

# REMUNERATION REPORT

## Remuneration Committee

### Key objectives

To advise on the Management Board remuneration policy and its execution, and to prepare the Supervisory Board's decision-making.

### Responsibilities

The responsibilities of the Remuneration Committee include:

- Providing advice to the Supervisory Board on:
  - the determination of the policy on remuneration of the Management Board;
  - the total remuneration packages for the members of the Management Board;
  - the remuneration of the members of the Supervisory Board;
- Preparing the annual remuneration report;
- Overseeing remuneration policies and practices, including total variable remuneration paid to Van Lanschot Kempen employees, significant<sup>1</sup> individual variable remuneration, and individual variable remuneration to all identified staff.

The committee held four meetings in 2021.

### Composition

Chair  
Bernadette Langius



### Members

Karin Bergstein  
Frans Blom  
Jeanine Helthuis<sup>2</sup>

## Letter from the Chair of the Remuneration Committee

### Dear shareholder,

As Chair of the Remuneration Committee, I'm pleased to present Van Lanschot Kempen's remuneration report. This report is guided by requirements originating from the updated EU Shareholder Rights Directive (SRD II).

This report includes both a summary of our Management Board and Supervisory Board remuneration policies and our annual report on remuneration, which sets out how our policy was applied during 2021, and how it will be applied in 2022. On 28 May 2020, the annual general meeting (AGM) approved the remuneration policies for the Management Board with a majority of 93.7% of the votes cast and for the Supervisory Board with 100% of the votes cast.

The 2020 remuneration report was approved by the AGM (advisory vote) with a majority of 99.35% of the votes cast. There was no specific follow-up given the outcome of this vote. We did not receive any substantive comments on the 2020 remuneration report. The 2021 remuneration report will be subject to an advisory vote at our AGM on 25 May 2022.

### Alignment with our strategic framework

Van Lanschot Kempen is a specialist, independent wealth manager with a banking licence. This leads to specific challenges from a remuneration perspective, especially within the Dutch regulatory context.

We compete with large financial institutions in our sectors. We strongly believe that our future success requires a robust Management Board with a proven track record in wealth management and related investment banking activities, while experience in digitalisation and advanced analytics is also key. As a consequence, the remuneration of the Management Board members should be such that Van Lanschot Kempen is able to attract and retain the necessary talent, which includes future board members from highly specialist wealth management and technology firms. Moreover, the Management Board's remuneration package must be structured to fit properly within the Dutch context.

### Remuneration principles remained unchanged in 2021

We believe in rewarding long-term sustainable performance to help achieve our long-term strategy. This is reflected in our Management Board remuneration policy. Since 2015, this consists of fixed remuneration only (no variable remuneration) and includes a large proportion in depositary receipts for

<sup>1</sup> More than 50% of fixed remuneration.

<sup>2</sup> Until 27 May 2021.

shares (hereinafter: shares), with a five-year lock-up period, in combination with share ownership guidelines.<sup>3</sup> This creates a strong focus on long-term value creation.

In compliance with the law under which SRD II has been implemented in the Netherlands, certain textual additions have been made to the Management and Supervisory Board remuneration policy to explain our remuneration approach. These were approved at our 2020 AGM. The remuneration structure for the Management and Supervisory Boards remained unchanged in 2021.

### Total remuneration in 2021

We review total remuneration for the Management Board periodically, taking into account internal and external perspectives. When adopting the Management Board remuneration package, we consider pay ratios within the company and remuneration policies in place across the wider workforce. Moreover, the Remuneration Committee takes note of individual Management Board members' views regarding the amount and structure of their own remuneration.

In line with the Management Board remuneration policy approved by shareholders, the Supervisory Board indexed the fixed remuneration of the members of the Management Board. The indexation was applied on 1 January and 1 October 2021, in line with the wider workforce. The indexation amounted to 0.75% in January and 0.49% in October, and was maximised by the derived Consumer Price Index (CPI) applicable over 2020.

For more information about the Management Board's remuneration package and pay ratios, see "Remuneration of the Management Board in 2021" on page 88.

### Performance management

The Supervisory Board assesses and challenges the performance of the Management Board based on a set of financial and non-financial key performance indicators (KPIs). These KPIs are strongly aligned with KPIs for the rest of the organisation, and reflect both the interests of its stakeholders and its ambitions as a wealth manager. In assessing the performance of the Management Board, great value is attached to their performance as a team. This is the starting point of the performance assessment, given the company's integrated wealth management model. If the performance of a Management Board member is consistently under par, the Supervisory Board may dismiss the responsible Board member (after consulting the general meeting).

