
Remuneration Report

Extract from pages 70 – 88 of the Wolters Kluwer 2023 Annual Report

Wolters Kluwer N.V.



Remuneration report



Despite challenges, all financial and non-financial targets were met or exceeded.



Jeanette Horan
Co-Chair of the Selection and Remuneration Committee, dealing with remuneration matters

This remuneration report outlines our philosophy and framework for management pay, provides a summary of our remuneration policy, and lays out how the policy was applied in 2023. We discuss how performance drove the outcome for 2023 and how the policy will be applied in 2024.

Letter from the Co-Chair of the Selection and Remuneration Committee

Dear Shareholders,

On behalf of the Supervisory Board, I am pleased to present our 2023 remuneration report, in which we outline our pay-for-performance philosophy and our strategy-linked framework, and provide a summary of our remuneration policy. We explain how performance translated into the remuneration earned for 2023 and set out how the remuneration policy will be applied in 2024.

2023 performance and STIP outcome

In many ways, 2023 saw a continuation of the external conditions that arose the year before, including challenges presented by geopolitical events and macroeconomic conditions. Last year was also a year of significant internal change at Wolters Kluwer, notably the formation of a new fifth division by bringing several business units together and the centralization of key functions such as technology, communication, and finance. These changes were executed well in 2023 and prepare the organization to take advantage of opportunities that lie ahead.

As discussed in the strategic report, the company finished the year 2023 with financial results that were in line with the overall group-level guidance provided at the start of the year. Fundamental to driving these financial results is the strategy of focusing on *expert solutions*, investing in innovation, while continuing to evolve organizational capabilities and driving operational excellence.

Despite the challenges, the company achieved 6% organic growth, resulting in an absolute 2023 revenue achievement in line with target. The adjusted operating profit margin was improved by 30 basis points, which after interest and tax, resulted in a 7% increase in adjusted net profit in constant currencies. Adjusted net profit of €1,119 million was in line with target. Adjusted free cash flow of €1,164 million declined 2% in constant currencies and exceeded the target by 1%.

To provide incentives for advancing our sustainability and ESG performance, the Supervisory Board set targets for three non-financial measures for 2023, which together carried a weight of 10% in the short-term incentive plan (STIP). Employee belonging, the indicator we have chosen to measure our global performance on diversity, equity, and inclusion, increased by 2 points to 75, exceeding the target which was to increase it by 1 point. The second non-financial measure, indexed cybersecurity maturity score, aims to ensure the group maintains security at or above the benchmark for high-tech companies. This target was also exceeded in 2023. The third non-financial measure for 2023, aimed at reducing the environmental impact of our remaining in-house data centers, was a target for on-premise servers decommissioned during the year. On this measure, performance was well ahead of target, and the multi-year program to migrate customers and applications to energy-efficient cloud infrastructure has reached a mature stage.

2021-2023 performance and LTIP outcome

The long-term incentive plan (LTIP) which vested on December 31, 2023, and which will be paid out in February 2024, was the first plan to have started under the remuneration policy adopted by shareholders in 2021. This LTIP was therefore linked to performance on relative total shareholder return, diluted adjusted EPS, and return on invested capital.

Total shareholder return (TSR), including dividends and using a 60-day average share price at the start and at the end of the

Remuneration report continued

three-year period, was 88%. This TSR performance placed Wolters Kluwer in third place ahead of 13 of its TSR peers, which are comprised of comparable publicly listed U.S. and European information and software companies. Over the three-year LTIP period, 2021-2023, the share price rose 86%, very significantly outperforming the broader stock market indices, including the STOXX Europe 600 and the Amsterdam AEX.

For the second measure, diluted adjusted EPS, the compound annual growth rate over the three-year performance period was 12.3% in constant currencies, exceeding the target of 8.3% calculated based on constant currencies for 2023.

For the third measure, return on invested capital (ROIC), the final year ROIC result was 16.9% in constant currencies for 2023 (16.8% in reporting currencies), which exceeded the target of 14.2% in constant currencies.

Performance across these three LTIP measures therefore resulted in above target payout. The realized value also reflects the significant share price appreciation over the period.

Looking ahead: STIP 2024

During the past three years, the Supervisory Board has monitored the effectiveness of the non-financial metrics that have been used in the short-term incentive plan. The Board is of the opinion that these non-financial measures should not only be quantifiable and verifiable, but should also provide the appropriate incentives for the Executive Board to advance important strategic objectives, including sustainability goals.

One of the sustainability goals is to make steady annual progress in building a diverse, equitable, and inclusive culture among the global workforce. Significant progress has been made but we continue to aim to become a leader on this front. Another sustainability goal is to make further progress in reducing our direct greenhouse gas emissions. Here, the server decommissioning measure will be replaced in 2024 with a new goal to provide further incentive to reducing our global office footprint.

With regard to our cybersecurity maturity, we are well-positioned compared to our industry benchmark and the goal is to maintain our maturity score, which in itself requires constant effort and investment.

Looking ahead: LTIP 2024-2026

The LTIP for 2024-2026, which reflects the remuneration policy that was adopted by shareholders in 2021, will again include relative TSR at 50%, diluted adjusted EPS at 30%, and ROIC at 20%.

No changes were made to the TSR peer group in 2023. The Supervisory Board continues to monitor this group given the periodic delistings and mergers that take place in our sector.

The Supervisory Board has set three-year targets for compound annual growth in diluted adjusted EPS and for final year ROIC, applying additional stretch to the underlying financial plan that underpins the strategy. These forward-looking three-year targets are disclosed on [page 85](#).

The 2022 remuneration report received strong shareholder support with over 93% of votes in favor of the report. We trust this 2023 report provides a clear explanation of the drivers of 2023 remuneration and transparent disclosure on future goals and that shareholders can again support this report at our Annual General Meeting of Shareholders on May 8, 2024.

Jeanette Horan

Co-Chair of the Selection and Remuneration Committee, dealing with remuneration matters

