



VAN LANSCHOT
KEMPEN

Tax Policy

Van Lanschot Kempenn

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1. Introduction

1.1 General

Van Lanschot Kempen NV (hereafter referred to as “Van Lanschot Kempen”) is the oldest independent financial institution in the Netherlands. We offer our services and financial instruments both in the Netherlands and in other jurisdictions. As a specialist wealth manager, it is our purpose to preserve and create wealth, in a sustainable way, for our clients and the societies we serve.

This document contains the Tax Policy of Van Lanschot Kempen (hereafter also referred to as “Tax Policy” or “Policy”). This document is an update of the previously established Fiscal Policy and replaces the document 'Van Lanschot N.V. Fiscal Policy' adopted in 2019.

The Tax Policy and the Tax Principles (hereafter also referred to as “Tax Principles” or “Principles”) are published on the Van Lanschot Kempen Corporate website.

Our Tax Policy is based on our Tax Principles and is essentially a detailed elaboration of them.

1.2 Scope

The Policy applies to Van Lanschot Kempen on a consolidated, group-wide level and therefore applies to Van Lanschot Kempen and all its subsidiaries - in the Netherlands and abroad - , branches, representative offices and foundations that are part of the group. In the case of minority interests and other interests in which Van Lanschot Kempen does not have control, we strive to apply the Policy by means of the influence that Van Lanschot Kempen can exert as a shareholder.

The Tax Policy covers all types of taxes, all tax levies and tax processes as part of the business processes.

The Policy covers the tax aspects related to all products and services offered by Van Lanschot Kempen. We have a separate client tax integrity policy for how we assess our clients’ tax attitudes.

The tax integrity of our employees is covered by our Code of Conduct. This Tax Policy does not cover the tax position of our employees with the exception of our Management Board and members of our Supervisory Board. With respect to a member of the Management Board or Supervisory Board the Van Lanschot Kempen Compliance team performs a tax integrity assessment.

1.3 Responsible committee and approval

This Tax Policy and the Tax Principles are adopted by the Management Board of Van Lanschot Kempen and approved by the Supervisory Board.

2. Tax strategy and tax principles

2.1 Vision and mission of Van Lanschot Kempen

We are a specialised and independent wealth manager that contributes to the realisation of its clients' business, personal and social goals.

We have a solid reputation, a solid balance sheet and excellent capital ratios. Our knowledge and experience, our track record and our personal approach distinguish us within the chosen market segments and offer attractive growth opportunities. For a detailed description of our strategy, we refer to our corporate website: vanlanschotkempen.com/strategy.

We strive to achieve our objectives in harmony with all stakeholders to make our contribution to society.

The Tax Policy and Tax Principles form an integral part of the organisation's vision and mission. Taxes are a vital source of revenue for countries around the world and help fund essential services like education, healthcare and transport. We see tax not only as a cost factor, but also as a means for social economic cohesion, sustainable growth and long-term prosperity.

It is important that the organisation is aware of the Tax Policy and Tax Principles. Attention is drawn regularly to these Principles and the Policy as an integral part of the business.

We report according to the GRI Reporting Standards. Additionally, we take into account both national and international tax principles such as the B-Team Responsible Tax Principles and the principles of the Tax Governance Code as initiated by employers' association VNO-NCW in the Netherlands.

2.2 Risk appetite

This policy applies to all tax risks of Van Lanschot Kempen.

Our tax risk appetite is in line with the key principles that underlie our over-arching risk appetite. Important elements in this over-arching risk appetite are that the risks we take –directly or indirectly – serve our business model and strategic objectives. They are the result of a careful process to balance risks and rewards and we seek to avoid risks that could lead to legal and regulatory breaches. The over-arching risk appetite contains specific financial limits and boundaries that guard our solid profile.

Our overall tax risk appetite is considered low as it relates to our commitment to comply with the letter of tax legislation, taking into account both the intent and the spirit of these laws.

In addition, a good reputation is extremely important to our social function as a wealth manager and component of the financial system. In this regard, it is important to keep continually changing (international) ideas about taxation in mind. Within this context, we believe a cautious risk appetite is suitable.

