

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 six meetings in 2022.

Composition

Chair

Bernadette Langius



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 2022 and how it will be applied in 2023. 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 2021 remuneration report was approved by the AGM (advisory vote) with a majority of 99.95% 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 2021 remuneration report. The 2022 remuneration report will be subject to an advisory vote at our AGM on 25 May 2023.

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, while experience in digitalisation and advanced analytics is also key. As a consequence, the remuneration of the Management Board members should be such that Van Lanschot Kempen is able to attract and retain the necessary talent, which includes future board members from highly specialist wealth management and technology firms. Moreover, the Management Board's remuneration package must be structured to fit properly within the Dutch context.

Remuneration principles remained unchanged in 2022

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 guidelines². This creates a strong focus on long-term value creation.

The remuneration structure for the Management and Supervisory Boards remained unchanged in 2022.

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 2022

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

In line with the Management Board remuneration policy approved by shareholders, the Supervisory Board indexed the fixed remuneration of the members of the Management Board. The indexation was applied on 1 January 2022 and amounted to 2%, in line with the wider workforce.

For more information about the Management Board's remuneration package and pay ratios, see "Remuneration of the Management Board in 2022" on page 91.

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 under par, the Supervisory Board may decide not to apply any indexation. If it is consistently under par, the Supervisory Board may dismiss the responsible Board member (after consulting the general meeting).

Stakeholder engagement

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

Looking ahead to 2023

The remuneration policy for the Management and Supervisory Boards will remain unchanged in 2023.

The 2023 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 will be applied, amounting to 4.4% on 1 January 2023 and 1% on 1 July 2023. These relatively high percentages are a result of the high inflation environment. The Supervisory Board believes it is appropriate to apply a lower indexation percentage to the Management Board, in line with senior staff who have individual employment conditions.

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: 3.5% on 1 January 2023 and 0.5% on 1 July 2023.

The remuneration policies of the Management Board and Supervisory Board will be reviewed in 2023, in preparation for their inclusion on the agenda of the AGM in 2024. As part of this review, the peer groups that are used to benchmark remuneration will be reconsidered.

's-Hertogenbosch, the Netherlands, 22 February 2023

Remuneration Committee



Bernadette Langius, *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.

Van Lanschot Kempen is the oldest independent financial institution in the Netherlands. Founded in 1737 in 's Hertogenbosch, Van Lanschot Kempen has brought several entities together over time. Our ability to continuously adapt to the changing needs of our clients is what allows us to succeed, now and in the future.

Wealth is not just about financial resources; it encompasses everything that is valuable in life. It's about safeguarding our clients' heritage for generations to come – or starting to build that heritage. It's about pursuing growth or handing over a business that has been built over the years. It's about seizing opportunities and creating peace of mind. In short: it's about security, dreams, ambitions, wishes and decisions – and all of these are specific to each individual.

At Van Lanschot Kempen, we're driven to understand the complete picture for our clients. We use our collective expertise and talents to present them with fitting solutions and products in support of their long-term goals.

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 the Management Board.

Rewarding sustainable performance

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

Creating a sense of ownership

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

Performance management

The Supervisory Board 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. They are in line with the company's values and will be reassessed from time to time. The KPIs that are relevant from a strategy and stakeholder perspective are disclosed in the sections about our value creation per type of capital on pages 23-44. These KPIs are also applicable to the members of the Management Board. Van Lanschot Kempen aims for the KPIs and performance management applicable to the Management Board to be fully aligned with the rest of the organisation.

Our remuneration policy at a glance

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

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

	Purpose	Operation
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 pressure	The remuneration of the Management Board can be increased annually at the discretion of the Supervisory Board. The indexation is maximised by: <ul style="list-style-type: none"> 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, and the possible impact that these may have in the Netherlands.