→ The 2024 AGM agenda is available at www.wolterskluwer.com/agm

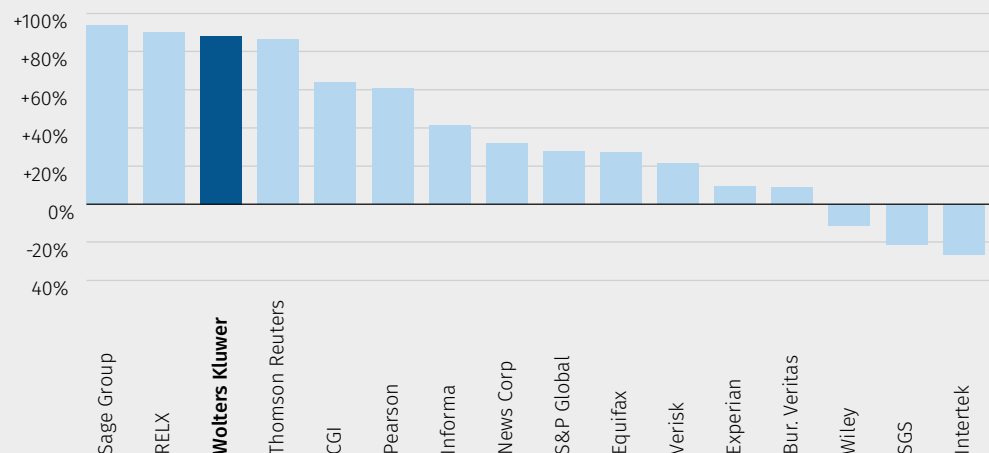
Remuneration at a glance

Summary performance against 2023 STIP targets

Measure	Target	Actual performance	
		Actual	% of target
Financial - in millions of euros			
Revenues	5,605	5,584	100%
Adjusted net profit	1,113	1,119	100%
Adjusted free cash flow	1,151	1,164	101%
Non-financial			
Employee belonging score	+1 point	+2 points	105%
Indexed cybersecurity maturity score	109.4	113.8	110%
Number of on-premise servers decommissioned	600-999	1,542	110%

Financial STIP targets and actual performance are shown in reporting currencies. For details on STIP target outcomes, see [page 80](#).

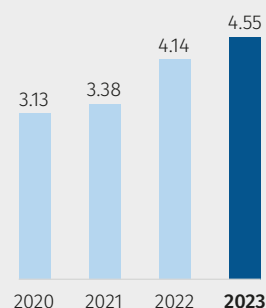
Three-year 2021-2023 total shareholder return (TSR)



Wolters Kluwer achieved **third position** for TSR performance relative to its TSR peers. This ranking determines the number of TSR-related shares awarded at the end of the three-year LTIP period.

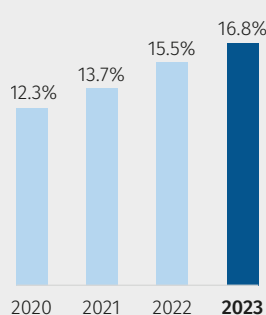
The company uses a 60-day average of the share price at the beginning and the end of each three-year performance period to reduce the influence of potential stock market volatility.

Diluted adjusted EPS CAGR 2021-2023: 12.3% in constant currencies



Target for diluted adjusted EPS CAGR 2021-2023 was 8.3% in constant currencies for 2023.

Return on invested capital 2023: 16.9% in constant currencies



Target for final year ROIC 2023 was 14.2% in constant currencies for 2023.

CEO target and realized pay 2023

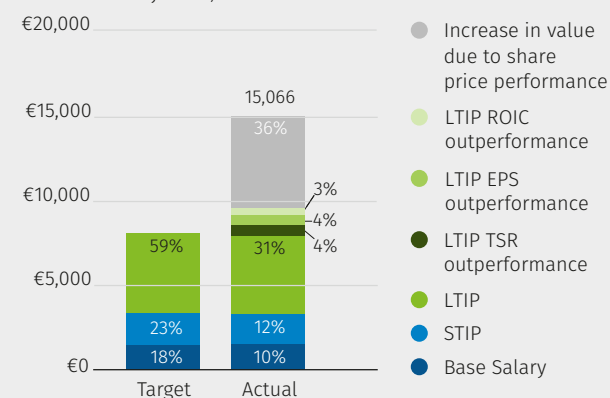
Impact of performance and share price on remuneration

Target pay reflects the number of LTIP shares conditionally awarded for LTIP 2021-2023 valued at the closing share price on December 31, 2020 (€69.06).

Realized actual pay reflects the number of LTIP shares earned valued at the closing share price on December 31, 2023 (€128.70).

The final payout will be valued at the volume-weighted-average share price on February 22, 2024.

in thousands of euros, unless otherwise stated



Remuneration report continued

Our remuneration policy

Below we provide a summary of the Executive Board remuneration policy which was adopted in 2021.

→ The remuneration policy is available at www.wolterskluwer.com/en/investors/governance/policies-and-articles

Key elements of our remuneration policy

Remuneration peer group	The policy provides for a remuneration peer group that is weighted towards European companies at approximately 60%. Current pay peers are shown on page 76 .
STIP performance measures – financial	<p>The policy provides a pre-defined list of financial measures from which the Selection & Remuneration Committee can select. The STIP financial measures have a minimum weighting of 80%. These measures exclude the effect of currency, accounting changes, and changes in scope (acquisitions and divestitures) after the annual budget is finalized. The pre-defined list comprises:</p> <ul style="list-style-type: none"> • Revenues* • Organic growth • Adjusted operating profit • Adjusted operating profit margin • Adjusted net profit* • Adjusted free cash flow* • Cash conversion ratio <p>* These financial measures have been applied for the past few years and will be used in 2024.</p>
STIP performance measures – non-financial	<p>Non-financial measures can include ESG, strategic, or operational metrics, such as employee engagement score, customer satisfaction scores, measures of good corporate governance, operational excellence, and/or environmental impact.</p> <p>The maximum weighting of non-financial measures is 20%. In 2023, the weighting was 10% and included the following three strategically important metrics:</p> <ul style="list-style-type: none"> • Belonging score (a quantified measure of diversity, equity, and inclusion) • Indexed cybersecurity maturity score • Number of on-premise servers decommissioned (reducing carbon footprint) <p>In 2024, the weighting of non-financial measures will be 10%. The environmental measure (servers decommissioned) will be replaced by a percentage reduction in our office footprint.</p>
LTIP performance measures	<p>The policy stipulates the following measures for the LTIP:</p> <ul style="list-style-type: none"> • Relative total shareholder return, weighted at 50% • Diluted adjusted EPS, weighted at 30% • Return on invested capital (ROIC), weighted at 20%
Share ownership and holding requirements	The policy has minimum share ownership requirements: 3x base salary for CEO, 2x base salary for CFO, and a two-year holding period post vesting.

Remuneration report continued

Our remuneration philosophy

Clear alignment between executive rewards and stakeholder interests is central to our Executive Board remuneration policy. We have a robust pay-for-performance philosophy with strong links between rewards and results for both our short-term incentive plan (STIP) and long-term incentive plan (LTIP). Variable remuneration outcomes are aligned to stretch targets that measure performance against Wolters Kluwer's strategic aims. The Supervisory Board has a clearly defined process for setting stretch targets and a framework for decision-making around executive remuneration.

The Selection and Remuneration Committee engages an external remuneration advisor to provide recommendations and information on market practices for remuneration structure and levels. The Committee had extensive discussions, supported by its external advisor, to review the composition and key drivers of remuneration.

We disclose targets, achievements, and resulting pay outcomes for both the STIP and LTIP retrospectively in this report. In addition, we disclose prospective LTIP targets.

The Supervisory Board determines Executive Board remuneration based on principles that demonstrate clear alignment with shareholder and other stakeholder interests. We recognize it is our responsibility to ensure that executive remuneration is closely connected with financial and strategic performance.

