 6C is open until the end of this meeting. With that, we'll close this item and move on to the next agenda item.

Item 7, which is a proposal to approve an increase of the variable remuneration caps in special circumstances. Again this is a voting item. The proposal was included in the complication notice on Page 6. Here, I'd like to give the floor again to the Chair of our Remuneration Committee, on Hélène Vletter-van Dort to give an explanation of this item. Hélène?

A - Hélène Maria Vletter-van Dort

Sorry. Sorry, I forgot to put my mic on. Thank you, Dave. I will try to do this again with the mic on. Agenda Item number 7 relates to proposal to approve an increase of the variable

remuneration caps in special circumstances. Actually, it's a continuation of the existing policy, but I'll provide a little bit of background.

The Dutch Financial Supervision Act to the AFT. It contains a restriction on the ratio between fixed and variable remuneration for staff of the NN Group. The act requires that the variable remuneration of employees working within the Netherlands is capped at 20% of fixed remuneration, and the cap is 100% for individuals working outside of the Netherlands. Some of NN's international peers and competitors are subject to less stringent restrictions concerning variable remuneration.

And in particular, NN investment partners -- sorry, NNIP operates in markets outside of the European economic area, and that do not have these local limitations on remuneration. Under the Dutch Financial Supervision Act, NN is permitted to set a cap higher than 100% of fixed remuneration in exceptional circumstances for individuals working outside of The EEA provided at the higher cap is approved by shareholders.

On the 1st of June 2017, the general meeting approved any and all resolutions regarding the increase of the maximum ratio between the fixed and variable components from 100% to 200% for a limited number of employees working in the NNIP business outside of the EEA for performance years up to and including this year.

So 2020 -- last year for 2020. In order to maintain NNIP's competitive position and to minimize any disadvantages in its ability to recruit and retain key employees, Executive Board and the Supervisory Board deemed in the best interest of the company to continue the option to increase the cap up to and including 200% for a limited number of approximately 25 staff members working for NNIP outside the European economic area, primarily the U.S., Asia and the U.K. for each of the performance years 2021, '22 and '23. Remuneration for this specific group of employees will not be increased as a result of this resolution.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you for the explanation, Hélène. I note that no questions have been submitted by shareholders in advance of the meeting. However I see that we have a question now from Mr. Kersten from the Bay. Mr. Kersten, over to you.

Q - Armand Kersten

Thank you very much. Firstly, this has nothing to do with the question I wanted to ask is I'm extremely pleased to see that with Mr. Lelieveld joining the Supervisory Board, given his position with the market house. There is now in any case, also in his person, upping of the cultural wherewithal within the Board, and that is always something that we hide. But on the specific matter of upping the gap, from 100% to 200% for a number of employees. We see that you say it's for approximately 25 employees.

Two questions in that regard. One is, is it in actual factor also 25 employees that -- for whom this arrangement is, in fact, being utilized. Secondly, can you be somewhat more precise as to exactly what type of employees we are talking about. So what jobs are they?

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A - Hélène Maria Vletter-van Dort

My mic is on. My mic is on. Sorry, my mic is on. I hope I'm audible. Yes. Okay. Good. Sorry, Mr. Kersten slightly off-track here. The -- you were asking about, is it indeed 25 employees? Well last year, it was even less. So we're asking for a maximum of 25. So that can be less or more depending -- or less and I mean more than last year. So maximum of 25. Now when it comes to what kind of people, these are investment professionals only. So those are the only people that are -- that this -- and again I explain one is a continuation of the current policy. We're not doing anything new. Does that answer the question?

Q - Armand Kersten

Indeed, it does.

A - Hélène Maria Vletter-van Dort

Thank you.

A - David Alan Cole {BIO 7251632 <GO>}

Thank you for your question and Helene for the answers. I see there are no other questions on this item. So I'll just remind everyone that voting on the proposal to approve an increase in the variable remuneration caps in special circumstances as included in Item 7 is open until the end meeting. With that, we'll move to the next item. Item 8, authority to issue shares and to grant rights to subscribe for the shares, more specifically 8A. Which is a proposal to designate the Executive Board is confident body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares. This is a voting item. This item was included in the complication notice on Page 7. And I'm going to assume that you're familiar with this agenda item, which was also submitted to you in previous years. Given the extensive explanation to this item as included in the complication notice, I assume there's no need for further explanation or to repeat explanation.

I know that no questions have been submitted by shareholders in advance of the meeting. Just quickly check to see if the participating shareholders would like to raise any questions. I see none. So I will remind that the voting on this proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares as an agenda item 8.i [ph] is open until the end of the meeting.

We'll close this item, and we'll move to the next item, which is 8Aii [ph], which is proposed to designate the Executive Board as the company body to resolve to limit or exclude preemptive rights of existing shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares pursuant to agenda Item 8Ai [ph]. Also this is a voting item. This item was explained extensively in the convocation notice on Page 7. I do believe you're familiar with this agenda item, which is as the previous one been submitted to you in previous years.