### Stakeholder engagement

We take stakeholders' views very seriously and welcome an open dialogue on all aspects of remuneration. In preparation for the 2020 AGM, a delegation from the Remuneration Committee of the Supervisory Board consulted with a large cross-section of the company's shareholder base, proxy advisers, the Works Council, various client groups and Dutch political parties. At these meetings, an explanation was given about SRD II; the Management and Supervisory Board remuneration policy; the Supervisory Board's view on rewarding long-term sustainable performance; and the Dutch context, such as the Dutch law on remuneration of financial undertakings, and the Dutch Corporate Governance and Banking Codes.

The dialogue with stakeholders was very constructive. Gaining their views on executive pay in general, and Van Lanschot Kempen's remuneration policy in particular, was very valuable.

### Looking ahead to 2022

The remuneration policy for the Management and Supervisory Boards will remain unchanged in 2022.

's-Hertogenbosch, the Netherlands, 23 February 2022

### Remuneration Committee



Bernadette Langius, Chair

<sup>3</sup> Management Board members must hold Van Lanschot Kempen shares with a value equal to or above the cash portion of two years' gross salary (for as long as they remain in office). They can gradually meet this requirement over the years.

## Our approach to remuneration: rewarding long-term sustainable performance

Our purpose is the preservation and creation of wealth, in a sustainable way, for our clients and the society we serve.

As a company, we believe that the generation of wealth and its redistribution through taxation are critical to the process of creating and maintaining stable, successful societies. Given that social cohesion necessitates such wealth creation, we believe that wealth management cannot be the preserve of a few but is a necessity for all. We create wealth, economic growth, jobs and tax income via our services to entrepreneurs, as well as contributing to the realisation of societal goals via the preservation and creation of wealth for asset owners, including private individuals and pension funds.

We believe that wealth is not just about financial assets; essential as these may be, wealth is about all the things that we value in life. In a broader sense, wealth represents the collective wisdom of a society and the cultural norms and values that sustain it. Although our primary objective is to help our clients with the financial aspects of wealth, we endeavour to serve their broader objectives as well.

We serve clients across the social spectrum and in several segments – Private Clients, Wholesale & Institutional Clients and Investment Banking Clients – as a trusted partner, and assist them in preserving and creating wealth sustainably. Investing for the long term is no longer just about looking for the greatest returns by a future date; it's also about ensuring the liveability of the planet for the generations to come. We believe that serving the long-term interests of our clients helps create a platform for sustainable investing and societal stability.

This view is reflected in our approach to remuneration. The remuneration of the Management Board consists of fixed remuneration only, and includes a large proportion in Van Lanschot Kempen shares (with a five-year lock-up period), creating a strong focus on the long-term continuity of the company and subsequent strong client relations.

### WE BELIEVE IN:

#### Focusing on the long term

Variable remuneration is scrutinised in Dutch society, especially in the financial sector. The use of variable remuneration can lead to a focus on short-term performance. As we believe in rewarding long-term sustainable performance, we ended all variable remuneration for the Management Board in 2015. Since then, we have only paid fixed remuneration to the Management Board.

#### Rewarding sustainable performance

We pay out a substantial proportion of fixed remuneration in shares to ensure our Board members focus on long-term, sustainable performance. To maximise this effect, these shares are subject to a five-year lock-up period (during which the shares cannot be sold).

#### Creating a sense of ownership

We believe in aligning our interests with those of our shareholders through a high level of personal share ownership. Our share ownership guidelines stipulate that Management Board members must hold Van Lanschot Kempen shares with a value equal to or above the cash portion of two years of their gross salary (for as long as they remain in office). If the share price is not performing, the Board members must keep increasing their holdings.

#### Performance management

The Supervisory Board assesses and challenges the performance of the Management Board based on a set of financial and non-financial KPIs. In assessing the Management Board's performance, great value is attached to their performance as a team. The Supervisory Board evaluates both the performance of the Management Board as a whole and that of the individual Management Board members on an annual basis. Performance discussions are held with the individual members. The Management Board also annually evaluates its own functioning as a whole and that of its individual members. If an individual Management Board member underperforms, they are held accountable. If no improvement is realised, the Management Board member can be dismissed by the Supervisory Board at any time (after consulting the annual general meeting).