Principles of Executive Board remuneration

Board remuneration	Key feature
Pay for performance and strategic progress	<ul style="list-style-type: none"> • Pay is linked to the achievement of key financial and non-financial targets related to our strategy • Over 75% of on-target pay is variable and linked to performance against stretch targets • Short-term incentives are linked to annual targets • Long-term incentives are linked to performance against three-year stretch targets aligned to our strategic plan
Align with long-term stakeholder interests	<ul style="list-style-type: none"> • Policy provides management with incentives to create long-term value for shareholders and other stakeholders through achievement of strategic aims and delivery against financial and non-financial objectives • Majority of incentives are long-term and paid in Wolters Kluwer shares which are subject to two-year post-vesting holding requirements
Be competitive in a global market for talent	<ul style="list-style-type: none"> • On-target pay is aligned with the median of a defined global pay peer group, comprised of competitors and other companies in our sectors that are of comparable size, complexity, business profile, and international scope • TSR peer group companies are additionally screened for financial health, stock price correlation and volatility, and historical TSR performance

Our Executive Board remuneration framework

Our Executive Board remuneration framework comprises the following elements:

Element of remuneration	Key feature	Alignment to strategy and shareholder interests
Base salary	Reviewed annually with reference to pay peer group and increases provided to all employees	Set at a level to attract, motivate, and retain the best talent
STIP	Paid annually in cash; maximum opportunity 175% of base salary (CEO)	Creates incentives to deliver performance against annual financial and non-financial goals
LTIP	Conditional rights on ordinary shares, subject to a three-year vesting schedule and three-year performance targets; maximum opportunity 240% of base salary (CEO)	Creates incentives to deliver financial performance and create long-term value; demonstrates long-term alignment with shareholder interests
Pension	Defined contribution retirement savings plan that is available to all employees in the same country of employment	Provides appropriate retirement savings designed to be competitive in the relevant market
Other benefits	Eligibility for health insurance, life insurance, a car, and participation in any all-employee plans that may be offered in the same country of employment	Designed to be competitive in the relevant market

Remuneration report continued

Linking pay to our strategic goals

The largest component of Executive Board remuneration is variable performance-based incentives. This strengthens the alignment between remuneration and company performance, and reflects the philosophy that Executive Board remuneration should be linked to a strategy for sustainable long-term value creation. Our strategy aims to deliver continued good organic growth and incremental improvement to our adjusted profit margins and return on invested capital, as we seek to drive long-term sustainable value for all stakeholders.

Purpose: deliver impact when it matters most

Our strategic goals

Accelerate Expert Solutions

- Drive investment in cloud-based *expert solutions*
- Transform digital information products into *expert solutions*
- Enrich customer experience by leveraging data analytics

Expand Our Reach

- Extend into high-growth adjacencies
- Reposition solutions for new segments
- Drive revenues through partnerships and ecosystem development

Evolve Core Capabilities

- Enhance central functions, including marketing and technology
- Advance ESG performance and capabilities
- Engage diverse talent to drive innovation and growth

Our values

Focus on customer success

Make it better

Aim high and deliver

Win as a team

Financial and non-financial metrics in short-term incentive plan (STIP) and long-term incentive plan (LTIP)

Executive Board remuneration policy (adopted at the 2021 AGM):

STIP financial measures – pre-defined list of measures:

- Revenues
- Organic growth
- Adjusted operating profit
- Adjusted operating profit margin
- Adjusted net profit
- Adjusted free cash flow
- Cash conversion ratio

STIP non-financial measures:

ESG, strategic, or operational measures, including employee engagement score, customer satisfaction scores, measures of good corporate governance, measures of operational excellence, and measures of environmental impact.

LTIP financial measures:

- Relative total shareholder return
- Diluted adjusted EPS (three-year CAGR)
- Return on invested capital (final year)

For 2024, the STIP financial measures will be the same as in 2023: revenues, adjusted net profit, and adjusted free cash flow. The STIP non-financial measures will be: employee belonging score, indexed cybersecurity maturity score, and a percentage reduction in our global office footprint (square meters).

The number of on-premise servers decommissioned, which was a target in 2023 and prior years, will not be included as a target in 2024 as the progress over the past three years has brought this program to an advanced level of maturity.

Remuneration report continued

Aligning with our risk profile

The Supervisory Board assesses whether variable remuneration might expose the company to risk, taking into consideration our overall risk profile and risk appetite, as described in *Risk management*. We believe that our remuneration policy provides management with good incentives to create long-term value, without increasing our overall risk profile.

Benchmarking against our peers

Pay peer group

We use a pay peer group to benchmark Executive Board pay. This includes direct competitors and other companies in our sectors of comparable size, complexity, business profile, and international scope. It is made up of companies based in Europe and North America to reflect where Executive Board members most likely would be recruited to or from. The pay peer group includes 9 North American and 14 European companies, making it approximately 60% European. The most comparable businesses in Europe are companies in the Application Software and IT Consulting & Services sectors. In benchmarking pay against the pay peer group, the value of share-based remuneration is standardized to ensure a like-for-like comparison.

In 2023, the pay peer group consisted of the companies shown in the table on the right. Companies included in the TSR peer group are marked 'TSR'.

TSR peer group

The TSR peer group consists of 15 companies that are used as the comparator group to determine relative TSR performance, which is one of the measures used in the LTIP. The TSR peer group is comprised of digital information, software, and services businesses.

In case of the delisting or merger of a TSR peer group company, the Supervisory Board will carefully consider an appropriate replacement that meets strict pre-determined criteria. These criteria include industry, geographic focus, size, financial health, share price correlation and volatility, and historical TSR performance.

The TSR peer group is a sub-set of the pay peer group, with the exception of Wiley and CGI which are not in the pay peer group.

Pay and TSR peer groups

North American comparators	European comparators
CGI ^{1,4} 	Atos
Equifax 	Bureau Veritas 
Gartner ²	Capgemini
Gen Digital ³	Clarivate ⁵
Intuit	Dassault Systèmes
MSCI	Experian 
News Corporation 	Informa 
S&P Global 	Intertek Group 
Thomson Reuters 	Pearson 
Verisk Analytics 	RELX 
Wiley ⁴ 	SGS 
	Teleperformance
	Temenos
	The Sage Group 


1 CGI Inc replaced IHS Markit plc in the TSR peer group after the latter was acquired by S&P Global in 2022.

2 Gartner Inc replaced Nielsen Holdings Inc which was delisted in October 2022.

3 Gen Digital Inc was formerly named NortonLifeLock which merged with Avast in 2022.

4 CGI and Wiley (John Wiley & Sons) are included in the TSR peer group but not in the pay peer group.

5 Clarivate plc replaced IHS Markit plc in the pay peer group after the latter was acquired by S&P Global in 2022.

 Companies that are included in the TSR peer group.