Society, regulatory authorities and implementing bodies such as the Dutch Tax Authorities increasingly require so-called 'good corporate citizenship'. Concepts such as transparency and trust play a crucial role. We subscribe to these concepts and seek to apply them where possible. In this regard, we also take the interest of our various stakeholders into account.

Although we make reasonable efforts in monitoring and defining clear responsibilities, we accept that there is residual (tail) risk that, from time to time, may affect our ability to comply with all our obligations. This risk may materialise through unexpected failures in our systems and processes, including technical and human errors or by actions carried out by employees, clients and counterparties autonomously from the firm. When these failures occur, we will take the appropriate measures and act swiftly.

The risk appetite regarding client tax integrity (CTI) is described in our CTI policy.

2.3 Tax Principles

Our cautious tax risk appetite is the foundation for our guiding Tax Principles. These Tax Principles are a way for us to present our tax values as a responsible taxpayer. Our approach to tax and Tax Policy is based on these principles and is essentially a detailed elaboration of them.

The Tax Principles are published on our corporate website, making them available to everyone. The Tax Principles have been anchored in our organisation through the set-up and maintenance of a tax control framework (TCF).

The Van Lanschot Kempen Tax Principles

Principle 1: Compliance

We are committed to complying with the letter of tax legislation of the countries in which we operate and other relevant international tax legislation, taking into account both the intent and the spirit of these laws.

Principle 2: Transparency

We regularly provide information to our stakeholders about our approach to tax and taxes paid.

Principle 3: Business structure

We will only use business structures that are driven by commercial considerations, are aligned with our business activities and have genuine substance.

Principle 4: Products

We do not offer products or services that are designed to be used in the context of tax evasion or aggressive tax avoidance.

Principle 5: Relationships with tax authorities and other external stakeholders

Mutual respect, transparency and trust drive our relationships with tax authorities and other relevant external stakeholders.

Principle 6: Clients

We do not offer tax advice to our clients. Our clients are responsible for their own tax integrity. We have a separate client tax integrity policy for how we assess our clients' tax attitudes.

2.4 Tax objectives and tax strategy

Tax objectives have been formulated based on our tax risk appetite and Tax Principles. Based on our tax objectives, we defined a tax strategy. Our tax strategy indicates how we intend to achieve our tax objectives.

The tax objectives are:

1. Identifying, managing and avoiding tax risks in a structured, effective and efficient way, including general reputational risks relating to or caused by taxation;
2. Obtaining a reliable tax position in our (consolidated) annual accounts;
3. Complying with tax laws and regulations, submitting correct tax returns¹ and avoiding fines and additional assessments;
4. Maintaining an open and transparent relationship with the tax authorities and other stakeholders.

Our tax strategy is as follows:

1. We have formulated a Tax Policy that includes a tax risk appetite, tax objectives and a tax strategy.
2. We implement and maintain a tax control framework (TCF), the principles of which are the same for all parts of the group.
3. The TCF is part of the business control framework and is periodically tested and monitored.
4. The Tax Policy and Tax Principles have been approved by the Management Board and are actively promoted throughout the organization.

¹ The Dutch Tax Authorities make reference to submitting acceptable tax returns: *Leidraad Toezicht Grote Ondernemingen*; According to the OECD report of 13 May 2016 'Co-operative Tax Compliance: Building Better Tax Control Frameworks' the importance of a TCF is: "... its ability to provide a verifiable assurance that the information and returns submitted by a taxpayer are both accurate and complete".

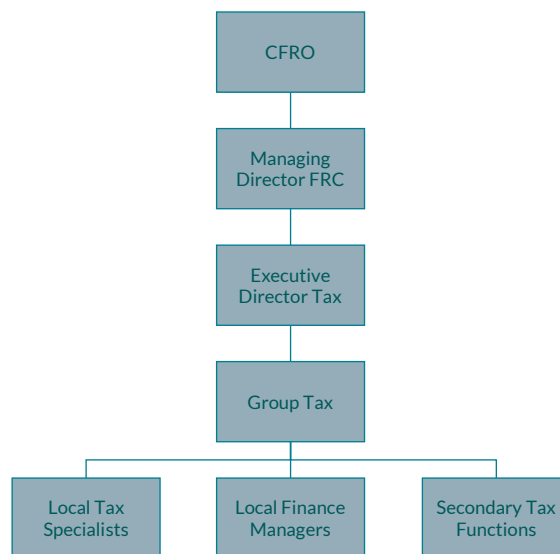
5. The Group Tax department is responsible for assessing and monitoring the tax aspects within Van Lanschot Kempen, based on an approved matrix of roles and responsibilities (RACI matrix). Group Tax is involved at an early stage in special projects with potential tax impact (such as acquisitions, mergers, changes to employment conditions).
6. Group Tax is responsible for maintaining an open and transparent relationship with the Dutch and foreign Tax Authorities.
7. There is a continuous process of automation and data analysis to support the quality, accuracy and predictability of the data underlying the tax returns.

