



VAN LANSCHOT
KEMPEN

REMUNERATION POLICY MANAGEMENT BOARD

Preamble

Our current remuneration policy for the Management Board was approved by the annual general meeting (AGM) in 2020. We committed to submit the remuneration policy to the AGM at least every four years. Therefore we conducted a review of our remuneration policy to ensure it remains fit for purpose and in line with the strategy of Van Lanschot Kempen.

Our established policy served us well in attracting and retaining the desired Management Board members and providing compensation in line with our values and long-term interests. Based on our review in 2023, we concluded the current remuneration structure should remain in place. In our 2024 AGM we do propose a number of changes to the existing policy, namely:

- Updating the reference group for compensation benchmarking, maintaining a strong focus on our main markets while addressing stakeholder feedback on the size of some of the peer companies;
- Creating a consistent balance between cash and equity in the composition of fixed remuneration, maintaining a fixed ratio over time to enhance the ambition of aligning remuneration with shareholder interests;
- Expanding the share ownership guidelines from “2× the cash portion of the gross salary” to “2× the (full) gross salary,” in line with our goal to create a high level of personal share ownership; and
- Updating our arrangements and governance clauses in line with emerging practice and regulatory updates.

As in previous reviews, we consulted a large cross section of our shareholder base and other stakeholders to ensure alignment on expectations.

1. Van Lanschot Kempen’s approach to remuneration

Our approach to remuneration is to reward long-term sustainable performance, in support of our purpose and strategy. Our remuneration policy for the Management Board is designed to enable us to attract and retain qualified leaders to successfully deliver on its strategy. The policy reflects our values and code of conduct.

(A) Van Lanschot Kempen’s purpose and values

Purpose

As a specialist independent wealth manager, Van Lanschot Kempen’s purpose is to preserve and create wealth, in a sustainable way, for its clients and for society. Van Lanschot Kempen strives to achieve its objectives in harmony with all its stakeholders, and in doing so to make a sustainable contribution to society.

To achieve our purpose we think from the perspective of our clients’ interests, and our actions are guided by our values and ethical principles.

Our core promise “Onwards together” captures the very essence of who we are. It reflects our welcoming, personal approach and serves as an invitation to join us in going to the next level. It’s our unspoken promise: a description of what to expect if you work with us.

Values

Our values – personal, specialised, entrepreneurial and decisive – capture who we are, how we work and how we approach our clients, other stakeholders and each other.

Our code of conduct sets out what we consider the essence of ethical conduct and what we take accountability for, both individually and collectively. It is based on three ethical principles: i) we are respectful towards others, ii) we act with discretion and iii) we think across generations.

(B) Strategy, beliefs, and translation of this into remuneration

Strategy

Van Lanschot Kempen's Management Board plays a key role in developing and executing the company's strategy. It is to Van Lanschot Kempen's benefit that high-quality board members are appointed and retained. The talent market for Van Lanschot Kempen's Management Board includes financial institutions and highly specialised wealth management firms in our key markets.

We believe in focusing on the long term

We only pay fixed remuneration to the Management Board. We ended all variable remuneration for the Management Board in 2015, as this can lead to a focus on short-term performance.

We believe in 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.

We believe in creating a sense of ownership

We align 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 two years of their 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 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 the performance of a Management Board member is under par, the Supervisory Board may decide not to apply any indexation for this specific board member. If it is consistently under par, the Supervisory Board may dismiss the responsible board member (after consulting the general meeting).

Van Lanschot Kempen has developed a set of key performance indicators (KPIs) focusing on sustainable long-term value creation. These financial and non-financial KPIs reflect both the interests of our 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 at vanlanschotkempen.com/results in the performance report. 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.

(C) Internal perspective

Internal alignment

The values and guidelines underlying the remuneration policies for the Management Board, identified staff and other employees within Van Lanschot Kempen are aligned. The remuneration of Van Lanschot Kempen employees is based on job grades in combination with paylines that are determined in line with benchmarks. For these benchmarks, a reference group has been determined that reflects the labour market in which the employees operate. Performance management plays a key role in managing the results of the company and controlling the reward budget.

Pay ratio

We monitor the development of our pay ratio – comparing the remuneration package of the chair of the Management Board and the average labour cost of an employee within Van Lanschot Kempen. The pay ratio is taken into account when determining the Management Board remuneration package. The views of Van Lanschot Kempen's Works Council are also taken into account in this process. Our objective is to ensure the development of the ratio is acceptable compared to the wider workforce and within the industry. The actual pay ratio is disclosed in the annual remuneration report. We expect to

stay within the region of the disclosed parameter, all things being equal.

(D) External perspective

Van Lanschot Kempen applies a broad scope of stakeholder involvement with respect to remuneration. In line with the Dutch implementation of the revised Shareholder Rights Directive (SRD II), shareholders are entitled to vote on the remuneration policy at least every four years, and in the event of material changes to the policy.

Stakeholder engagement

We take our 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 our shareholder base, proxy advisers, the Works Council and various client groups. During these meetings, an explanation was given about the remuneration policy of the Management and Supervisory Board; the Supervisory Board's view on rewarding sustainable long-term performance and the Dutch regulatory context. 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 topics discussed and the main feedback received are disclosed in the 2023 remuneration report.