Therefore, also for this proposal, I won't go into an extensive explanation but referring you to the complication notice. I note that no questions have been submitted by

shareholders in advance of the meeting to see if any of the participating shareholders would like to pause a question. I see that's not the case.

So I'll note the voting on the proposal to designate the Executive Board as the competent body to resolve to limit or exclude preemptive rights of existing shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares pursuant to agenda item 8Ai [ph] as included in agenda item 8A2i [ph] is open until the end of this meeting. So with that, we'll close this item.

We'll move to the next item, which is 8B, which is a proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares by way of a rights issuance. Now this is a voting item. This item was extensively explained in the complication notice on Pages 7 and 8.

And as this agenda item has also been committed to you before, I assume there's no need to further explain or repeat the extensive explanation included in the complication notice. I note that no questions have been submitted by shareholders in advance of the meeting. I check to see if any of the participating shareholders would like to raise a question. I see that's not the case.

Therefore, I just remind that voting on the proposal to designate the Executive Board as the company body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares by way of our rights issue as included in agenda item 8 billion is open until the end of this meeting.

With that, we can move to agenda item 9, which is a proposal to authorize the Executive Board to acquire ordinary shares in the company's share capital. Again this is a voting item. This item was included in complication notice and explained on Page 8. I again refer to the extensive explanation to this agenda item as included in the complication notice and assume there's no need to further explain or repeat this explanation. Also here, no questions have been submitted by shareholders in advance of the meeting. I check to see if the participating shareholders would like to raise a question at this point. I see that's not the case, and we'll note that the voting on the proposal to authorize the Executive Board to acquire ordinary shares in the company's share capital as included in agenda item 9 is open until the end of this meeting.

With that, we can move to item 10, which is a proposal to reduce the issued share capital by cancellation of ordinary shares held by the company. This is a voting item. This item was explained in the communication notice on Page 8, rather extensively. And as the previous proposals has also been submitted to you in previous years. I assume the explanation and the complication notice will service for this. I note that no questions have been submitted by shareholders in advance of the meeting. I see that no questions are now being readied by the participating shareholders. So also here, I'll note that the voting on this proposal to reduce the issued share capital by cancellation of ordinary shares held by the company as included in the agenda item 10, is open until the end of the meeting. With that comment, I also like to note that this was the last voting item on the agenda.

Therefore, in a few moments, we will close the voting. So if you've not yet already cast your votes, please do so now.

(Voting)

So we've closed the voting. We'll share the voting results with you at the end of the meeting, which will come after agenda item 11. I'd like to thank you all very much for your participation and for your voting today. We'll now move to Item 11, any other business. No questions were submitted by shareholders in advance of the meeting. If the virtual -- the participating shareholders would like to ask a question, you can do so now. I see there are no questions. Therefore, we'll close this agenda item, and it's time for us to show you the voting results. Give us just a moment, please. Okay. Here, you can see on the screen the voting results of agenda items 3, 4A and 4C. All 3 agenda items were approved with a significant majority. Thank you very much.

On the next slide, we can see the agenda items 5A and 5B, have also been approved with a significant majority. Once again thank you very much. And now we go to voting item 6A, 6 billion and 6C. And also here, we can see that all items have been approved with a tremendous majority. Thank you very much. And finally, agenda item 7, 8Ai [ph] and 8A2i [ph]. Also, all 3 have been approved. While I said finally, we, of course have one more slide. It's 8B, 9 and 10, where we see that all items have been adopted by the general meeting. And I'd like to express the appreciation of the Supervisory Board and the Management Board for your voting and for the tremendous show of support. That also means, of course it Sicily raise, Rob Lelieveld and Inga Beale, have all been appointed as a member of the Supervisory Board of the NN Group. I'd like to congratulate them on their appointments. Also on behalf of my fellow Supervisory Board members, and I very much look forward to working with you going forward.

As mentioned earlier, I'd also like to come back now to Page Debit from KPMG, and I'd like to take this opportunity to thank him. Peti is joining us today as he indicated, as the last time as our external auditor. It will be succeeded by Dick Kroph, also from KPMG, who will be the ultimate responsible for the external audit of the NN Group as from financial year 2021. Peti personally, I'd like to express our thanks to you for all the work you've done for the NN Group over the past five years. Thank you for the constructive and pleasant working relationship.

Also on behalf of my fellow Supervisory Board of members and particularly on behalf of Hans Hoon, as you know, is the Chair of our Audit Committee. He's informed me how much he has also enjoyed working with you very much over the course of the past five years. So once again thank you very much. Hi hood. Just a few announcements to close the meeting. The draft minutes of this meeting will be published on the company's website within three months. The final voting results will be published on the company's website within a few days. With that, I'd like to thank all of our shareholders on behalf of my colleagues in the Supervisory Board and the Management Board. I'd also like to thank you for attending this virtual Annual General Meeting of the NN Group. Stay safe, stay healthy. Yes. We certainly look forward to seeing you hopefully in person next year. Have a good day.

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