3. Accountability and tax governance

3.1 Tax risk management

The Tax Policy (including the tax strategy) and the Tax Principles are adopted and approved by the Management Board of Van Lanschot Kempen and subsequently approved by the Supervisory Board. Changes to the Policy are also submitted to the Management Board and Supervisory Board for approval. The Management Board is accountable for compliance with the Policy, Principles and tax risk management. Group Tax reports at least annually to the Management Board on tax risks and tax developments and adherence to the tax strategy and Principles.

Group Tax is a central staff function within our organisation, which is part of the Finance, Reporting and Control (FRC) department, reporting to the managing director FRC and the CFRO. We use a coordinated model with respect to our tax organization. Group Tax is responsible for managing, maintaining and reviewing all our tax matters, including our national and international activities and subsidiaries. Group Tax has qualified and well-trained tax professionals with the necessary expertise, including specialists on VAT, transfer pricing, tax accounting, and corporate tax. Within the organisation there are several departments that perform tax activities but are not part of Group Tax, the so-called secondary tax functions. Group Tax has regular contact with shadow tax functions, which is supported by internal procedures and controls. In foreign countries local staff (either regional tax managers or members of the finance team) are engaged in tax matters; they consult Group Tax on a regular basis. Local external tax advisers are consulted as needed. This coordinated model can be depicted as follows:



Our various departments continuously inform Group Tax of tax issues and tax questions at an early stage, so that Group Tax can anticipate and carry out its function at the right level and at the right time.

We ensure a system of internal tax control, internal and external tax checks and tax risk management by maintaining a tax control framework (TCF). Group Tax is responsible for maintaining the TCF. The set-up and details of the tax function, the TCF and the monitoring of and reporting on the TCF are described in more detail in the tax control framework policy. Our tax risk profile is reviewed and revised periodically if needed. The risk profile determines which tax risks are important (key tax risks) and, as such, it is an explicit component of the TCF. These key tax risks are covered by tax controls (the key controls within the TCF). Internal Audit periodically reviews the effectiveness of the TCF as part of its audit cycle. Internal Audit and/or our external auditor regularly review tax controls as part of the audit of our financial results.

4. Tax compliance and tax reporting

Principle 1

We are committed to complying with the letter of tax legislation of the countries in which we operate and other relevant international tax legislation, taking into account both the intent and the spirit of these laws.

Principle 2

We regularly provide information to our stakeholders about our approach to tax and taxes paid.

4.1 Tax reporting

We prepare and file all tax reports required (e.g. FATCA, CRS, VIA, MDR), complete, accurate and on time to all relevant tax authorities.

The determination of the tax position in the annual accounts is a part of our applicable policy on preparing the annual accounts and other external financial reports. The basic principle in this regard is that the tax positions reported have to be correct.

We aim to be transparent about the taxes we pay. With respect to our tax position we report on the basis of GRI 207: TAX 2019.

In our annual accounts we provide information about the taxes paid and accrued as well as any tax incentives that are applied. Additionally, we report all tax jurisdictions in which our entities (that are part of the consolidation) are situated as well as their primary activities, number of employees, total revenues and tax paid. This information is reported on a country level whereby a list of all subsidiaries in the Van Lanschot Kempen group and their ownership information is included. This country reporting is in line with the information that we have to provide on the basis of the EU Capital Requirements Directive 4 and the GRI Reporting Standards.

It is our policy to promptly provide Group Tax with the information needed to support the FRC department in determining the tax position in our consolidated annual accounts.

