

# REMUNERATION COMMITTEE TERMS OF REFERENCE

VAN LANSCHOT KEMPEN N.V.

Adopted by the Supervisory Board on 31 October 2023 and effective from 1 December 2023

## 0. INTRODUCTION

- 0.1 These terms of reference have been drawn up by the SB pursuant to article 5 of the SB By-Laws and best practice provision 2.3.3 of the Dutch Corporate Governance Code.<sup>1</sup>
- 0.2 The Remuneration Committee is a standing committee of the SB.
- 0.3 A number of terms used but not further defined in these terms of reference, whether or not capitalised, have the meaning attributed to them in the SB By-Laws and the definitions included in Schedule 1 to these By-laws.

Any references to the 'Company' are references to Van Lanschot Kempen N.V. as well as, where appropriate, subsidiaries and any other group companies of the Company whose financial data are included in the consolidated annual accounts of the Company.

## 1. COMPOSITION AND WAY OF WORKING

- 1.1 In principle, the Remuneration Committee will consist of at least three members.<sup>2</sup> All members of the Remuneration Committee will be a member of the SB. More than half of the members of the Remuneration Committee will be independent within the meaning of article 1.5 of the SB By-Laws.<sup>3</sup> The chair of the Remuneration Committee will be independent.<sup>4</sup>  
All SB members who have been appointed by the works council while it exercised its enhanced powers of recommendation will be a member of the Remuneration Committee.<sup>5</sup> A member of the Risk and Compliance Committee will attend the meetings of the Remuneration Committee.<sup>6</sup>
- 1.2 The members of the Remuneration Committee will together have sufficient knowledge, expertise and professional experience in the field of remuneration policy and practices, risk management and audit activities, in particular with regard to the mechanism for aligning the remuneration structure with the risk and capital profile of the Company.<sup>7</sup>
- 1.3 The SB will appoint the members of the Remuneration Committee and can dismiss them at any time from membership of the committee. The SB will appoint one of the members of the

<sup>1</sup> Dutch Corporate Governance Code 2022, best practice provision 2.3.3.

<sup>2</sup> EBA Guidelines on internal governance, provision 48

<sup>3</sup> Dutch Corporate Governance Code 2022, best practice provision 2.3.4.

<sup>4</sup> Basel Committee Guidelines Corporate governance principles for banks, under Board committees, principle 67, EBA Guidelines on sound remuneration policies, no. 55, ESMA Guidelines AIFMD, nos. 58 and 59 and ESMA Guidelines UCITS, no. 60.

<sup>5</sup> Section 2:160a DCC (based on the Revised Shareholders' Rights Directive (Implementation) Act (*Wet implementatie herziene aandeelhoudersrichtlijn*))

<sup>6</sup> Basel Committee Guidelines Corporate governance principles for banks, under Board committees, principle 76, EBA Guidelines on sound remuneration policies, no. 62.

<sup>7</sup> EBA Guidelines on sound remuneration policies, no. 56, ESMA Guidelines AIFMD, no 60, ESMA Guidelines UCITS 62.

Remuneration Committee as chair of the Remuneration Committee. The chair of the SB, a former member of the MB<sup>8</sup> and the chair of the Risk and Compliance Committee<sup>9</sup> will be excluded from fulfilling the role of chair of the Remuneration Committee.

- 1.4 The SB will discuss the composition of the Remuneration Committee at least once every two years.
- 1.5 The secretary of the Company will act as the secretary of the Remuneration Committee. The secretary of the Company may delegate some or all of their duties under these terms of reference to a substitute appointed by them in consultation with the chair of Remuneration Committee. In addition, the secretary of the Company can be assisted in the performance of their duties by a minutes secretary to be designated by them.

## 2. TASKS AND POWERS

- 2.1 The Remuneration Committee will advise and support the SB and prepare the decision-making regarding its focus areas.<sup>10</sup> The Remuneration Committee will have the following tasks;
  - a. acting as the Remuneration Committee as described in the variable remuneration policy of Van Lanschot Kempen N.V. and its group companies ('Variable Remuneration Policy'), which will act as the remuneration committee within the meaning of the EBA Guidelines on sound remuneration policies, the ESMA Guidelines on sound remuneration policies under the AIMFD ("ESMA Guidelines AIFMD") and the ESMA Guidelines on sound remuneration under the UCITS Directive and AIFMD ('ESMA Guidelines UCITS');
  - b. advising and supporting the SB in setting up the Company's remuneration policy;<sup>11</sup>
  - c. assessing whether the existing remuneration policy of the Company is still up to date and, if necessary, making proposals for the amendment of this policy.<sup>12</sup> In the performance of this task, the Remuneration Committee will, among other things, assess the mechanisms and systems implemented to ensure that the Company's remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values and the long-term interest of the Company;<sup>13</sup>
  - d. reviewing, based on a number of possible scenarios, how the remuneration policy and its execution react to external and internal events and reviewing the suitability of the criteria used for determining the award and the ex ante risk adjustment of variable remunerations based on the actual risk outcomes;<sup>14</sup>

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<sup>8</sup> Dutch Corporate Governance Code 2022, best practice provision 2.3.4.