Remuneration report continued

The process for setting targets for the LTIP starts with our company strategy, which is generally formulated every three years, and our three-year financial plan, which is updated annually. The Vision & Strategy Plan (VSP) generates a three-year forecast based on organic development of the existing business. This plan is reviewed and approved by the Supervisory Board.

For LTIP remuneration targets, this forecast is augmented with anticipated, value-creating management initiatives not accounted for in the financial plan to give realistic but stretched targets that the Supervisory Board feels will maximize the full potential of the organization. Assumptions for management initiatives are made based on historical patterns and forward-looking strategic plans. Typical management initiatives are acquisitions, divestitures, restructuring, and share buybacks (including shares repurchased under our Anti-Dilution Policy). All targets, apart from relative TSR, are based on constant currency rates and consistently applied accounting standards and policies.

The Supervisory Board compares the stretch targets against external benchmarks, where available, to ensure they represent a challenging performance in our sector and against other peers. The stretch targets are also tested for sensitivity to various input factors.

Use of discretion in determining variable remuneration

Under Dutch law, the Supervisory Board has the discretionary authority to amend Executive Board payouts, as determined by actual performance against pre-set targets, if they are considered unreasonable or unfair in relation to stakeholders' interests.

The Supervisory Board annually assesses the impact of certain management actions, or external events or circumstances, on results during the performance period, and may use its discretion to adjust for these actions or events. Such actions, events, or circumstances include, but are not limited to, the impact of restructuring, acquisitions, divestments, and share buybacks beyond that anticipated in the target-setting process. External events considered could include economic recession, changes in tax rates, and other events unforeseen in the target-setting process.

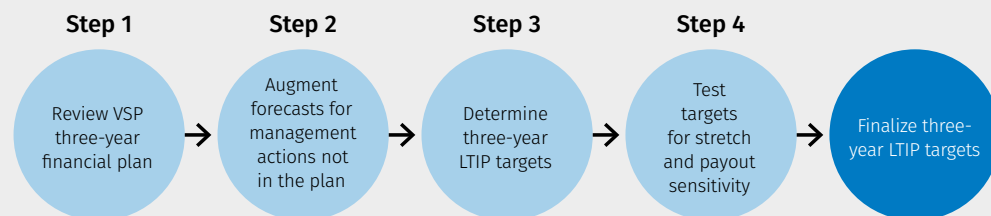
Variable remuneration can be clawed back after payout if the payout was based on incorrect information.

Setting targets for long-term incentive plan measures

The Supervisory Board uses a rigorous process to set stretch targets for the Executive Board.

Process for setting targets for long-term incentive plan measures

The financial plan that is part of our three-year Vision & Strategy Plan (VSP) is the starting point for target setting. This plan is augmented with assumptions around management actions to arrive at realistic stretch targets.



Remuneration report continued

Implementation of remuneration policy in 2023

This section outlines the implementation of the remuneration policy for Executive Board members in 2023, in line with the remuneration policy and the remuneration framework discussed above. It also describes how the performance measures were applied in 2023.

For the performance period ending in 2023, remuneration was in accordance with the remuneration policy adopted in 2021. There were no deviations from the remuneration policy, nor from the governance process in the execution of the policy. The Supervisory Board carried out a performance-driven scenario analysis when determining the structure and level of Executive Board remuneration for 2023, as shown on [page 86](#).

The Supervisory Board is of the view that management achieved strong results and delivered for customers, despite geopolitical and macroeconomic challenges faced during the STIP and LTIP performance periods.

2023 STIP financial targets for revenues and adjusted net profit were met, while the STIP target for adjusted free cash flow was slightly exceeded. All three non-financial STIP targets were exceeded. The formulaic outcome will result in cash annual STIP payments of €1,880,643 for the CEO and €854,521 for the CFO.

Three-year performance on total shareholder return (TSR), CAGR in diluted adjusted EPS, and final-year ROIC were all ahead of target. The performance and shares to be paid out for the LTIP 2021-2023 are discussed under *Long-term incentive plans*.

Remuneration of the Executive Board – IFRS based

<i>in thousands of euros, unless otherwise stated</i>	Fixed remuneration				Variable remuneration		Sub-total	Proportion fixed/variable	Tax-related costs ⁵	Total
	Base salary	Social security ⁶	Pension contribution	Other benefits ³	STIP	LTIP ⁴				
2023										
N. McKinstry ¹	1,499	236	104	193	1,881	4,439	8,352	24%/76%	27	8,379
K.B. Entricken ²	809	11	76	207	855	1,868	3,826	29%/71%	(486)	3,340
Total	2,308	247	180	400	2,736	6,307	12,178	26%/74%	(459)	11,719
2022										
N. McKinstry	1,460	101	102	194	1,958	4,616	8,431	22%/78%	(530)	7,901
K.B. Entricken	800	22	74	191	860	1,789	3,736	29%/71%	5	3,741
Total	2,260	123	176	385	2,818	6,405	12,167	24%/76%	(525)	11,642

¹ In 2023, Ms. McKinstry's base salary was \$1,557,000 (€1,498,667). The 2023 STIP payout is calculated on a U.S. dollar denominated equivalent of total salary as: \$1,557,000 x 130.57% (\$2,032,975 equivalent to €1,880,643).

² The 2023 STIP payout of Mr. Entricken is calculated on a U.S.-dollar-denominated equivalent of total base salary as: \$875,000 x 105.57% (\$923,738 equivalent to €854,521).

³ Executive Board members are eligible to receive benefits such as health insurance, life insurance, a car, and to participate in any plans offered to all employees at any given time.

⁴ LTIP share-based payments are based on IFRS accounting standards and therefore do not reflect the actual payout or value of performance shares released upon vesting.

⁵ Tax-related costs are costs to the company pertaining to the Executive Board members ex-patriate assignments. The 2023 tax-related cost changes for Ms. McKinstry were mainly due to time worked in the Netherlands and the U.S. and a reduction in the hypothetical tax collected by the company as a result of a residency change in 2023. For Mr. Entricken, the changes are a result of reduced time spent in the Netherlands in 2023 and a roll-forward of tax credits from the previous year.

⁶ Changes in the social security costs for Ms. McKinstry are a result of being a full-year participant in the U.S. social system in 2023.

Remuneration report continued

Base salary 2023

The Supervisory Board approved an increase of 3.9% in base salary for the CEO and CFO for 2023. This was below the budgeted 4.4% salary increase for Wolters Kluwer employees globally.

Short-term incentive plan 2023

The STIP provides Executive Board members with a cash incentive for the achievement of specific annual targets for a set of financial and non-financial performance measures determined at the start of the year. The STIP payout as a percentage of base salary for on-target performance is shown in the table below, with the minimum threshold for payout and the maximum payout in the case of overperformance. There is no payout if performance is less than 90% of the STIP target. Payout is capped at performance that is 110% or more than the STIP target. The STIP payout percentages have remained unchanged since 2007.