4.2 Tax returns

We prepare and file all tax returns required, providing complete, accurate and timely disclosures to all relevant tax authorities. We work with up-to-date information. Tax returns covering a past period are submitted as quickly as possible after that period has passed. The information requested by the Dutch and foreign Tax Authorities as a result of the filed tax return is submitted complete, accurate and on time.

We will only claim tax incentives in line with the policy intent of such tax incentive, provided such incentives are generally available. We aim to only reduce tax within acceptable limits and prevent double taxation by making use of, for example, the Dutch participation exemption, tax treaties, fiscal unities and fiscal investment institutions.

It cannot be ruled out that Van Lanschot Kempen and the Dutch and foreign Tax Authorities may differ in their understanding of the effects and explanation of tax laws and regulations. If we take a deviating position regarding the tax position in the annual accounts or the tax return, this has to be a position that in our opinion is 'more likely than not' expected to be endorsed by a court (>50%).

If we seek certainty in advance from tax authorities to confirm an applicable tax treatment, we do so based on full disclosure of all relevant facts and circumstances.

4.3 Transfer pricing

We operate according to the at "arm's length" principle. We have a separate transfer pricing policy which is in line with guidelines issued by the OECD and we apply the transfer pricing policy consistently, both nationally and internationally, contingent on local laws.

5. Business structure

Principle 3

We will only use business structures that are driven by commercial considerations, are aligned with our business activities and have genuine substance.

The basic principle of structuring our business is that business reasons should always be the basis of tax structures.² Our business structure is based on reasonable interpretation of applicable law and is aligned with the substance of the economic and commercial activities of our business. We do not use aggressive tax planning (such as double non-taxation and the exploitation of mismatches) and we avoid setting up unnecessarily complex and potentially non-transparent structures.³ We do not undertake transactions or engage in arrangements where the sole purpose is to create a tax benefit which is in excess of a reasonable interpretation of relevant tax rules. In this respect, we value our companies having genuine substance. We do not use so-called tax havens⁴ for the purpose of tax avoidance; all entities in tax havens exist for substantive and commercial reasons. We pay tax on profits in the countries where the value is created within the normal course of commercial activity.

In our business operations, we will closely monitor international tax developments and we apply tax legislation and regulations efficiently and transparently. We do not carry out any trust activities.

² On 22 December 2009, Van Lanschot Kempen and the Dutch Tax Authorities entered into an agreement regarding performing structured financial transactions, which is in line with this section of our Policy.

³ EBA guidelines on internal governance 2021, Article 77.

⁴ The definition of “tax havens” in this Policy is the same as extensively defined in our client tax integrity policy. This includes, among others, the EU Blacklist and Dutch list of low-taxed countries.

6. Products

Principle 4

We do not offer products or services that are designed to be used in the context of tax evasion or aggressive tax avoidance.

Principle 6

We do not offer tax advice to our clients. Our clients are responsible for their own tax integrity. We have a separate client tax integrity policy for how we assess our clients' tax attitudes.

General banking products include the products and services that we offer to a large group of clients and in which taxation can play a role.⁵ Structured activities are defined as the facilitation of clients' fiscally structured activities through offering general banking products.⁶

The general banking products as well as structured activities we have developed must comply with legislation and regulations, and our own internal guidelines. Taxation is one of the elements assessed when developing products and offering services and as such Group Tax is involved in evaluating new products on the basis of the new product approval/product review procedure.

The general principle is that Group Tax must review new products (both general banking products and structured activities) to decide whether they comply with law and regulations. External tax advisers may be consulted. In case of doubt or a in case of positions that might lead to discussions, Group Tax coordinates with the (Dutch) Tax Authorities to obtain a tax ruling where needed and possible.⁷ Alternatively, tax advice or an opinion from a reputable tax consultancy firm can be obtained.

We do not provide tax advice to clients. However, we do provide general tax information that is directly related to, and supports our wealth management products and services. We do not act as a tax adviser to our clients. We always remind clients of their own responsibility to consult a tax adviser to evaluate any tax consequences.

We do not cooperate with arrangements which are aimed at tax evasion.

⁵ Examples include lending (such as loans, mortgages), securities services, savings, bank savings (such as annuities).