Remuneration of the Management Board in 2022

On 1 September 2022, Constant Korthout stepped down as member of the Management Board and Chief Financial and Risk Officer. From this date, the role was split into two separate positions: Chief Financial Officer (CFO) and Chief Risk Officer (CRO). Jeroen Kroes was appointed by the AGM as the new CFO and Wendy Winkelhuijzen as the new CRO. Jeroen and Wendy both started their careers at Van Lanschot Kempen. Their compensation is fully in line with the Management Board remuneration policy.

The Supervisory Board indexed the fixed remuneration of the members of the Management Board. The indexation was applied on 1 January 2022 and amounted to 2%, in line with the wider workforce. It was granted fully in cash, in accordance with the Management Board remuneration policy. The remuneration paid to the Management Board in 2022 and 2021 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	IFRS 2 expenses ⁵	Total staff costs
Maarten Edixhoven ⁶	2022	830	388	1,217	71	397	1,684	78	1,763
	2021	201	97	298	445	97	840	22	862
Jeroen Kroes ⁷	2022	158	104	262	-	85	348	24	372
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wendy Winkelhuijzen ⁸	2022	158	104	262	-	85	348	24	372
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Arjan Huisman	2022	475	312	787	-	256	1,043	47	1,090
	2021	456	312	768	-	251	1,019	36	1,055
Richard Bruens	2022	475	312	787	-	256	1,043	47	1,090
	2021	456	312	768	-	251	1,019	36	1,055
Erik van Houwelingen ⁹	2022	475	312	787	-	256	1,043	47	1,090
	2021	456	312	768	-	251	1,019	36	1,055
Constant Korthout ¹⁰	2022	317	208	525	787	171	1,483	23	1,506
	2021	456	312	768	-	251	1,019	36	1,055
Karl Guha ¹¹	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2021	601	291	892	-	291	1,183	33	1,216

Compliance with our remuneration policy

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

Total remuneration management

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

Internal pay ratios, fairness and wider workforce considerations

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

A comparison of the CEO's remuneration package and the average remuneration¹² of an employee within Van Lanschot Kempen results in a pay ratio of 11:1, the same as in 2021 and in line with the industry benchmark.

As part of the review of Management Board remuneration, we take into account the remuneration policies in place across the wider workforce. This includes considering the structure of remuneration packages at each level of the business to ensure there is a strong rationale for how these evolve across the different levels of the organisation. For more detailed information on Management Board remuneration versus remuneration for the wider workforce (as well as company performance), see "Supplementary disclosure related to Management Board remuneration" on page 93.

External considerations

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

³ To be able to make a comparison between 2022 and 2021, 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 17,041 shares (2021: 7,985 shares from 1 October 2021), Jeroen Kroes and Wendy Winkelhuijzen received 5,091 shares from 1 September 2022. Constant Korthout received 9,155 shares until 1 September 2022 (2021: 14,565 shares) while the other members of the Management Board each received 13,732 shares (2021: 14,565 shares). The number of shares granted is based on the average share price for the first four trading days in January (in September for Jeroen Kroes and Wendy Winkelhuijzen). For 2022, the average share price amounted to €22.74 in January (2021: €21.44) and €20.44 in September. IFRS takes the share price at grant date as the basis for recognition. This price also amounted to €22.74 in 2022 (2021: €21.44).

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 2022 (€71,000) relates to deferred compensation for lapsed rights to variable remuneration at Maarten Edixhoven's previous employer. The extraordinary item in 2021 relates to a sign-on payment in cash of €250,000, a sign-on payment in shares of €100,000 and deferred compensation of €95,000 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 Remuneration reported as of 1 January 2021; Erik van Houwelingen was appointed as member of the Management Board on 27 May 2021.

¹⁰ Constant Korthout stepped down as member of the Management Board on 1 September 2022 and is entitled to a (one-year gross salary) severance payment of €787,000. He received remuneration under the same conditions for the remainder of 2022.

¹¹ Karl Guha stepped down as Chair of the Management Board on 1 October 2021. He received remuneration under the same conditions for the remainder of 2021.

¹² 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.

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 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. In preparation for the approval of our remuneration policy at the 2024 AGM, we will review our Management Board peer group. The composition of the peer group currently is set out in the following table.