Van Lanschot Kempen has developed a set of KPIs focusing on long-term value creation. These financial and non-financial KPIs reflect both the interests of stakeholders and our ambitions as a wealth manager. They are in line with the company's values and will be reassessed from time to time. The KPIs that are relevant from a strategy and stakeholder perspective are disclosed in the sections about our value creation per type of capital on pages 26-44. These KPIs are also applicable to the members of the Management Board. Van Lanschot Kempen aims for the KPIs and performance management applicable to the Management Board to be fully aligned with the rest of the organisation.

## Our remuneration policy at a glance

The remuneration policy for members of Van Lanschot Kempen's Management Board was approved and adopted by the AGM on 28 May 2020, and applied from that date.

Our remuneration policy aims to ensure a balanced, sustainable and competitive remuneration package. The key features of our remuneration policy are as follows:

	Purpose	Operation
<b>Fixed salary – cash</b>	To reflect the scale and complexity of our company, enabling us to attract and retain the highest calibre talent needed to continue the company's growth	Fixed salary in cash, paid during the year in 12 instalments, taking into account the following factors: <ul style="list-style-type: none"> <li>– Level of skill, experience and scope of responsibilities;</li> <li>– Business performance, scarcity of talent, economic climate and market conditions;</li> <li>– Developments elsewhere within Van Lanschot Kempen, including pay ratios;</li> <li>– Developments in our external comparator groups (which are used for reference purposes only).</li> </ul>
<b>Fixed salary – shares</b>	To reflect the scale and complexity of our company, enabling us to attract and retain the highest-calibre talent needed; to align rewards with long-term sustainable performance; and to align the interests of the Management Board with shareholders	Fixed salary in shares, paid in one instalment: <ul style="list-style-type: none"> <li>– A lock-up period of five years applies to these shares.</li> </ul>
<b>Indexation</b>	To compensate for inflationary pressure on real wages	The remuneration of the Management Board can be increased annually at the discretion of the Supervisory Board. The indexation is maximised by: i) the general increase granted to the wider workforce; and ii) the derived CPI applicable over the previous year. It will only be applied if: i) the overall performance of the Management Board member is (at least) on target; and ii) it can be justified by the financial performance of the company. The indexation is granted fully in cash.
<b>Share ownership guidelines</b>	To align the interests of the Management Board with those of shareholders	Management Board members must hold Van Lanschot Kempen shares with a value equal to or above the cash portion of two years' gross salary (for as long as they remain in office). They can gradually meet this requirement over the years. If the share price is not performing, the Management Board members must keep increasing their holdings.
<b>Pension and disability insurance</b>	To secure income after retirement or in case of disability	<ul style="list-style-type: none"> <li>– The members of the Management Board are responsible for their own pension provision, towards which they receive a fixed cash payment of 30% of their fixed remuneration. This percentage is in line with our reference market.</li> <li>– They also receive a payment of 2.59% of their fixed remuneration for taking out disability insurance.</li> <li>– There are no early retirement schemes for Management Board members.</li> <li>– We monitor external developments regarding alignment between executive pensions and broader employee pension arrangements, and the possible impact that these may have in the Netherlands.</li> </ul>

## Remuneration of the Management Board in 2021

In 2021, there were two Management Board appointments. Erik van Houwelingen was appointed as a member of the Management Board by the AGM on 27 May 2021. He has been Chair of Kempen Capital Management NV since November 2020 and is responsible for Investment Strategies & Solutions. His compensation is in line with the Management Board remuneration policy.

On 22 September 2021, Maarten Edixhoven was appointed as member and Chair of the Management Board by the extraordinary general meeting (EGM), effective 1 October 2021. His remuneration package is in line with the Management Board remuneration policy, as approved by the AGM on 28 May 2020. The main elements of the agreement for services between Maarten Edixhoven and Van Lanschot Kempen are specified in Appendix 3 to the agenda of the EGM. His remuneration consists of fixed remuneration only. This fixed remuneration is paid partly in cash and partly in depositary receipts for shares in Van Lanschot Kempen with a lock-up period. This aligns the Management Board members' interests with those of the shareholders.

The Supervisory Board indexed the fixed remuneration of the members of the Management Board. The indexation was applied on 1 January and 1 October 2021 (in line with the wider workforce). The indexation amounted to 0.75% in January and 0.49% in October, and was maximised by the derived CPI applicable over 2020. It was granted fully in cash, in accordance with the Management Board remuneration policy. The remuneration paid to the Management Board in 2021 and 2020 is presented in the table on the following page.