⁶ Examples include the transfer of assets abroad, entrusting assets to children while maintaining control of the assets, and putting assets into a separate entity for purposes of tax advantages (such as family foundations, tax-exempt investment institutions or private foundations).

⁷ This refers to aspects that are of essential importance to the client when deciding whether or not to purchase a product.

7. Relationships with tax authorities and other external stakeholders

Principle 5

Mutual respect, transparency and trust drive our relationships with tax authorities and other relevant external stakeholders.

7.1 Tax authorities

We seek to develop a cooperative relationship with the tax authorities based on mutual respect and understanding, transparency and trust. We acknowledge the tasks and responsibilities of the tax authorities and, where needed, cooperate to ensure the optimal performance of these tasks.

When possible⁸ we contact the respective tax authorities to discuss relevant tax positions taken or to be taken in the tax return. This refers to matters on which a difference of opinion or dispute with the tax authorities could arise, as a result of, for instance, a different interpretation of facts or legislation. If an advance tax ruling or other ruling is agreed on with the tax authorities this is regularly evaluated. Important topics are coordinated with the CFRO and the managing director of FRC. On 10 December 2021, Van Lanschot Kempen entered into a new Individual Horizontal Supervision Compliance Agreement or Horizontal Monitoring Covenant (hereafter referred to as "Agreement") with the Dutch Tax Authorities. The Agreement is a follow-up to the earlier adopted Individual Horizontal Supervision Compliance Agreement that was signed in 2012. The Agreement fits within our tax strategy and objectives. Together with the Dutch Tax Authorities, we aim to use effective and efficient working methods. We aim to ensure a system of internal control, and internal and external checks, with the goal of preparing and submitting acceptable tax returns in a timely manner.⁹ The Dutch Tax Authorities match the form and intensity of their supervision to the quality of our internal and external control procedures, and improve legal certainty by defining their position in a timely manner. We are committed to actively provide the Dutch Tax Authorities with all relevant facts and circumstances, the positions adopted or to be adopted and our vision on the corresponding tax consequences as part of the Horizontal Monitoring Covenant. This refers to matters on which a difference of opinion with the Dutch Tax Authorities could arise, such as the result of a difference in the interpretation of the facts or (tax) legislation.

7.2 External advisers

Group Tax is responsible for selecting and managing external tax advisers with regard to separate taxes (such as corporate tax or value added tax). In principle, assignments are granted to external tax advisers, by or in consultation, with Group Tax. The consent of the managing director of FRC is normally obtained before granting large assignments to external tax advisers. Large assignments are defined as assignments covering a tax topic worth more than €20,000.

Situations in which external consultancy firms are contacted include:

- a. When specialist knowledge is required;
- b. In case of large projects;
- c. When opinions and/or advice is needed;
- d. To periodically make use of the combined creativity and expertise of consultancy firms.

In principle, externally obtained tax advice is set out in writing. Copies of advice obtained from external sources are shared with the relevant departments.

7.3 Other external stakeholders

We want to enter into dialogues with governments, business groups and civil society on topics that are relevant for us and that we have expertise on, with the purpose of supporting the development of tax systems, legislation and administration. We can do so either ourselves or through collective organisations such as the Dutch Fund and Asset Management Association. When entering into dialogues, we keep the best interests of our clients in mind.

⁸ This depends on the local opportunities for preliminary consultation.

⁹ A tax return is acceptable to the Dutch Tax Authorities if it meets the requirements of legislation and regulations and is free of material misstatement, *Leidraad Toezicht Grote Ondernemingen*.

8. Review

This Tax Policy will be reviewed periodically but at least every two years, taking into account recent important developments that have taken place. The Policy will also be changed when there are major developments. Changes to the Policy are always subject to approval and review of the Management Board and Supervisory Board.

Disclaimer

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Additional information

Van Lanschot Kempen NV has its registered office at Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, the Netherlands, COC no. 16038212 with VAT identification number NL001145770B01, is registered as a bank with the Netherlands Authority for the Financial Markets (AFM) and De Nederlandsche Bank N.V. (DNB) in the Financial Supervision Act (Wft) register. If you have any complaints, please feel free to contact Van Lanschot Kempen NV or the Complaints Management department at the principal office, P.O. Box 1021, 5200 HC 's-Hertogenbosch.



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