Payout of STIP variable remuneration takes place only after assurance by the external auditor of the financial statements, including the financial KPIs on which the financial STIP targets are based.

STIP percentage payout scenarios for 2023

	Minimum payout (% of base salary)	Minimum threshold: no payout if performance is below (% of target)	Target payout (% of base salary)	Maximum payout (% of base salary)	Maximum payout if performance is above (% of target)
CEO	0%	< 90%	125%	175%	≥110%
CFO	0%	< 90%	100%	150%	≥110%

Remuneration report continued

The 2023 STIP performance measures and actual performance compared to targets and the resulting STIP payout are listed in the table below. STIP performance measures are determined by the Supervisory Board and reflect the key performance indicators (KPIs) on which the company reports and that are important measures of the successful execution of our strategy.

Payouts for performance against 2023 STIP targets

in millions of euros, unless otherwise stated

Performance measures	Weighting (A)	Performance targets			Actual performance		STIP outcomes			
		Minimum	Target	Maximum	Performance	As % of target	N. McKinstry		K.B. Entricken	
							Payout, % of base salary (B)	Weighted (A)x(B)	Payout, % of base salary	Weighted (A)x(C)
2023										
Financial										
Revenues	34.0%	5,044	5,605	6,165	5,584	100%	125%	42.5%	100%	34.0%
Adjusted net profit	28.0%	1,002	1,113	1,225	1,119	100%	125%	35.0%	100%	28.0%
Adjusted free cash flow	28.0%	1,036	1,151	1,266	1,164	101%	130%	36.4%	105%	29.4%
Non-financial										
Employee belonging score ¹	3.33%	Maintain	+1 point	+3 or more points	+2 points	105%	150%	5.0%	125%	4.2%
Indexed cybersecurity maturity score ²	3.33%	103.1	109.4	113.4	113.8	110%	175%	5.8%	150%	5.0%
Number of on-premise servers decommissioned ³	3.34%	275-399	600-999	1,200+	1,542	110%	175%	5.8%	150%	5.0%
Total payout as % of base salary								130.6%	105.6%	

¹ Employee belonging score: performance targets are relative to 2022 score.

² Cybersecurity maturity score is indexed to 2020 = 100.0. Performance targets are set to create incentives to maintain security at or above the benchmark for high-tech companies.

³ Number of on-premise servers decommissioned: performance targets are for absolute number of servers decommissioned.

Remuneration report continued

Long-term incentive plans

The LTIP provides Executive Board members conditional rights on shares (performance shares). The plan aims to align the organization and its management with the strategic goals of the company and, in doing so, reward the creation of long-term value. The total number of shares that Executive Board members receive depends on the achievement of pre-determined performance conditions at the end of a three-year performance period.

Payout of the performance shares at the end of the three-year performance period will take place only after verification by the external auditor of the achievement of the TSR, EPS, and ROIC targets.

Under the previous remuneration policy in effect before 2021, the performance measures for the LTIP 2020-2022 were total shareholder return (TSR) and CAGR in diluted EPS. The current remuneration policy, adopted in 2021, uses three performance measures: total shareholder return, CAGR in diluted adjusted EPS, and return on invested capital, described below.

Total shareholder return

TSR objectively measures the company's financial performance and assesses its sustainable long-term value creation as compared to other companies in our TSR peer group. It is calculated based on the share price change over the three-year period and assumes ordinary dividends are reinvested. By using a three-year performance period, there is a clear link between remuneration and sustainable long-term value creation. The company uses a 60-day average of the share price at the beginning and end of each three-year performance period to reduce the influence of potential stock market volatility.

Wolters Kluwer's TSR performance compared to the peer group determines the number of conditionally awarded TSR-related shares vested at the end of the three-year performance period. These incentive zones are in line with best-practice recommendations for the governance of long-term incentive plans.

TSR performance ranking payout percentages

Position	Payout as % of conditional shares awarded for on-target performance
1-2	150%
3-4	125%
5-6	100%
7-8	75%
9-10	0%
11-12	0%
13-14	0%
15-16	0%

Diluted adjusted earnings per share and return on invested capital

Executive Board members can earn 0%-150% of the number of conditionally awarded EPS- or ROIC-related shares, depending on Wolters Kluwer's performance compared to targets set for the three-year performance period.

The Supervisory Board determines the exact targets for the EPS- and ROIC-related shares for each three-year performance period at the start of the period. The EPS and ROIC targets are based on performance in constant currencies to exclude the effect of currency movements over which the Executive Board has no control. In addition, diluted adjusted EPS and ROIC performance are based on consistently applied accounting standards and policies. Using EPS and ROIC as performance measures for LTIP facilitates strong alignment with the successful execution of our strategy to generate long-term shareholder value.

Diluted adjusted EPS and ROIC performance incentive table

Achievement	Payout %
Less than 50% of target	None
On target	100%
Overachievement of target	Up to 150%

Remuneration report continued

Performance against LTIP targets for the 2020-2022 and 2021-2023 performance periods

LTIP measure	Weighting	Target	Achievement	Payout %
Period 2021-2023				Vesting
TSR	50%	Position 5-6	Position 3	125%
Diluted adjusted EPS	30%	CAGR of 8.3%	12.3%	150%
ROIC	20%	Final year 14.2%	16.9%	150%
Period 2020-2022*				Vesting
TSR	50%	Position 5-6	Position 3	125%
Diluted EPS*	50%	CAGR of 10.8%	15.9%	150%

* LTIP 2020-2022 was based on the former remuneration policy, which used TSR and diluted EPS. For calculation purposes, we use the definition of diluted EPS that can be found in the *Glossary*.

Performance against LTIP targets in constant currencies for the two most recent LTIP performance periods are provided in the table above. Targets have been recalculated for 2023 constant currencies, and therefore differ from targets stated in 2022 Annual Report.

Vested LTIP plans

LTIP vesting for the performance period 2021-2023

The LTIP 2021-2023 vested on December 31, 2023. Vested LTIP 2021-2023 shares will be released on February 22, 2024. The volume-weighted-average price for the shares released will be based on the average exchange price traded at Euronext Amsterdam on February 22, 2024, the first day following the company's publication of its annual results.

Conditional share awards vested for the period 2021-2023

<i>number of shares, unless otherwise stated</i>	Outstanding at December 31, 2023	Additional conditional number of TSR shares (25%)	Additional conditional number of EPS shares (50%)	Additional conditional number of ROIC shares (50%)	Vested/payout February 21, 2024	Estimated cash value of payout* (in thousands of euros)*
N. McKinstry	66,970	9,655	8,506	5,671	90,802	11,686
K.B. Entricken	26,533	3,825	3,370	2,247	35,975	4,630
Total	93,503	13,480	11,876	7,918	126,777	16,316
Senior management	303,256	37,944	45,564	30,408	417,172	53,690
Total	396,759	51,424	57,440	38,326	543,949	70,006

* Estimated cash value calculated as the number of shares vested multiplied by the closing share price on December 31, 2023 (€128.70).