Total remuneration of the individual members of the Management Board in 2021<sup>4</sup> (€1,000)

	Maarten Edixhoven (from 1 October 2021)		Karl Guha* (until 1 October 2021)		Constant Korthout		Arjan Huisman		Richard Bruens		Erik van Houwelingen <sup>^</sup>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Fixed salary in cash	201	—	601	730	456	415	456	415	456	415	456	—
Fixed salary in shares <sup>5</sup>	97	—	291	388	312	312	312	312	312	312	312	—
Sign-on payment in cash	250	—	—	—	—	—	—	—	—	—	—	—
Sign-on payment in shares	100	—	—	—	—	—	—	—	—	—	—	—
<b>Total fixed salary</b>	<b>648</b>	<b>—</b>	<b>892</b>	<b>1,118</b>	<b>768</b>	<b>727</b>	<b>768</b>	<b>727</b>	<b>768</b>	<b>727</b>	<b>768</b>	<b>—</b>
Pension and disability insurance	97	—	291	381	251	246	251	246	251	246	251	—
<b>Total remuneration<sup>6</sup></b>	<b>745</b>	<b>—</b>	<b>1,183</b>	<b>1,499</b>	<b>1,019</b>	<b>973</b>	<b>1,019</b>	<b>973</b>	<b>1,019</b>	<b>973</b>	<b>1,019</b>	<b>—</b>

In response to the Covid-19 pandemic, the members of the Management Board decided to take a 10% pay cut on the cash component of their 2020 compensation on a voluntary basis, from 1 May until the end of 2020.

### Compliance with our remuneration policy

We have continued to ensure that decisions on Management Board remuneration are made in accordance with our policy, as approved by our shareholders and in the context of developments inside and outside Van Lanschot Kempen. We have not made use of any discretion when applying the policy, except for using the indexation clause for the Management Board.

### Total remuneration management

We review total remuneration for the Management Board periodically, taking into account internal and external considerations.

### Internal pay ratios, fairness and wider workforce considerations

When adopting the Management Board remuneration package, we consider pay ratios within the company – attaching importance to the need for a sound pay ratio. The development of the pay ratio is discussed annually with the Works Council.

A comparison of the CEO's remuneration package and the average labour cost<sup>7</sup> of an employee within Van Lanschot Kempen results in a pay ratio of 11:1, the same as in 2020. Trade unions apply the rule of thumb that the pay ratio should be a maximum of 20:1.

As part of the review of Management Board remuneration, we take into account the remuneration policies in place across the wider workforce. This includes considering the structure of remuneration packages at each level of the business to ensure there is a strong rationale for how these evolve across the different levels of the organisation. For more detailed information on Management Board remuneration versus remuneration for the wider workforce (as well as company

performance), see "Supplementary disclosure related to Management Board remuneration" on page 90.

### External considerations

We periodically assess the remuneration levels of the Management Board versus external market levels. For this purpose, we use a well-balanced, focused group of companies, which reflects our talent market for Management Board positions. This serves as one of many checks in the determination of remuneration levels.

We are convinced that market capitalisation does not drive talent. Our talent market is much broader than that of our direct competitors. This is evidenced by our current Management Board members, who were consistently hired from top-notch larger firms. The relevant market includes both financial services companies and non-financial industry companies, both Dutch and international, and companies that are similar to and larger in size than Van Lanschot Kempen. The relative size of the company versus our competitors drives the need to attract better people than the competition. Prompted by our business strategy, we are willing to pay for the best people in the market. Typically, this talent comes from companies that are larger than ours.

Our external reference market consists of the following types of company:

- **Specialist wealth management companies:** We are a (highly) specialist company and need to be able to attract specialists to further grow the business. As there are no other standalone specialist wealth management companies of comparable size in the Netherlands, we look at companies active in Western Europe. We take into account standalone companies, broadly comparable in terms of number of employees and type of professional setting.
- **Dutch banks:** Although not all of the country's banks are directly comparable in terms of activities and size, these companies are subject to the same regulatory framework and are part of the same public debate.

<sup>4</sup> To be able to make a comparison between 2021 and 2020, the same definition of total remuneration (total fixed salary plus pension and disability insurance) has been used. Business expenses have not been included.

