

PDN Remuneration Policy

PDN's remuneration policy applies to two distinct categories:

1. Members of a body of the fund, and the external advisors who are affiliated with one of the fund's bodies for an extended period of time.
2. Outsourcing relationships.

The remuneration policy is based on the following general principles:

- In accordance with the Pensions Act (*Pensioenwet*), the Pensions Act Implementation Decree (*Besluit uitvoering Pensioenwet*), the Code of the Dutch Pension Funds (Code Pensioenfonds), and Regulation (EU) 2019/2088, the fund observes a remuneration policy that does not encourage risk-taking (including sustainability risks) beyond what is acceptable to the fund.
- The remuneration awarded by the fund is in line with the operations, risk profile, objectives, long-term interest, financial stability, and the performance of the fund as a whole.
- The remuneration policy helps to ensure proper, controlled, and effective governance of the fund.
- The amount of remuneration awarded is based on the principle that this amount must be reasonably proportionate to the responsibility which the position entails, the requirements of the position, and the time commitment of the position.
- In principle, the total remuneration per member cannot proportionally exceed the general remuneration limit as stipulated in the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (*Wet normering topinkomens*).
- The Board may periodically reassess the remuneration in this remuneration policy based on, among other things, time commitment and/or an increase in the general remuneration ceiling as stipulated in the *Wet normering topinkomens*.

The Board operates a controlled and sustainable remuneration policy. The level of remuneration awarded is based on the principle that it must be reasonably proportionate to the responsibility which the position entails, the requirements of the position, and the time commitment of the position. There is no performance-related remuneration or severance payment.

Board members, the independent Chairman, members of the Supervisory Board, members of the Accountability Council, and external advisors receive remuneration and/or expense allowances for their work for the fund. PDN does not provide loans to former or current members of the fund's bodies and has no receivables from former or current members of the fund's bodies. PDN has no employees.

The remuneration policy is reviewed and updated at least once every three years. If warranted by a significant change, the remuneration policy will be amended on an interim basis. The remuneration policy can be changed by a Board decision following advice from the Accountability Council and after approval by the Supervisory Board (except for the remuneration relating to the Supervisory Board itself). The remuneration policy was last amended in March 2023.

The Board appoints at least two Board members ('Werkgroep Remuneratie'/Remuneration Working Group'), other than external (expert) Board members, the operational Board members, and/or the independent Chairman, who periodically review the remuneration of the members of the fund's bodies and the remuneration policy annually, advise the Board on the remuneration of the external (expert) Board members, the operational Board members, and/or the independent Chairman, any amendment of the remuneration of the members of the fund's bodies, and amendment of the remuneration policy. In case of changes in the membership of the Remuneration Working Group, the Board strives to ensure that at least one member of the working group stays on for the sake of continuity.

A summary of the remuneration policy is published on the fund's website. A note on remuneration is enclosed in the annual financial statements.