

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, significant¹ individual variable remuneration, and individual variable remuneration to all identified staff.

The committee held four meetings in 2023.

Composition

Chair

Maarten Muller



Members

Karin Bergstein
Frans Blom

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 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 2023 and how it will be applied in 2024. 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 remuneration policies were reviewed in 2023 and will once again be on the AGM agenda in 2024.

The 2022 remuneration report was approved by the AGM (advisory vote) with a majority of 98.88% 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 2022 remuneration report. The 2023 remuneration report will be subject to an advisory vote at our AGM on 23 May 2024.

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 are the second largest wealth manager in the Netherlands and 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, with knowledge of the risk and compliance challenges associated with this. 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 2023

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 shares (hereinafter: shares), with a five-year lock-up period, in combination with share ownership guidelines.² This creates a strong focus on sustainable long-term value creation.

The remuneration structure for the Management and Supervisory Boards remained unchanged in 2023.

¹ More than 50% of fixed remuneration.

² 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.

Total remuneration in 2023

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 (governed by collective employment conditions). Moreover, the Remuneration Committee takes note of individual Management Board members' views on 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 2023 at 3.5% and on 1 July 2023 at 0.5%. Compared with the wider workforce (who received a total increase of 5.4%), the Supervisory Board believed it was appropriate to apply a lower indexation percentage to the Management Board.

For more information about the Management Board's remuneration package and pay ratios, see "Remuneration of the Management Board in 2023" on page 105.

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 the 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 below par, the Supervisory Board will discuss this with the relevant Board member, and may also decide not to apply any indexation. If the performance is consistently below par, the Supervisory Board may dismiss the responsible Board member (after consulting the general meeting).

Looking ahead to 2024

The current remuneration structure for the Management Board and Supervisory Board will largely stay in place. Further to the review that took place in 2023, a limited number of changes to the existing remuneration policies will be proposed at the 2024 AGM:

Management Board remuneration policy

- The reference group used to benchmark remuneration was reconsidered based on past stakeholder feedback and changes will be proposed at the 2024 AGM. No adjustments are proposed in the corresponding remuneration levels.
- To align the remuneration of the Management Board with shareholder interests, it is proposed to link the remuneration in shares to a fixed percentage of total remuneration, as well as expanding the share ownership guidelines.
- In line with emerging practice, a specific derogation clause is proposed that gives the Supervisory Board the opportunity to temporarily deviate from the policy in predefined exceptional circumstances, when necessary to ensure the viability of the company or to serve its long-term interests and sustainability.

Supervisory Board remuneration policy

- The fee levels for the Supervisory Board are proposed to be updated in order to remain competitive, in light of increased responsibilities and time commitment, and to attract and retain the right talent, both domestic and international.
- An indexation clause is proposed to ensure that the Supervisory Board remuneration policy is future-proof.

Stakeholder engagement

We take stakeholders' views very seriously and welcome an open dialogue on all aspects of remuneration. In preparation for the 2024 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 and various client groups. At these meetings, explanations were given about SRD II; the Management and Supervisory Board remuneration policies; 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, the Dutch Corporate Governance Code and the Dutch Banking Code. The dialogue with our stakeholders was very constructive. Gaining their views on executive pay in general, and Van Lanschot Kempen's remuneration policy in particular, was very valuable.

The Supervisory Board received detailed feedback from each of the meetings, and appreciates that it is important for stakeholders to have a clear understanding of the decisions made around remuneration. We would like to thank all the stakeholders for their valuable input. The feedback was very constructive, and the Supervisory Board will take it into account going forward. Van Lanschot Kempen will continue this broader scope of stakeholder engagement, and will aim to liaise with stakeholders on sensitive matters well before these items are put on the agenda of the AGM. The remuneration policy for the Management and Supervisory Boards will be put to the vote at the AGM in 2024.

Indexation of Management Board remuneration

The 2024 indexation of the fixed remuneration of the Management Board was discussed by the Supervisory Board, in line with the remuneration policy. For the wider workforce – governed by collective employment conditions – an indexation amounting to 3.15% was applied on 1 January 2024. The Supervisory Board believes it is appropriate to apply a lower indexation percentage to the Management Board than to the wider workforce.

The Supervisory Board concluded that the performance of all Management Board members was (at least) on target, and that indexation can be justified by the company's financial performance. The decision was therefore made to index the fixed remuneration of the Management Board on 1 January 2024. Although 2023 performance was strong, an indexation percentage of 1% was chosen to reflect the Management Board's focus on cost control.