<sup>5</sup> Expenses (in €1,000) recognised under IFRS-EU accounting for Van Lanschot Kempen shares differ due to treatment under IFRS 2. For 2021, expenses under IFRS for Maarten Edixhoven amounted to €219, for Karl Guha to €324 (2020: €432), for Constant Korthout to €348 (2020: €348), for Arjan Huisman to €348 (2020: €348), for Richard Bruens to €348 (2020: €348), and for Erik van Houwelingen to €348. A proportion of fixed salary is paid in the form of Van Lanschot Kempen shares. Maarten Edixhoven received 7,985 shares, Karl Guha received 13,556 shares (2020: 19,456) while the other members of the Management Board each received 14,565 shares (2020: 15,677). The number of shares granted is based on the average share price for the first four trading days in January. For Maarten Edixhoven, it is based on the first four trading days in the month of joining Van Lanschot Kempen (October). For 2021, the average share price amounted to €21.44 in January (2020: €19.92) and €24.66 in October. IFRS takes the share price at grant date as the basis for recognition. This price also amounted to €21.44 in 2021 (2020: €19.92).

<sup>6</sup> Expenses recognised under IFRS-EU accounting for total remuneration differ due to treatment under IFRS 2. For 2021, expenses under IFRS for Maarten Edixhoven amounted to €863 (including a buy-out of €200 of which €95 is recognised under IFRS), for Karl Guha to €1,216 up to 1 October 2021 (2020: €1,543), for Constant Korthout to €1,055 (2020: €1,009), for Arjan Huisman to €1,055 (2020: €1,009), for Richard Bruens to €1,055 (2020: €1,009), and for Erik van Houwelingen to €1,055.

<sup>7</sup> The average labour cost is calculated by dividing total staff costs (excluding costs for redundancy, mobility, training and other staff costs) by the average number of FTEs working for Van Lanschot Kempen.

\* Karl Guha resigned as Chairman of the Management Board on 1 October 2021. He received remuneration under the same conditions for the remainder of 2021. Expenses recognised under IFRS-EU accounting for total remuneration differ due to treatment under IFRS 2. For 2021, expenses under IFRS for Karl Guha amounted to €1,620 (2020: €1,543).

<sup>^</sup> Remuneration reported as of 1 January 2021; Erik van Houwelingen was appointed as a member of the Management Board on 27 May 2021.

- **Other Dutch companies:** Although other banks and specialist wealth management companies are important from a talent market perspective, our talent pool does not only consist of financial services companies. For example, in pursuing our wealth management strategy, professional qualifications are key – including the ability to adapt to technological changes. Because of this, our peer group also consists of other, non-financial Dutch companies. These companies are larger than ours, reflecting our experience that talent suitable for our Management Board is likely to be attracted (and lost) to larger companies.

The peer group is in line with requirements as laid down in the Dutch Banking Code. This code prescribes that the peer group should be composed of comparable positions both inside and outside the financial industry, including the relevant international context. If we change our remuneration policy in the future, we will also review our Management Board peer group. The composition of the peer group currently is set out in the table below.

Management Board peer group		
Specialist wealth management companies	Dutch banks	Other Dutch companies
BIL	ABN AMRO	Aegon
Degroef Petercam	ING Groep	ASML
Julius Bär	NIBC Bank	Boskalis Westminster
Quintet	Rabobank	DSM
Lombard Odier		KPN
Vontobel		NN Group
		Vopak

As for the Management Board's overall total remuneration level, the objective is to remain competitive and to occupy a position below the median of the peer group. When establishing more specific positioning against market data, we take into account that some of the companies are substantially larger than ours. As a result, the current remuneration packages of our Management Board members occupy a position far below the median of the peer group.

Following feedback from stakeholders, in 2019 we asked Willis Towers Watson (WTW) to update the market assessment for the Management Board. No changes were made in the companies selected, but we asked WTW to benchmark one level deeper in the organisation for the larger firms in the peer group (at similar job levels). This means that our CEO was compared with positions that report to the CEO (CEO-1 level); for the other Management Board positions, divisional heads were included that report to CEO-1 level (i.e. CEO-2 level). As these positions do not have formal board responsibilities, a standard board premium (in line with market practice) was applied to the base salary levels. Based on this updated analysis, we found that the CEO and CFO are still placed below median market levels (in the 40<sup>th</sup> percentile for the CEO and 44<sup>th</sup> percentile for the CFO), while the other Management Board members are placed at median market levels.