In assessing our policy we also continue to take into account the broader Dutch societal context, which led to the decision to abolish variable remuneration for the Management Board in 2015.

Future material changes to the policy will be discussed as part of stakeholder dialogue. In case of material policy changes, a delegation of the Supervisory Board or Remuneration Committee will liaise with shareholders, proxy voting advisers and others on the proposed amendments. When proposing a remuneration policy, the Supervisory Board takes the views of all the stakeholder groups into account and, based on those, makes a balanced decision as far as possible.

Use of an external labour market

Van Lanschot Kempen wants to be considered as an attractive employer from a total reward perspective, and regularly assesses remuneration levels versus external market levels. When doing so, Van Lanschot Kempen considers it important to be able to attract individuals from companies both within and outside the sector, to continue the growth of Van Lanschot Kempen. Therefore, companies with whom Van Lanschot Kempen competes from a talent market perspective have also been included in the reference group that was used for the market assessment of the Management Board. Van Lanschot Kempen's client base and strategy require top talent to lead the company to the next phase. In the attraction of talent for commercial or specialist vacancies within the company, the talent pool also includes employees from larger companies. Van Lanschot Kempen believes that talent qualifying for the Management Board can also be attracted from companies outside the banking sector.

For compensation benchmarking purposes, we compare ourselves to companies both within and outside the financial industry as prescribed in the Dutch Banking Code, while upholding the relevant international context. The reference companies consist of i) Dutch and Belgian financial institutions and ii) Western European specialist stand-alone wealth management companies. The additional reference group consists of Dutch corporates and foreign issuers (cross-industry) in the relevant index where Van Lanschot Kempen is listed (currently AMX). In terms of the Management Board's overall total pay level, the objective is to remain competitive and to occupy a position below the median.

2. Remuneration

The members of the Management Board receive fixed remuneration only. This remuneration is paid in the form of cash and Van Lanschot Kempen shares. The actual amounts are disclosed in the annual remuneration report.

Remuneration in cash

The remuneration in cash is paid during the year, in 12 equal instalments.

Remuneration in shares

Van Lanschot Kempen continues to use fixed remuneration in the form of shares in combination with share ownership guidelines. The proportion of remuneration in shares will consist of 40% of total fixed remuneration; this balance is to be maintained over time.

Providing part of the fixed remuneration in shares is important to Van Lanschot Kempen as it aligns the interests of the management with shareholders, and contributes to Van Lanschot Kempen's sustainable long-term value creation. The remuneration in shares is paid once per year. The Management Board members are obliged to use the net equivalent (what remains after the withholding of payroll tax) to buy Van Lanschot Kempen shares. A lock-up period of five years applies to these shares. During this lock-up period, the remuneration in shares is "at risk" for the Management Board. In addition to the five-year lock-up period, Management Board members are bound by the share ownership guidelines.

Share ownership guidelines

The share ownership guidelines ensure the alignment of the commitment and performance of the Management Board with the long-term success of the organisation. These guidelines stipulate that Van Lanschot Kempen shares held by Management Board members must be equivalent to at least two years' gross salary for as long as they remain in office. Management Board members are allowed to gradually meet this requirement over the years through the award of remuneration in the form of Van Lanschot Kempen shares. If a Management Board member leaves the company the two years' salary holding obligation lapses, but the five-year lock-up period remains in place.

Benefits

The members of the Management Board are responsible for their own pension provision, towards which they receive a payment. They also receive a payment for taking out disability insurance. There are no early retirement schemes for board members. The actual amounts paid for pension and disability are disclosed in the annual remuneration report.

Indexation

At the discretion of the Supervisory Board, the remuneration can be indexed annually. The indexation is capped by i) the general increase granted to the wider workforce, and ii) the derived CPI¹ applicable over the previous year. Furthermore, 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.

3. Other arrangements

Employment term

The Management Board members are employed on the basis of a service agreement (overeenkomst van opdracht) with Van Lanschot Kempen NV for an indefinite period of time.

Appointment term

The Management Board members are appointed for a period expiring no later than on the day of the first AGM held four years after their appointment or reappointment.

Notice period

The Management Board members must observe a notice period of three months. A notice period of six months applies in the event of termination by the company.

Severance

The severance arrangements of the Management Board members are in line with current statutory and regulatory rules, and amount to one year's gross fixed salary. In this context, there will be no reward for failure. For Management Board members appointed as of Q4 2021, no severance payment applies if the individual is not reappointed after the end of the second or any subsequent term of office.

¹ The Consumer Price Index (CPI), calculated by Statistics Netherlands, measures the average price changes of goods and services purchased by households. The derived CPI excludes the effect of changes in the rates of product-related taxes (e.g. VAT), subsidies and consumption-related taxes.

Change of control

If there is a potential change of control in Van Lanschot Kempen, the Supervisory Board is allowed to change the lock-up period that is applicable to Van Lanschot Kempen shares that have been bought. This includes the way that they need to be bought for the relevant year, where any change must be in line with applicable laws and regulations.