's-Hertogenbosch, the Netherlands, 21 February 2024

Remuneration Committee



Maarten Muller, Chair

Our approach to remuneration: rewarding long-term sustainable performance

Our purpose is to preserve and create wealth for our clients and for society in a sustainable way. We build close relationships with our clients so that we can guide them in their financial decisions. Only by putting ourselves in their shoes can we use our collective expertise to present them with fitting solutions and products in support of their long-term goals.

Van Lanschot Kempen is the oldest independent financial institution in the Netherlands, with a heritage dating back almost 300 years. We couple long-standing relationships with a talent for staying one step ahead. That's what makes Van Lanschot Kempen unique: across generations, we've acted decisively and proactively to help our clients move onwards – with a personal and entrepreneurial approach, grounded in clear investment principles. We manage, invest and advise on behalf of the individuals, families and businesses we serve. This is what we aim to capture in our core promise – *Onwards together (Kom verder)* – which applies both to our clients and to each other.

We are an independent, well-capitalised wealth manager with a banking licence. We have a strong specialist position in our chosen markets, combining private banking, investment management and investment banking. We believe our knowledge, experience and personal approach, coupled with our unique combination of activities, are what set us apart.

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 pay only fixed remuneration to our 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 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.

Van Lanschot Kempen has developed a set of KPIs focusing on long-term value creation. These 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 32-52. These KPIs are applicable to the members of the Management Board.

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
Fixed salary – cash	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"> – Scope of responsibilities; – Business performance, scarcity of talent, economic climate and market conditions; – Developments elsewhere within Van Lanschot Kempen, including pay ratios; – Developments in our external peer groups (which are used for reference purposes only).
Fixed salary – shares	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"> – A lock-up period of five years applies to these shares.
Indexation	Pay for performance, labour market developments and to compensate for inflationary pressures	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 individual 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.
Share ownership guidelines	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.
Pension and disability insurance	To secure income after retirement or in case of disability	<ul style="list-style-type: none"> – 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. – They also receive a payment of 2.59% of their fixed remuneration for taking out disability insurance. – There are no early retirement schemes for Management Board members. – We monitor external developments regarding alignment between executive pensions and broader employee pension arrangements.

Remuneration of the Management Board in 2023

The Supervisory Board indexed the fixed remuneration of the members of the Management Board in 2023. For the wider workforce an indexation was applied, amounting to 4.4% on 1 January 2023 and 1% on 1 July 2023. These relatively high percentages were a result of the high-inflation environment. The Supervisory Board believed it was appropriate to apply a lower indexation percentage to the Management Board. The decision was therefore made to index the fixed remuneration of the Management Board at 3.5% on 1 January 2023 and 0.5% on 1 July 2023. This was granted fully in cash, in accordance with the Management Board remuneration policy. The remuneration paid to the Management Board in 2023 and 2022 is presented in the table on the following page.

Total remuneration of the individual members of the Management Board (€1,000) ³									
Management Board member	Year	Fixed salary in cash	Fixed salary in shares ⁴	Total fixed salaries	Extra-ordinary items	Pension and disability insurance	Total remuneration	Share-based payment expenses ⁵	Total staff costs
Maarten Edixhoven ⁶	2023	875	388	1,263	34	412	1,709	78	1,787
	2022	830	388	1,217	71	397	1,684	78	1,763
Jeroen Kroes ⁷	2023	504	312	816	—	267	1,083	35	1,118
	2022	158	104	262	—	85	348	24	372
Wendy Winkelhuijzen ⁸	2023	504	312	816	—	267	1,083	35	1,118
	2022	158	104	262	—	85	348	24	372
Arjan Huisman	2023	504	312	816	—	267	1,083	35	1,118
	2022	475	312	787	—	256	1,043	47	1,090
Richard Bruens	2023	504	312	816	—	267	1,083	35	1,118
	2022	475	312	787	—	256	1,043	47	1,090
Erik van Houwelingen	2023	504	312	816	—	267	1,083	35	1,118
	2022	475	312	787	—	256	1,043	47	1,090
Constant Korthout ⁹	2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2022	317	208	525	787	171	1,483	23	1,506

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. The current remuneration policy does not contain room for derogation.

Total remuneration of the Management Board

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 remuneration¹⁰ of an employee within Van Lanschot Kempen results in a pay ratio of 11:1, the same as in 2022 and in line with the industry benchmark.

As part of the review of Management Board remuneration, we take into account the alignment with 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 108.