### Management Board performance

As indicated in our approach to remuneration, the performance of the Management Board is assessed based on non-financial and financial KPIs. For 2021, the following KPIs (selected from a strategic and stakeholder perspective) were included in the KPIs of the Management Board. For a comprehensive overview of the Management Board KPIs, see the sections about our value creation per type of capital on pages 26-44.

	KPIs	Targets	Performance in 2021 <sup>8</sup>	Supervisory Board assessment 2021
<b>Financial</b>	CET 1 ratio	15-17%	23.7%	●
	Return on equity (CET 1)	10-12%	15.7%	●
	Efficiency ratio	70-72%	68.9%	●
<b>Non-financial</b>	Net Promoter Score (NPS)			
	a. Private Clients	10	36	●
	b. Evi	10	15	●
	c. Wholesale & Institutional Clients	20	38	●
	Employer Net Promoter Score (eNPS)	> 10	13	●

● KPI more than achieved   ● KPI achieved   ● KPI almost achieved   ● KPI not achieved   ● KPI far from achieved

In addition to these, the members of the Management Board had KPIs regarding the level of operating expenses, run-rate revenue per client segment, active involvement in relevant M&A opportunities and risk appetite.

<sup>8</sup> Van Lanschot Kempen set its targets for 2023. The 2021 targets differ from the 2023 targets because of the annual development towards these future goals.



## Supplementary disclosure related to Management Board remuneration

Annual change in Management Board remuneration versus wider workforce and company performance <sup>9</sup>						
	2021	2020	2019	2018	2017	2016
CEO remuneration (€1,000) <sup>10</sup>	1,576	1,499	1,538	1,538	1,229	1,194
Other Management Board members' remuneration <sup>10</sup> (€1,000)	1,019	973	994	994	795	772
Average employee remuneration (€1,000) <sup>11</sup>	149	140	131	139	130	122
Underlying net profit (€ million)	159.9	51.0	108.8	103.0	112.3	81.3

In response to the Covid-19 pandemic, the members of the Management Board decided to take a 10% pay cut on the cash component of their 2020 compensation on a voluntary basis, from 1 May until the end of 2020.

Number of shares held by Management Board members in 2021				
	At 1 January 2021	Bought/awarded	Sold/post-employment	At 31 December 2021
Maarten Edixhoven (from 1 October 2021)	—	4,947	—	4,947
Karl Guha (until 1 October 2021)	75,777	11,199	—	86,976
Constant Korthout	71,756	9,024	—	80,780
Arjan Huisman	51,369	9,024	—	60,393
Richard Bruens	67,718	9,024	—	76,742
Erik van Houwelingen	15,870	9,024	—	24,894
<b>Total</b>	<b>282,490</b>	<b>52,242</b>	<b>—</b>	<b>334,732</b>

At 31 December 2021, the members of the Management Board held no options for shares.

No advances or guarantees have been granted to members of the Management Board. No impairments or write-offs have occurred on loans granted to Management Board members.

Loans to Management Board members are only granted within the scope of normal operations and in keeping with conditions laid down in the financial services regulations for directors of Van Lanschot Kempen, subject to the approval of the Remuneration Committee.

Loans to Management Board members at 31 December 2021 (€1,000)				
	At 31 December 2021	Repaid in the year	Interest range	Type
Maarten Edixhoven	—	—	—	—
Constant Korthout	675	—	1.25-1.70%	Mortgage
Arjan Huisman	—	—	—	—
Richard Bruens	2,369	29	1.40-1.90%	Mortgage
Erik van Houwelingen	2,015	10	1.45-2.10%	Mortgage
<b>Total</b>	<b>5,059</b>	<b>39</b>		

<sup>9</sup> The Dutch implementation of SRD II requires disclosure of the compensation of the Supervisory Board members in a way that allows comparison. The members of the Supervisory Board received fixed remuneration during the years covered by the table above, ranging from €60,000 (lowest full-time amount in 2016) to €127,000 (highest full-time amount in 2019). They are not entitled to any variable remuneration. For more information, see "Remuneration of the Supervisory Board in 2021".

<sup>10</sup> Total remuneration awarded. In the case of the 2021 figures: Karl Guha's remuneration is reported up to 1 October. From 1 October, Maarten Edixhoven's remuneration is reported (excluding sign-on payment).

<sup>11</sup> As of 2020, an FTE equals 40 working hours for all employees, instead of 36 hours for some employees, as previously. This adjustment had an impact of around 40 FTEs as of 1 January 2020.