<sup>9</sup> EBA Guidelines on internal governance, provision 54

<sup>10</sup> Dutch Corporate Governance Code 2022, Principle 2.3. and best practice provision 2.3.2.

<sup>11</sup> EBA Guidelines on sound remuneration policies, no. 51b, ESMA Guidelines AIFMD, no. 62 bullet 2, ESMA Guidelines UCITS, no. 64 bullet 2.

<sup>12</sup> EBA Guidelines on sound remuneration policies, nos. 51d and 71.

<sup>13</sup> EBA Guidelines on sound remuneration policies, under no. 51g.

<sup>14</sup> EBA Guidelines on sound remuneration policies, no. 51i, ESMA Guidelines AIFMD no. 62 bullet 7, ESMA Guidelines UCITS no. 64 bullet 7.

- e. supporting the SB in overseeing the execution of and compliance with the remuneration policy and the remuneration processes<sup>15</sup> and in performing the tasks allocated to the SB under the Variable Remuneration Policy;<sup>16</sup>
- f. making proposals to the SB concerning the remuneration policy to be pursued with regard to the MB.<sup>17</sup> When drafting the proposal for the remuneration of MB members, the Remuneration Committee will take note of individual MB members' views with regard to the amount and structure of their own remuneration. The Remuneration Committee will ask the MB members to pay attention to the aspects referred to in article 19.3 of the SB By-Laws;<sup>18</sup>
- g. making proposals to the SB concerning the remuneration of the individual MB members. The proposal will be drawn up in accordance with the remuneration policy and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the Company and its affiliated enterprise;<sup>19</sup>
- h. drawing up the Remuneration Report as referred to in article 19.4 of the SB By-Laws;<sup>20</sup>
- i. preparing the decision-making of the SB regarding the remuneration of the Identified Staff of the Company and directly overseeing the remuneration of the senior officers in the control functions of the Company;<sup>21</sup>
- j. making proposals to the SB regarding the remuneration of individual SB members, which remuneration will be submitted to the General Meeting for adoption;
- k. discussing the risk analysis of the Variable Remuneration Policy of the Company that will be drawn up for the Risk and Compliance Committee of the Company;<sup>22</sup>
- l. advising the SB on the appointment of external remuneration consultants advising the SB and evaluating these external consultants;<sup>23</sup>
- m. ensuring that Internal Audit verifies on an annual basis whether the remuneration policy and remuneration practices of the Company are compliant with the policy, procedures and any other internal rules and regulations;<sup>24</sup>
- n. assessing the need for ex post risk adjustment regarding awarded variable remunerations, including the application of malus and clawback arrangements in line with the provisions of the Variable Remuneration Policy;<sup>25</sup>

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<sup>15</sup> EBA Guidelines on sound remuneration policies, no. 51c, ESMA Guidelines AIFMD, no. 62 bullet 5, ESMA Guidelines UCITS, no. 64 bullet 5.

<sup>16</sup> Van Lanschot Kempen N.V. SB By-Laws, article 18.2.

<sup>17</sup> Dutch Corporate Governance Code 2022, best practice provision 3.1.1.; see also section 2:135 DCC.

<sup>18</sup> Dutch Corporate Governance Code 2022, best practice provision 3.2.2.

<sup>19</sup> Dutch Corporate Governance Code 2022, best practice provision 3.2.1. and based on the EBA Guidelines on sound remuneration policies, the Remuneration Committee prepares SB resolutions concerning the remuneration of the MB members.

<sup>20</sup> Dutch Corporate Governance Code 2022, best practice provision 3.4.1.

<sup>21</sup> EBA Guidelines on sound remuneration policies, under no. 51a, no. 58, Restrained Remuneration Policy Regulations (Financial Supervision Act) 2014 (*Regeling Beheerst Beloningsbeleid Wft 2014*), section 11, ESMA Guidelines AIFMD, no. 73, ESMA Guidelines UCITS 75 bullet 2.

<sup>22</sup> EBA Guidelines on sound remuneration policies, no. 61.

<sup>23</sup> EBA Guidelines on sound remuneration policies, under no. 51e, ESMA Guidelines AIFMD, no. 62 bullet 4, ESMA Guidelines UCITS, no. 64 bullet 4.

<sup>24</sup> EBA Guidelines on sound remuneration policies, under nos. 63 and 66.

<sup>25</sup> EBA Guidelines on sound remuneration policies, under no. 51h.