External considerations

To assess the remuneration levels of the Management Board versus external market levels, 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 is not the deciding factor for attracting talent. Our talent market is much broader than that of our direct competitors. This is evidenced by four of our current Management Board members, who were 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 companies:

- **Specialist wealth management companies:** We are a (highly) specialist company and need to be able to attract

³ To be able to make a comparison between 2023 and 2022, the same definition of total remuneration has been used (total fixed salary plus pension and disability insurance). Business expenses have not been included.

⁴ A proportion of fixed salary is paid in the form of Van Lanschot Kempen shares. Maarten Edixhoven received 17,206 shares (2022: 17,041 shares), Jeroen Kroes and Wendy Winkelhuijzen received 13,865 shares (2022: 5,091 shares from 1 September 2022), while the other members of the Management Board each received 13,865 shares (2022: 13,732 shares). The number of shares granted is based on the average share price for the first four trading days in January. For 2023, the average share price amounted to €22.52 in January (2022: €22.74 in January and €20.44 in September for Jeroen Kroes and Wendy Winkelhuijzen). IFRS takes the share price at grant date as the basis for recognition. This price also amounted to €22.52 in 2023 (2022: €22.74).

⁵ Share-based payments have a lock-up period of five years, allowing Van Lanschot Kempen to provide a discount of 18.5% on the shares.

⁶ The extraordinary item in 2023 of €34,000 (2022: €71,000) relates to deferred compensation for lapsed rights to variable remuneration at Maarten Edixhoven's previous employer.

⁷ Jeroen Kroes was appointed as Chief Financial Officer on 1 September 2022.

⁸ Wendy Winkelhuijzen was appointed as Chief Risk Officer on 1 September 2022.

⁹ Constant Korthout stepped down as member of the Management Board on 1 September 2022 and was entitled to a (one-year gross salary) severance payment of €787,000. He received remuneration under the same conditions for the remainder of 2022.

¹⁰ The average employee remuneration is calculated by dividing total staff costs (excluding costs for external hiring, redundancy, mobility, training and other staff costs) by the average number of FTEs working for Van Lanschot Kempen.

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.
- **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 – for example, in the technology sector. These companies are larger than ours, reflecting our experience that talent suitable for our Management Board is likely to be attracted from (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. The composition of the current peer group is set out in the following table.

Management Board peer group in 2023		
Specialist wealth management companies	Dutch banks	Other Dutch companies
BIL	ABN AMRO	Aegon
Degroef Petercam	ING Groep	ASML
Julius Bär	NIBC Bank	Boskalis Westminster
Lombard Odier	Rabobank	DSM
Quintet		KPN
Vontobel		NN Group Vopak

In preparation for the approval of our remuneration policy at the 2024 AGM, we have reconsidered our Management Board peer group, and decided to make changes that will be disclosed in the explanatory notes to the 2024 AGM agenda.

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 40th percentile for the CEO and 44th 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 financial and non-financial KPIs. For 2023, 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 32-52.

	KPIs	Targets	Performance in 2023	Supervisory Board assessment 2023
Financial	CET 1 ratio	15 + M&A add-on of 2.5%	19.6%	●
	Return on equity (CET 1)	12% through the cycle	14.2%	●
	Cost/income ratio	70%	71.6%	●
Non-financial	Net Promoter Score (NPS)			
	a. Private Clients	20	34	●
	b. Evi van Lanschot	10	0	●
	c. Wholesale & Institutional Clients	20	30	●
	Employer Net Promoter Score (eNPS)	> 10	22	●

● 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.

Supplementary disclosure related to Management Board remuneration

Annual change in Management Board remuneration versus wider workforce and company performance ¹¹	2023	2022	2021	2020	2019	2018
CEO remuneration (€1,000) ¹²	1,709	1,684	1,576	1,499 ¹³	1,538	1,538
Other Management Board members' remuneration (€1,000) ¹²	1,083	1,043	1,019	973 ¹³	994	994
Average employee remuneration (€1,000) ¹⁴	149	148	149	140	131	139
Pay ratio	11:1	11:1	11:1	11:1	12:1	11:1
Underlying net profit (€ million)	130.5	117.8	159.9	51.0	108.8	103.0

Number of shares held by Management Board members in 2023	At 1 January 2023	Bought/awarded	Sold/post-employment	At 31 December 2023
Maarten Edixhoven	25,128	19,541	—	44,669
Jeroen Kroes	19,025	8,591	—	27,616
Wendy Winkelhuijzen	10,742	8,591	—	19,333
Arjan Huisman	72,026	8,591	—	80,617
Richard Bruens	88,375	8,591	—	96,966
Erik van Houwelingen	36,527	8,591	—	45,118
Total	251,823	62,496	—	314,319

At 31 December 2023, the members of the Management Board held no options for shares.