## Remuneration of the Supervisory Board in 2021

The remuneration policy for members of the Supervisory Board was adopted by the AGM on 28 May 2020 and applied from that date. The remuneration of the Supervisory Board is summarised in the tables below.

Remuneration of the Supervisory Board	Chair	Vice-Chair	Member
Supervisory Board	€90,000	€70,000	€60,000
Audit and Compliance Committee	€15,000		€10,000
Risk Committee	€15,000		€10,000
Remuneration Committee	€10,000		€7,000
Selection and Appointment Committee	€10,000		€6,000

Remuneration of the Supervisory Board in 2021 (€1,000)		
	2021	2020
Frans Blom	111	96
Manfred Schepers	95	95
Jeanine Helthuis (until 27 May 2021)	35	83
Bernadette Langius	80	80
Maarten Muller	76	75
Lex van Overmeire	85	85
Karin Bergstein (from 28 May 2020)	77	40
Brigitte Boone (from 22 September 2021)	19	—

No share-based remuneration, loans, advances or guarantees have been granted to the members of the Supervisory Board.

The Supervisory Board peer group is composed of Dutch banks and Dutch listed companies that operate a two-tier board structure. As a specialist wealth manager in the financial sector, Van Lanschot Kempen wants to be able to appoint and retain high-quality Supervisory Board members. If we change our remuneration policy in the future, we will also review our Supervisory Board peer group.

Supervisory Board peer group		
Dutch banks	Dutch companies with a two-tier board structure	
ABN AMRO	Aegon	KPN
ING Groep	Ahold Delhaize	NN Group
NIBC Bank	Akzo Nobel	Philips
Rabobank	ASML Holding	Randstad Holding
	Boskalis Westminster	SBM Offshore
	DSM	Vopak
	Heineken	Wolters Kluwer

## Remuneration of other employees

We aim to provide a remuneration package for all employees that is competitive and fair. Our remuneration policy for other employees is in line with our strategy and purpose, and contributes to long-term value creation.

### Fixed remuneration

Employees' fixed remuneration reflects their relevant work experience and organisational responsibilities. In 2019, we implemented a new job and career framework that consistently links the weight of each job to a pay line. The pay lines are based on external market data and are differentiated to ensure we pay competitive salaries across the organisation. The pay lines are fully transparent, promote better pay-for-performance focus, and have been set up with clear guidelines on pay-related decisions and governance.

### Equal pay

Van Lanschot Kempen operates a merit-based remuneration policy, seeking not to discriminate on the basis of gender, age, nationality, social status or cultural background. We periodically investigate this and, if necessary, make adjustments to equalise pay. In 2021, we further analysed the gender pay gap at different levels in the organisation to determine whether there are any unexplained differences. As a result, we concluded that our unexplained (corrected) gender pay gap is under 4%. While there is work to be done to correct this, it compares favourably with the average pay gap in the Netherlands of 5.5% and the average within Dutch financial institutions of 13%.

### Variable remuneration

Our variable remuneration policies cover all employees (excluding the members of the Management Board). Each individual grant is subject to meeting the criteria as described in this section.

Our variable remuneration policies comply with all relevant laws and regulations. The average variable remuneration of all Van Lanschot Kempen employees who work (largely) in the Netherlands does not exceed 20% of their fixed remuneration. However, for a small number of employees, we may grant variable remuneration of up to 100% of fixed remuneration. These deviations require separate approval from the Supervisory Board.

### Variable remuneration funding

The Management Board annually establishes a variable remuneration pool, from which individual variable remuneration awards are made. The size of the pool (or the pool funding) depends on achievement of financial and non-financial KPIs, and is subject to Supervisory Board approval. Once the size of the variable remuneration pool has been established, the Management Board decides how the pool will be allocated.

### Variable remuneration allocation

The individual allocation of variable remuneration depends on individual performance, market competitiveness and special factors.

Individual performance is measured by assessing the achievement of KPIs, as set at the beginning of the year. These indicators can be financial and non-financial, with some departments applying only non-financial criteria. For the departments that use both financial and non-financial indicators, at least 50% of the allocation of any variable remuneration is based on non-financial criteria, such as showing the desired professional behaviour, improving client satisfaction, developing new products or solutions for clients, and improving internal processes, policies or systems. The financial performance indicators include nothing that might encourage irresponsible risk-taking.