New hire policy

Van Lanschot Kempen's policy on recruitment is to offer a compensation package which is sufficient to attract, retain and motivate the individual with the right skills for the required role. When determining remuneration for a new Management Board member, the Supervisory Board considers the requirements of the role, the needs of the business, the relevant skills and experience of the individual, and the relevant external market for talent. In this process the Remuneration Committee gives its recommendation, within the context of the company's remuneration policy.

When an individual is recruited externally, Van Lanschot Kempen will take into account the remuneration package of that individual in their previous role. Generally, Van Lanschot Kempen will seek to align the new Management Board member's remuneration package to the company's remuneration policy. On occasion, the company may offer buyout awards for forfeited incentive programmes which the candidate held prior to joining Van Lanschot Kempen, but which lapsed when the candidate left their previous employer or sign-on payments to compensate for other loss of income as a direct result of joining Van Lanschot Kempen. Any such buyout or sign-on can be made in cash and/or shares. A buyout or sign-on will be of comparable value to the arrangements forfeited. When determining the terms of the buyout award, the Supervisory Board may modify the terms, taking into account the structure, time horizons, value and performance targets associated with arrangements forfeited. The rationale and detail of any buyout or sign-on award will be disclosed in the annual remuneration report. Where necessary, additional benefits may also be provided, including, but not limited to, relocation support and other benefits that reflect local market practice and relevant legislation.

Derogation (to ensure business continuity)

The Supervisory Board may decide to temporarily derogate from the remuneration policy in case of exceptional circumstances as defined in the Dutch Civil Code. This entails that the deviation has to be necessary to ensure the viability of the company or to serve its long-term interests and sustainability.

In these exceptional circumstances, derogation is possible on the following elements:

- Fixed remuneration: award of a management allowance (in case Management Board members are temporarily taking on additional responsibilities that lead to a material increase in board duties), capped at 50% of fixed remuneration (and paid in cash and/or shares);
- One-off compensation: introduction of one-off compensation awards (in case of exceptional events and to ensure business continuity), capped at 20% of fixed remuneration (and paid in cash and/or shares).

In case of a trigger event, the Remuneration Committee will make a proposal to the Supervisory Board for approval, which consists of an overview for which elements derogation should be applied, and what the impact on quantum will be, if any. Application of the derogation clause will be disclosed in the remuneration report.

4. Remuneration governance

The current remuneration policy for the Management Board of Van Lanschot Kempen was adopted by the AGM in 2020. The new policy will be submitted for shareholder approval at the 2024 AGM, following a proposal by the Supervisory Board. After adoption, the policy will be submitted again to the AGM at least every four years.

The policy has been drawn up taking into account all relevant laws and codes, including the Dutch Corporate Governance Code, the Dutch Banking Code, the Financial Supervision Act, MiFID II, CRD, the Rbb 2021, SFDR, and EBA and ESMA guidelines.

Summary of proposed changes

The following policy changes are proposed to the existing policy.

Subject	Proposed change	Reference
Reference groups	Updated reference group: the reference companies consist of i) Dutch and Belgian financial institutions and ii) Western European specialist stand-alone wealth management companies. An additional reference group with Dutch corporates and foreign issuers (cross-industry) in the relevant index where Van Lanschot Kempen is listed.	1. VAN LANSCHOT KEMPEN'S APPROACH TO REMUNERATION
Creating a consistent cash–equity balance	The proportion of remuneration in shares will consist of 40% of the total fixed remuneration and this balance is to be maintained over time.	2. REMUNERATION
Share ownership guidelines	The share ownership guidelines are expanded from “2× the cash portion of the gross salary” to “2× the (full) gross salary.”	2. REMUNERATION
New hire policy	The wording is adjusted to include sign-on payments. This change in wording does not intrinsically change the underlying approach.	3. OTHER ARRANGEMENTS
Derogation (to ensure business continuity)	Introduction of a clause that in exceptional circumstances, the Supervisory Board may decide to temporarily derogate from the remuneration policy on the following elements: <ul style="list-style-type: none"> • Fixed remuneration: award of a management allowance capped at 50% of fixed remuneration; • One-off compensation: introduction of one-off compensation awards capped at 20% of fixed remuneration. 	3. OTHER ARRANGEMENTS

Decision-making process for the remuneration policy

The remuneration policy for the Management Board is adopted by the AGM following a proposal by the Supervisory Board. As the internal supervisor, the Supervisory Board – advised by the Remuneration Committee – defines the remuneration for the Management Board within the parameters of the remuneration policy. The Remuneration Committee makes proposals to the Supervisory Board with regard to the remuneration policy to be pursued for the Management Board. When formulating proposals for the remuneration of the Management Board, the Remuneration Committee takes note of the vision of the individual board members with regard to the level and structure of their own remuneration. Management Board members do not participate in the preparation or decision-making regarding their own remuneration, to avoid conflicts of interest.

Van Lanschot Kempen’s Works Council has the right to give advice on the proposed remuneration policy. This advice is also provided to the AGM.