LTIP vesting for the performance period 2020-2022

The LTIP 2020-2022 vested on December 31, 2022. A total number of 535,063 shares were released on February 23, 2023. On that day, the volume-weighted-average price of Wolters Kluwer N.V. was €109.9098. The number of shares vested and the cash equivalent are shown below.

LTIP: shares vested for the performance period 2020-2022

<i>number of shares, unless otherwise stated</i>	Outstanding at December 31, 2022	Additional conditional number of TSR-shares (25%)	Additional conditional number of EPS-shares (50%)	Vested/payout February 23, 2023	Cash value of vested shares*
N. McKinstry	80,741	12,064	16,243	109,048	11,985
K.B. Entricken	29,320	4,381	5,899	39,600	4,352
Total	110,061	16,445	22,142	148,648	16,338
Senior management	280,967	35,139	70,309	386,415	42,471
Total	391,028	51,584	92,451	535,063	58,809

* Cash value in thousands of euros; calculated as the number of shares vested multiplied by the volume-weighted-average price on February 23, 2023.

Remuneration report continued

Conditionally awarded shares

This section provides information on the conditional share awards under the outstanding (in-flight) LTIPs for Executive Board members and other senior management.

LTIP awards 2022-2024 and 2023-2025

The Executive Board members and other senior management have been conditionally awarded the following number of shares based on a 100% payout, subject to the conditions of the LTIP grants for 2022-2024 and 2023-2025:

Conditional LTIP share awards for performance periods 2022-2024 and 2023-2025

number of shares at 100% payout	Conditionally awarded ROIC- and EPS-based shares		Conditionally awarded ROIC- and EPS-based shares		Total conditionally awarded shares
	LTIP 2023-2025	LTIP 2023-2025	LTIP 2022-2024	LTIP 2022-2024	
					December 31, 2023
N. McKinstry	26,504	19,934	23,129	16,955	86,522
K.B. Entricken	12,092	9,095	9,925	7,276	38,388
Total	38,596	29,029	33,054	24,231	124,910
Senior management*	135,296	134,789	113,099	113,096	496,280
Total	173,892	163,818	146,153	137,327	621,190

* Remuneration of senior management consists of a base salary, STIP, and LTIP, and is based on the achievement of specific objective targets linked to creating value for shareholders, such as revenues and profit performance. The LTIP targets and payout schedule for senior management are similar to those for the Executive Board.

Key assumptions for LTIP 2022-2024 and LTIP 2023-2025

Fair values for LTIP shares are provided in the table below. In the benchmarking process, the fair value of share-based remuneration is standardized to ensure a like-for-like comparison to peer companies.

	LTIP 2023-2025	LTIP 2022-2024
Fair values		
Fair value of EPS and ROIC shares at grant date (in €)	91.37	97.82
Fair value of TSR shares at grant date (in €)	68.72	71.71
TSR shares – key assumptions		
Share price at grant date (in €)	97.76	103.60
Expected volatility	23.7%	21.2%

The fair value of TSR shares is calculated at the grant date using the Monte Carlo model. For the TSR shares granted in the LTIP 2023-2025, the fair value is estimated to be €68.72 as of January 1, 2023. The inputs to the valuation were the Wolters Kluwer share price of €97.76 on the grant date (January 1, 2023) and an expected volatility of 23.7% based on historical daily prices over the three years prior to January 1, 2023. Dividends are assumed to increase annually based on historical trends and management plans. The model assumes a contractual life of three years and uses the risk-free rate on Dutch three-year government bonds.

Proposed remuneration approach for 2024

This section describes arrangements that will be put into place for 2024, in line with the remuneration policy as adopted at the April 2021 AGM.

Base salary

The Supervisory Board approved a regular increase in base salary for the CEO and CFO of 3.4%, which is less than the overall budgeted 2024 salary increase of 4.0% for Wolters Kluwer employees globally.

Remuneration report continued

Short-term incentive plan 2024

For both the CEO and CFO, the STIP percentage payout scenarios for 2024 will be the same as in 2023. See table on [page 86](#).

According to the remuneration policy, the Supervisory Board can annually select measures from a pre-defined list of financial measures, providing flexibility for the Supervisory Board and transparency for stakeholders.

A full list of financial measures is provided in the summary table at the front of this remuneration report. The financial measures carry a weight of at least 80% under the remuneration policy adopted in 2021. The Supervisory Board has selected the following measures from the list for 2024:

Financial performance measures for STIP 2024

Measure	Weighting	How performance is calculated
Revenues	34%	STIP financial targets are based on the annual budget which assumes development of the existing business. In calculating STIP performance results, the effect of changes in currency and accounting standards is excluded.
Adjusted net profit	28%	
Adjusted free cash flow	28%	
Total weighting of STIP financial measures	90%	

Non-financial performance measures for STIP 2024

The non-financial measures relate to ESG, strategic, or operational priorities. The policy sets the maximum weight for these non-financial measures at 20% of the STIP. In 2024, the weight will be set at 10% with each measure equal-weighted and separately assessed. The measures will apply equally to the CEO and CFO and have been cascaded down to all executives.

In 2024, the following three strategically relevant, quantifiable, and verifiable non-financial STIP measures will be applied.

Non-financial performance measures for 2024

Objective	Measure	Weighting	Description of target and how it is measured
Workforce diversity and employee engagement	Belonging score	3.33%	The annual target aims to achieve an improvement in our overall belonging score. Belonging measures the extent to which employees believe they can bring their authentic selves to work and be accepted for who they are. The score (on a scale of 0-100) is determined by an independent third party (2023: Microsoft Glint).
Secure systems and processes	Indexed cybersecurity maturity score	3.33%	The annual target is based on a company-wide program designed to maintain cybersecurity at or above the industry standard benchmark for high-tech companies. The cybersecurity maturity score is assessed annually by a third party, based on the National Institute of Standards and Technology (NIST) framework. The minimum payout requires the score to be maintained in line with the industry standard for high-tech companies.
Reduction in office footprint	Square meters of office footprint	3.34%	The annual target aims to achieve a reduction in our office footprint and thereby a reduction in our scope 1 and 2 emissions. The targets are based on programs managed by our global real estate team. The target and outcome are on an underlying basis excluding the impact of acquisitions and divestitures.
Total weighting of STIP non-financial measures		10.0%	

Disclosure of STIP targets

The Supervisory Board does not disclose STIP targets in advance due to their commercial sensitivity. In response to shareholder requests for greater transparency, we have disclosed STIP targets retrospectively in this report.

Remuneration report continued

Long-term incentive plan 2024-2026

Conditional LTIP grants under the remuneration policy approved in 2021

The CEO's target remuneration has historically been positioned in line with the median of the pay peer group. However, having listened to shareholder concerns about the quantum of CEO remuneration, we proposed as part of the remuneration policy adopted in 2021, in consultation with the CEO, to reduce the maximum award of conditional shares from 285% to 240% of base salary over a two-year period. This change took place in two steps (265% for 2021 and 240% for 2022) and effectively reduced the CEO's target remuneration by about 10%.

