Remuneration Committee update – Spring 2026

Key observations on 2025 remuneration reports

Above historical average salary increases, accompanied by greater disparity in incentive outcomes

- Several sizable salary increases inflate the FY25 average, while overall the salary increases have remained stable compared to FY24. Larger increases were typically in response to market developments and retaining target pay positioning against the market.
- Stakeholders have grown critical of high non-financial outcomes, particularly when financial performance is not delivered. Despite (ex-ante) disclosure of performance measures and their targets, the explanation of "how" targets are set often remains a black box, which can make stakeholders distrustful.
- Notwithstanding the concerns voiced, incentive outcomes on non-financial KPIs were significantly higher than on financials, particularly in the LTI which demonstrates a continuation of observations from previous years.
- The use of RemCo discretion has been limited to a few downwards adjustments in the STI to reflect company-wide circumstances, adjustments to target setting and overall company performance.

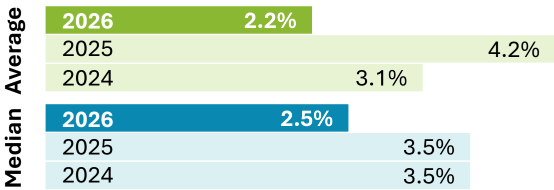
Spotlight on CEO pay developments…

- FY2025 CEO base salary increases were significant although mostly in line with the wider workforce, with some outliers. After years of considerable increases, prospective disclosure for FY2026 suggests a cooling down.
- Pay ratios seem to stabilise in general, however year-on-year developments per company can fluctuate significantly. Compared to last year, average pay ratios have increased (Average = 44 in 2025, 37 in 2024, Median = 27 in 2025, 27 in 2024).

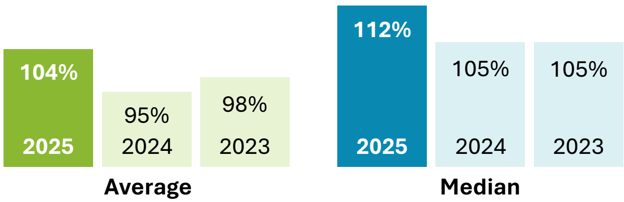
… and Incentive outcomes

- STI payout levels were relatively higher than last year, with above-target payout levels both financial and non-financial KPIs.
- LTI awards made in 2023, the first year after two major disruptions (Covid, Ukraine), demonstrate significantly lower vesting levels than the awards before. This may be driven by ambitious targets, particularly for financial KPIs, resulting in many companies performing substantially below target levels.
- Outcomes are – in line with previous commentary - softened by non-financial KPIs where we note median LTI vesting levels are more than twice as high as for financial KPIs with limited spread in outcomes (nearly 90% of non-financial outcomes are above target).

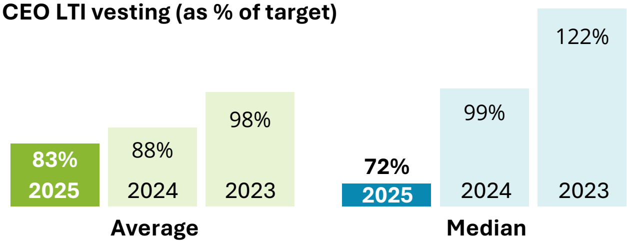
CEO base salary increases



CEO STI payout (as % of target)



CEO LTI vesting (as % of target)



This analysis is based on 42 AEX/AMX/Next20 companies with their legal entity and/or HQ in the Netherlands that have published their remuneration report over FY2025 before March 24, 2026.

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2026 AGM expectations and key remuneration topics

Significant quantum increases surface while more structural changes are kept at bay (for now)

Executive Board – to date, approx. 25% of the companies bring a policy to vote

- Several companies have proposed more drastic EB policy revisions with significant increases in incentive opportunities. While incentive opportunities are increased, no changes to LTI vehicles (such as hybrid LTI plans) are proposed.
- These proposals indicate that RemCos are increasingly willing to make significant, more controversial, increases to remuneration quantum to address international competitiveness concerns and re-align to the target pay positioning.
- The remainder of the proposals mainly focus on further increasing RemCo's flexibility, updating peer group composition and adjusting KPI framework. Notably, some companies are broadening ESG KPIs to encompass wider non-financial KPIs.

Supervisory Board – to date, approx. 25% of the companies bring a policy to vote

- Pressure on SB fees, driven by a sustained increase in time commitment and responsibilities, has led several companies to propose updated SB policies with significant increases to both Annual Retainers and Committee Fees. Some proposals also seek greater flexibility, among others by proposing two-step increases or predetermined increases over the full four-year mandate.
- Most companies are proposing an increase of 5-15% in SB fees (annual retainer and committee fees) to keep up with (international) fee developments in fees . While these steps improve competitiveness of fee levels, the gap to international fee levels (particularly versus the US) remains persistent.

Three hot topics that we look forward working with you on in 2026:

Enhancing (external) credibility in the performance incentive zone for variable compensation

Geopolitical conflicts are prompting RemCos to expand time and resource commitment to target-setting / performance measurement and leverage flexible KPI frameworks to fairly reflect business volatility and strategic priorities. **Our target-setting validation framework** leverages publicly available sources, providing a cost-efficient set of simplified and robust analyses enhancing (external) credibility and stakeholder confidence in the company's remuneration governance.

EU Pay Transparency Directive now really gearing up

In the **run-up to EU PTD transposition** into local legislation, our multi-disciplinary pay transparency team provides end-to-end support to clients, including defining worker cohorts, calculating unadjusted and adjusted pay gaps, developing implementation guides to achieve compliance, designing processes to handle right-to-information requests, building training toolkits for managers and HR teams and producing tailored communication packs for different audiences.

Dutch bonus cap for financial institutions will be potentially removed

The potential lifting of the Dutch bonus cap for all employees except Identified Staff at Dutch financial institutions provides significant room for change. This has **a transformational impact**, enabling a shift from a compliance-driven remuneration design to one tailored to talent and business need. Our team of Legal, Rewards and Tax experts has extensive experience in supporting financial institutions through such reviews.