Variable remuneration is only awarded if:

- Van Lanschot Kempen's financial position allows;
- It is justified by the performance of Van Lanschot Kempen, the relevant client segment and the individual employee;
- Van Lanschot Kempen meets the prevailing buffer requirements under the EU's Capital Requirements Regulation (CRR), the Dutch Financial Supervision Act (Wft) and its implementing legislation;
- The risks taken have been reassessed and no material risks have occurred that were not expected or factored in;
- The employee has received a good performance assessment, has met compliance targets, has not been subject to disciplinary measures, and has not taken any risks that fall outside Van Lanschot Kempen's accepted risk appetite.

#### Variable remuneration pay-out

Variable remuneration up to €50,000 gross is paid out in cash directly. Above this amount, 50% of any variable remuneration is paid out directly, whereas the other 50% is deferred for a period of four years. Pay-out of the deferral is conditional on Van Lanschot Kempen meeting the prevailing buffer requirements (as mentioned above).

The Management Board may, with the approval of the Supervisory Board, hold or claw back all or part of the pay-out if pay-outs have taken place on the basis of incorrect information, or have been made in conflict with the variable remuneration policy and/or applicable legislation and regulations:

- Deferred, conditional, variable remuneration previously awarded to an employee (or former employee), if payment of the variable remuneration would be considered unfair or unreasonable (hold back);
- Unconditional variable remuneration previously paid to an employee (or former employee). This might occur if, for instance, payment was based on incorrect information about performance or about the conditions on which the variable remuneration depended (claw back).

#### Remuneration in 2021

Variable remuneration totalling €23.0 million was awarded to employees (including identified staff) over 2021 (2020: €12.2 million). Five people received total annual remuneration of over €1 million in 2021 (2020: two people).

#### Long-term share plan

Our 2011 long-term share plan allows us to award variable remuneration in the form of Van Lanschot Kempen shares to certain key employees (including identified staff). In this case, 60% of each award is unconditional, whereas 40% of each award is deferred for a period of four years. Pay-out of the deferral is conditional on Van Lanschot Kempen meeting the prevailing buffer requirements (as mentioned above).

#### Pensions

As of 2020, all our employees participate in the new Van Lanschot Kempen defined contribution pension plan. Management Board members do not participate in this plan as they receive an individual pension contribution. We monitor external developments regarding alignment between executive pensions and broader employee pension arrangements, and the possible impact that these may have in the Netherlands.

#### Remuneration policy for identified staff

Identified staff are employees whose activities have a material impact on the risk profile of the business. For these employees, performance measurement is the same as for other employees, but additional rules for the pay-out of variable remuneration apply.

As a general rule, any pay-out to identified staff is made 50% in cash and 50% in Van Lanschot Kempen shares. As an exception<sup>12</sup> to this, the variable remuneration of identified staff working at Kempen Capital Management is paid 50% in cash and 50% in a flexible mix of Van Lanschot Kempen shares and investments in funds managed.

A lock-up period of one year applies to the shares that have become unconditional. In all cases, 60% of the award is paid out unconditionally (both the cash part and the non-cash part), whereas 40% is conditionally deferred for a period of four years. Pay-out of the deferral is conditional on a re-assessment of the five conditions mentioned for any award of regular variable remuneration. If this re-assessment leads to an adjustment of the deferred remuneration, the hold and/or claw-back system applies.

#### Remuneration policy governance

The Management Board sets the remuneration policy for employees, based on the advice of the Human Resource Management, Finance, Reporting & Control, Risk Management and Compliance departments. These, together with the Internal Audit department, have an important part to play in setting up, adjusting, implementing and reviewing our variable remuneration policy. They advise the Management and Supervisory Boards and report to them on their conclusions.

The Management Board is responsible for implementing the remuneration policy. The Supervisory Board approves the variable remuneration policy, including its general principles, and oversees its implementation. Approval by the Supervisory Board is also required for the variable remuneration pools, any significant<sup>13</sup> individual variable remuneration, and for individual variable remuneration proposed for employees designated as identified staff. The Supervisory Board's Remuneration Committee prepares the Supervisory Board's decision-making on remuneration and advises it in this area.

More information about the remuneration policy for identified staff can be found in our 2021 Pillar 3 disclosure, available via our website from 10 March 2022.

<sup>12</sup> Based on the Alternative Investment Fund Managers Directive (AIFMD) and Undertakings for the Collective Investment in Transferable Securities (UCITS) guidelines on sound remuneration policies.

<sup>13</sup> More than 50% of fixed remuneration.