The CFO's target conditional award is 200% of base salary.

Wolters Kluwer uses the fair value method for calculating the number of conditional performance shares to be awarded.

For the LTIP 2024-2026 cycle, in accordance with the policy adopted by shareholders at the 2021 AGM, the Supervisory Board will maintain TSR, measured against 15 peers, as an LTIP measure with a weighting of 50% of the value of the LTIP. In addition, the Supervisory Board will keep diluted adjusted EPS at 30% of the value and ROIC at 20%. These measures were selected based on investor feedback and the Supervisory Board's continued desire to provide incentives for management to drive sustainable long-term value creation.

Prospective disclosure of LTIP targets

We committed to disclose the LTIP targets prospectively (in addition to continuing retrospective disclosure of LTIP targets) upon adoption of the remuneration policy by shareholders at the 2021 AGM. For plans reflecting this policy, targets are provided below.

LTIP Measure	Weighting	Target in constant currencies
Period 2024-2026		
TSR	50%	Position 5-6
Diluted adjusted EPS	30%	CAGR of 10.0%
ROIC	20%	Final year ROIC of 20.7%
Period 2023-2025		
TSR	50%	Position 5-6
Diluted adjusted EPS	30%	CAGR of 10.9%
ROIC	20%	Final year ROIC of 19.2%
Period 2022-2024		
TSR	50%	Position 5-6
Diluted adjusted EPS	30%	CAGR of 9.3%
ROIC	20%	Final year ROIC of 16.6%

EPS and ROIC targets are stated in constant currencies for the first year of each three-year LTIP period.

Conditional LTIP grants 2024-2026

In accordance with the commitment of the Supervisory Board in 2021 upon adoption of the remuneration policy, the LTIP target level for the 2024-2026 performance period will be 240% of base salary for the CEO. The target level for the CFO is 200% of base salary.

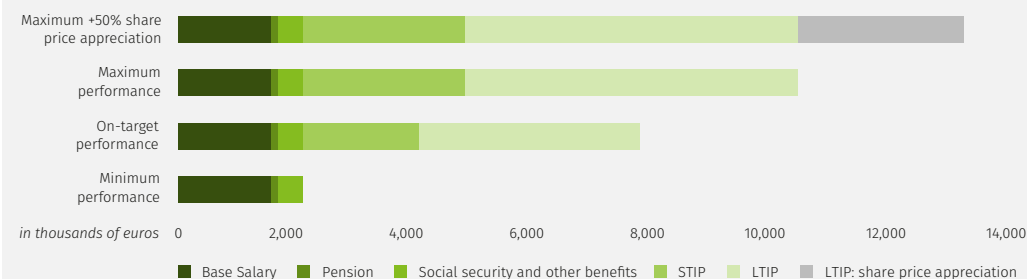
The number of shares conditionally awarded at the start of the performance period is computed by dividing the amount, as calculated above, by the fair value of a conditionally awarded share at the start of the performance period. As the fair value of TSR-related shares can be different from the fair value of EPS- and ROIC-related shares, the number of conditionally awarded TSR-related shares can deviate from the aggregate number of conditionally awarded EPS- and ROIC-related shares.

Remuneration report continued

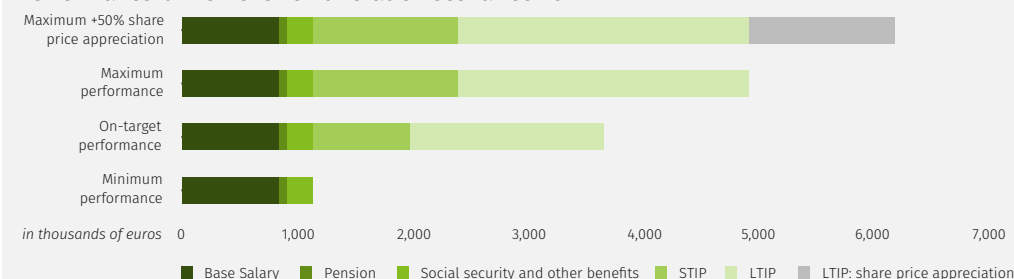
Performance-driven remuneration scenarios 2024

Proposed remuneration for 2024 retains a high proportion of performance-driven pay for CEO and CFO.

Performance-driven CEO remuneration scenarios 2024



Performance-driven CFO remuneration scenarios 2024



Share ownership and holding requirements

According to our remuneration policy, the CEO is required to own Wolters Kluwer shares valued at three times base salary, with other Executive Board members required to hold shares valued at twice base salary. Our current Executive Board members continue to be in compliance with this ownership requirement with their personal shareholdings in Wolters Kluwer N.V.

Shares owned by Executive Board members

<i>number of shares, unless otherwise stated</i>	Actual ownership as multiple of base salary (as at December 31, 2023)*	Actual ownership as multiple of base salary (as at December 31, 2022)*	December 31, 2023	December 31, 2022
N. McKinstry	32.0x	24.9x	372,131	372,131
K.B. Entricken	6.4x	4.9x	40,036	40,036

* Number of Wolters Kluwer N.V. shares held at December 31 multiplied by the Wolters Kluwer N.V. share price on that date, divided by base salary.

In addition to these ownership requirements, according to the remuneration policy, performance shares (net of any income taxes due on vesting) are subject to a two-year holding period requirement, as provided in the Dutch Corporate Governance Code. This two-year holding period applies to the LTIP 2021-2023 and later plans and extends the total required retention period to five years including the three-year performance and vesting period.

If the Executive Board member is eligible for a company-sponsored deferral program and chooses to participate by deferring LTIP proceeds upon vesting, the maximum amount that can be deferred is 50% of the vested value. The remaining vested value in shares (net of taxes) is subject to the two-year holding period requirement.

CEO pay ratio

The pay ratio, obtained by dividing the total 2023 remuneration for the CEO by the average of the total 2023 remuneration of all employees worldwide, was 77 (2022: 78, restated as temporary staff and contractors are no longer reported within employee benefit expenses). For this purpose, the total CEO remuneration is based on the remuneration costs as stated in the table *Remuneration of the Executive Board – IFRS based*, minus tax-related costs. The average employee remuneration is obtained by dividing the total 2023 employee benefit expenses as stated in *Note 12 – Employee benefit expenses* (after subtracting the CEO's remuneration), by the reported average number of full-time employees (minus one). As such, both the total CEO remuneration (minus tax-related costs) and the average total employee benefit expenses of all employees (minus the CEO's remuneration) are based on IFRS accounting standards. The difference between the 2022 and 2023 pay ratios was due to a stable average pay per employee in 2023, while the CEO's total remuneration (minus tax-related costs) was lower in 2023. The decline in CEO total remuneration was mainly due to a lower total variable pay. In prior years, the pay ratio was reported as 87 (2021); 79 (2020); 81 (2019), and 84 (2018).