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.

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 at 31 December 2023 (€1,000)	At 31 December 2023	Repaid in the year	Interest range	Type
Maarten Edixhoven	—	—	—	—
Jeroen Kroes	332	12	1.35%	Mortgage
Wendy Winkelhuijzen	1,461	15	1.85 - 4.61%	Mortgage
	680	—	5.60%	Bridge loan
Arjan Huisman	—	—	—	—
Richard Bruens	2,296	37	1.10 - 1.56%	Mortgage
Erik van Houwelingen	2,290	20	1.35 - 5.21%	Mortgage
Total	7,059	84		

¹¹ 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 €76,000 (lowest full-time amount in 2018) 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 2023".

¹² Total remuneration awarded. For the 2022 figures: from 1 September, Jeroen Kroes's remuneration and Wendy Winkelhuijzen's remuneration are reported.

¹³ In response to the Covid 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.

¹⁴ Since 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 2023

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 Committee	€15,000		€10,000
Risk and Compliance Committee	€15,000		€10,000
Remuneration Committee	€10,000		€7,000
Selection and Nomination Committee	€10,000		€6,000

Remuneration of the Supervisory Board (€1,000)	2023	2022
Frans Blom	117	117
Manfred Schepers	95	95
Bernadette Langius (until 25 May 2023)	33	80
Maarten Muller	82	76
Lex van Overmeire (deceased 4 April 2023)	28	85
Karin Bergstein	92	77
Brigitte Boone	76	76
Elizabeth Nolan (from 25 May 2023)	44	–

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. The composition of the current peer group is set out in the following table.

Supervisory Board peer group in 2023		
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

In preparation for the approval of our remuneration policy at the 2024 AGM, we have reconsidered our Supervisory Board peer group and decided to make changes.

Remuneration of other employees

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

Fixed remuneration

Employees' fixed remuneration reflects their relevant work experience and organisational responsibilities. Our job and career framework 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.

Variable remuneration

Our variable remuneration policy covers all employees. In 2023, the policy was renewed and updated, taking into account factors such as sustainability and a safe working environment. Each individual variable remuneration 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 may not and does not exceed 20% of their fixed remuneration. For a small number of employees who are not directly engaged in providing financial services to consumers, 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 and team 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 Van Lanschot Kempen's performance, 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 2023

Variable remuneration totalling €18.6 million was awarded to employees (including identified staff) over 2023 (2022: €21.5 million). Six people received total annual remuneration of over €1 million in 2023 (2022: six people).

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 2023, we further analysed the gender pay gap at different levels in the organisation to determine whether there are any unexplained differences. Our unexplained gender pay gap rose slightly to 3% in 2023, up from 2.7% in 2022 and above our target range of <2%. For more information, see "Reducing the gender pay gap" on page 40.

Matching Share Plan

Our employee participation plan, also known as the Matching Share Plan, offers an attractive investment opportunity in Van Lanschot Kempen, as well as the chance to share in the company's successes. The investment in Van Lanschot Kempen shares that an employee makes – up to a maximum value of €3,500 – is matched by Van Lanschot Kempen one year later. The total amount for which Van Lanschot Kempen shares can be purchased at a discount of 18.5% was increased to €15,000.

Partnership for leadership

The reporting year was the second for the Van Lanschot Kempen Partnership: a long-term participation plan for key senior employees. For more information, see "Van Lanschot Kempen shares" on page 88.

Pensions

Since 2020, all our employees have been participating in Van Lanschot Kempen's collective defined contribution pension plan. Management Board members do not participate in this plan as they receive an individual pension contribution.

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 apply for the pay-out of variable remuneration in order to align the interests and risks of the employee with those of the company. On an annual basis, the selection of identified staff is reviewed and approved by the Management and Supervisory Boards.

As a general rule, any pay-out to identified staff is made 50% in cash and 50% in Van Lanschot Kempen shares. As an exception¹⁵ to this, the variable remuneration of identified staff working at Van Lanschot Kempen Investment 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 reassessment of the five conditions mentioned for any award of regular variable remuneration. If this reassessment 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 several departments: Human Resource Management; Finance, Reporting & Control; Risk Management; and Compliance. 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 significant¹⁶ 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 2023 Pillar 3 disclosure, available on our website from 7 March 2024: vanlanschotkempen.com/results.

¹⁵ Based on the Alternative Investment Fund Managers Directive (AIFMD) and Undertakings for the Collective Investment in Transferable Securities (UCITS) guidelines on sound remuneration policies.

¹⁶ More than 50% of fixed remuneration.