- o. performing the tasks as described in the Identified Staff Selection Policy applicable from time to time and annexed to the Variable Remuneration Policy.<sup>26</sup>
- 2.2 The Remuneration Committee may not exercise any other powers than those explicitly granted or delegated to it by the SB and it may never exercise powers exceeding the powers that the SB may exercise as a collective.
- 2.3 The Remuneration Committee, in the fulfilment of its duties, may be further assisted or informed by the Director Human Resources Management or by one or more experts to be appointed by it, who will receive a compensation to be agreed with the Remuneration Committee, which will be charged to the Company.

### **3. MEETINGS**

- 3.1 The Remuneration Committee will meet as often as required for its proper functioning. The Remuneration Committee will meet at least once a year. The dates of the meetings will as far as possible be fixed in advance every year and will as far as possible take place shortly before meetings of the SB. The Remuneration Committee will meet in the interim if deemed necessary by the chair of the Remuneration Committee or another member of the Remuneration Committee.
- 3.2 Meetings of the Remuneration Committee will, in principle, be convened by the secretary of the Remuneration Committee, in consultation with the chair of the Remuneration Committee. Except in cases of urgency, at the discretion of the chair of the Remuneration Committee, the agenda of the meeting will be sent to the members of the Remuneration Committee at least five calendar days before the meeting. A written explanation will as far as possible be provided for each item on the agenda and relevant documents will be added.
- 3.3 The Remuneration Committee will determine if and when the chair of the MB and/or another member of the MB will attend its meetings. The chair of the MB will, however, not attend meetings of the Remuneration Committee at which their own remuneration is discussed. In addition, the Director Human Resources Management of the Company and/or independent experts may be invited to attend meetings of the Remuneration Committee. Each SB member may attend meetings of the Remuneration Committee.
- 3.4 The secretary of the Remuneration Committee will draw up minutes of the meetings of the Remuneration Committee. The minutes will provide an insight into the decision-making at the meeting. The minutes will be adopted by the Remuneration Committee at the next meeting and in witness thereof signed by the chair and the secretary of the Remuneration Committee.
- 3.5 The Remuneration Committee will observe the utmost discretion in drawing up written documents about its deliberations and recommendations.

### **4. REPORTING TO THE SUPERVISORY BOARD**

- 4.1 The Remuneration Committee will inform the SB clearly and timely about how it exercised the delegated powers and about key developments in the field that falls under its responsibility.

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<sup>26</sup> EBA Guidelines on sound remuneration policies, under nos. 107a and 112.

- 4.2 The Remuneration Committee will provide the SB with minutes of its deliberations, findings and recommendations.<sup>27</sup> The minutes of the meetings of the Remuneration Committee will be provided to all members of the SB for their information.
- 4.3 At meetings of the SB, the chair of the Remuneration Committee will provide an oral explanation of the deliberations of the Remuneration Committee.
- 4.4 Each SB member will have unlimited access to all information of the Remuneration Committee. SB members will exercise this right in consultation with the chair of the Remuneration Committee and the secretary of the Company.

## **5. MISCELLANEOUS**

- 5.1 The chair or any other member of the Remuneration Committee will be available to answer any questions regarding the activities of the Remuneration Committee at the General Meeting.
- 5.2 The SB may occasionally consent to non-compliance with these terms of reference, with due observance of applicable legislation and regulations.
- 5.3 The SB may amend these terms of reference at any time, whether or not on the proposal of the Remuneration Committee, and/or it may revoke the powers granted to the Remuneration Committee.
- 5.4 Articles 32.4 up to and including 32.7 of the SB By-Laws apply by analogy to these Remuneration Committee terms of reference and any power of the SB or the chair of the SB referred to in those articles will also be considered a power of the SB or the chair of the SB for the purpose of the present terms of reference.
- 5.5 In the report of the SB, as referred to in article 11.2 of the SB By-Laws, the SB will report on the performance of the duties assigned to the Remuneration Committee in the financial year in question. The report will describe the composition of the Remuneration Committee, the number of meetings of the Remuneration Committee and the main items discussed at the meetings.<sup>28</sup>
- 5.6 The functioning of the Remuneration Committee will be assessed in the context of the annual assessment of the functioning of the SB and its committees.<sup>29</sup>
- 5.7 These terms of reference and the composition of the Remuneration Committee will be published on the Company's website.<sup>30</sup>

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<sup>27</sup> Dutch Corporate Governance Code 2022, best practice provision 2.3.5.

<sup>28</sup> Dutch Corporate Governance Code 2022, best practice provision 2.3.5.

<sup>29</sup> Banking Code, under 'Supervisory Board'

<sup>30</sup> Dutch Corporate Governance Code 2022, best practice provision 2.3.3.