Remuneration report continued

Other information

The company does not grant any personal loans, guarantees, or the like to Executive Board or Supervisory Board members.

Supervisory Board remuneration

A revised Supervisory Board remuneration policy was adopted at the 2020 AGM. The Supervisory Board had reviewed its own remuneration and established the new policy on the recommendation of the Selection and Remuneration Committee. According to this policy, the remuneration for the Supervisory Board aims to attract and retain high-caliber individuals with the relevant skills and experience to guide the development and execution of company strategy and facilitate sustainable long-term value creation. The same policy, with language improvement to provide clarity on the selection of comparator group companies, will be submitted to the 2024 AGM for adoption.

Supervisory Board remuneration is not tied to company performance and therefore includes fixed remuneration only. In exceptional circumstances, ad-hoc committees may be established, for which the Chair and members may receive pro-rated remuneration at the level of the Audit Committee fee, capped at five times the annual fee of the Audit Committee. Resolutions are always taken by the full Supervisory Board.

The Supervisory Board seeks advice from an independent external remuneration advisor.

Supervisory Board remuneration

<i>in thousands of euros</i>	Member Selection and Remuneration Committee	Member Audit Committee	2023	2022	2021
A.E. Ziegler, Chair, Former Vice-Chair	Co-Chair		169	139	102
B.J.F. Bodson			29	85	82
J.P. de Kreijl, Vice-Chair		Chair	127	120	94
J.A. Horan	Co-Chair		94	99	91
S. Vandebroek		Yes	105	110	93
C.F.H.H. Vogelzang		Yes	100	100	88
H.H. Kersten	Yes		96	68	–
Former Supervisory Board members					
F.J.G.M. Cremers, Former Chair	Former Co-Chair		–	45	128
Total			720	766	678

Supervisory Board members' fees

The table below shows the fee schedule for Supervisory Board members, including the remuneration for 2024 that will be proposed to the 2024 Annual General Meeting of Shareholders.

For 2024, it is proposed to increase the member fee by €5,000; all other annual fees remain unchanged.

The fees are in line with the Supervisory Board remuneration policy which was adopted in 2020 by the AGM with 99.11% of votes in favor and the updated remuneration policy which will be submitted for adoption at the 2024 Annual General Meeting of Shareholders. The updated policy will be published in the 2024 agenda.

Supervisory Board members' fees

<i>in euros</i>	Proposed annual fee 2024	Annual fee 2023	Annual fee 2022
Chair	130,000	130,000	130,000
Vice-Chair	95,000	95,000	95,000
Members	80,000	75,000	75,000
Chair Audit Committee	25,000	25,000	25,000
Members Audit Committee	18,000	18,000	18,000
Chair Selection and Remuneration Committee	20,000*	20,000*	20,000*
Members Selection and Remuneration Committee	14,000	14,000	14,000
Travel allowance for intercontinental travel	5,000 per meeting	5,000 per meeting	5,000 per meeting
Fixed cost reimbursement	1,500	1,500	1,500

* Due to the Co-Chair arrangement, each Co-Chair receives €17,000.

Shares owned by Supervisory Board members

At December 31, 2023, Ms. Ziegler held 1,894 American Depositary Receipts (each Depositary Receipt represents one ordinary Wolters Kluwer share) (2022: 1,894). None of the other Supervisory Board members held shares in Wolters Kluwer (2022: none).

Remuneration report continued

Shareholder voting at Annual General Meeting

The following table sets out the voting results in respect of resolutions relating to remuneration at the Annual General Meeting of Shareholders held on May 10, 2023.

Shareholder voting outcomes at the 2023 AGM

Resolution		% of votes for	% of votes against	votes withheld
2022 Remuneration report	Advisory	93.66%	6.34%	2,448,733

Five-year overview of annual changes in remuneration (IFRS-based)

The table below provides an overview of Executive Board remuneration, Supervisory Board remuneration, company performance, and average employee remuneration for the past five years.

<i>in thousands of euros, unless otherwise stated</i>	2023	2022 ⁸	2021 [*]	2020 [*]	2019 [*]
Executive Board remuneration					
N. McKinstry	8,379	7,901	9,377	7,512	8,089
Change (in %)	6.0	(15.7)	24.8	(7.1)	71.2
K.B. Entricken	3,340	3,741	3,404	4,132	4,589
Change (in %)	(10.7)	9.9	(17.6)	(10.0)	15.7
Supervisory Board remuneration**					
F.J.G.M. Cremers (appointed 2017), Former Chair ¹	–	45	128	128	114
A.E. Ziegler (appointed 2017), Chair, Former Vice-Chair ²	169	139	102	102	95
B.J.F. Bodson (appointed 2019) ³	29	85	82	72	22
J.A. Horan (appointed 2016)	94	99	91	96	100
H.H. Kersten (appointed 2022)	96	68	–	–	–
J.P. de Kreij (appointed 2020), Vice-Chair ⁴	127	120	94	92	–
S. Vandebroek (appointed 2020)	105	110	93	61	–
C.F.H.H. Vogelzang (appointed 2019)	100	100	88	88	58
R.D. Hoofst Graafland ⁵	–	–	–	34	97
F.M. Russo ⁶	–	–	–	–	97
B.J. Angelici ⁷	–	–	–	–	20

in thousands of euros, unless otherwise stated

	2023	2022 ⁸	2021 [*]	2020 [*]	2019 [*]
B.J. Noteboom ⁷	–	–	–	–	25
Company performance					
Organic growth (in %)	5.8	6.2	5.7	1.7	4.3
Adjusted operating profit margin (in %)	26.4	26.1	25.3	24.4	23.6
Year-end closing share price (€)	128.70	97.76	103.60	69.06	65.02
Share price change (in %)	32	(6)	50	6	26
Total shareholder return (in %)	34	(4)	52	8	28
Average remuneration on a full-time equivalent basis of employees					
Employee benefit expenses per FTE, excluding CEO	107.9	107.7	99.7	98.6	97.6

* The Executive Board remuneration for the years 2019 to 2021 has been restated to include tax-related costs.

** Members of the Supervisory Board are independent from the company. Their remuneration is not tied to Wolters Kluwer's performance and therefore includes fixed remuneration only.

¹ Retired after the 2022 AGM.

² Succeeded Mr. Cremers as Chair after the 2022 AGM.

³ Mr. Bodson's appointment was effective September 1, 2019. Mr. Bodson retired after the 2023 AGM.

⁴ Mr. de Kreij succeeded Ms. Ziegler as Vice-Chair after the 2022 AGM.

⁵ Retired after the 2020 AGM.

⁶ Retired per year-end 2019.

⁷ Retired after the 2019 AGM.

⁸ Employee benefit expenses per FTE, excluding CEO, are restated for 2022 as temporary staff and contractors are no longer reported within employee benefit expenses.