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


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

Following feedback from stakeholders, in 2019 we asked Willis Towers Watson (WTW) to update the market assessment for the Management Board. No changes were made in the companies selected, but we asked WTW to benchmark one level deeper in the organisation for the larger firms in the peer group (at similar job levels). This means that our CEO was compared with positions that report to the CEO (CEO-1 level); for the other Management Board positions, divisional heads were included that report to CEO-1 level (i.e. CEO-2 level). As these positions do not have formal board responsibilities, a standard board premium (in line with market practice) was applied to the base salary levels. Based on this updated analysis, we found that the CEO and CFO are still placed below median market levels (in the 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 2022, 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 25-44.

	KPIs	Targets	Performance in 2022	Supervisory Board assessment 2022
Financial	CET 1 ratio	15 + M&A add-on of 2.5%	20.6%	
	Return on equity (CET 1)	12% through the cycle	12.3%	
	Efficiency ratio	70%	73.1%	
Non-financial	Net Promoter Score (NPS)	20	36	
	a. Private Clients			
	b. Evi	10	-1	
	c. Wholesale & Institutional Clients	20	n/a ¹³	
	Employer Net Promoter Score (eNPS)	> 10	18	

 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 ¹⁴						
	2022	2021	2020	2019	2018	2017
CEO remuneration (€1,000) ¹⁵	1,684	1,576	1,499 ¹⁶	1,538	1,538	1,229
Other Management Board members' remuneration (€1,000) ¹⁵	1,043	1,019	973 ¹⁶	994	994	795
Average employee remuneration (€1,000) ¹⁷	148	149	140	131	139	130
Underlying net profit (€ million)	117.8	159.9	51.0	108.8	103.0	112.3

Number of shares held by Management Board members in 2022					
	At 1 January 2022	At 1 September 2022	Bought/awarded	Sold/post-employment	At 31 December 2022
Maarten Edixhoven	4,947		20,181	—	25,128
Jeroen Kroes		15,871	3,154	—	19,025
Wendy Winkelhuijzen		7,588	3,154	—	10,742
Constant Korthout (until 1 September 2022)	80,780	86,452	5,672	—	n/a
Arjan Huisman	60,393		11,633	—	72,026
Richard Bruens	76,742		11,633	—	88,375
Erik van Houwelingen	24,894		11,633	—	36,527
Total	247,756	109,911	67,060	—	251,823

At 31 December 2022, 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.

¹³ We only measure the NPS for Wholesale & Institutional Clients once every two years.

¹⁴ The Dutch implementation of SRD II requires disclosure of the compensation of the Supervisory Board members in a way that allows comparison. The members of the Supervisory Board received fixed remuneration during the years covered by the table above, ranging from €60,000 (lowest full-time amount in 2017) 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 2022".

¹⁵ Total remuneration awarded. For the 2022 figures: Constant Korthout's remuneration is reported until 1 September. From 1 September, Jeroen Kroes's remuneration and Wendy Winkelhuijzen's remuneration are reported.

¹⁶ 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.

¹⁷ 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.

Loans to Management Board members at 31 December 2022 (€1,000)

	At 31 December 2022	Repaid in the year	Interest range	Type
Maarten Edixhoven	—	—	—	—
Jeroen Kroes	343	7	1.35 %	Mortgage
Wendy Winkelhuijzen	381	14	1.85-2.05%	Mortgage
Arjan Huisman	—	—	—	—
Richard Bruens	2,333	36	1.10-1.56%	Mortgage
Erik van Houwelingen	1,995	20	1.45-2.10%	Mortgage
Total	5,052	77		

Remuneration of the Supervisory Board in 2022

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 Appointment Committee	€10,000		€6,000

Remuneration of the Supervisory Board (€1,000)	2022	2021
Frans Blom	117	111
Manfred Schepers	95	95
Bernadette Langius	80	80
Maarten Muller	76	76
Lex van Overmeire	85	85
Karin Bergstein	77	77
Brigitte Boone (from 22 September 2021)	76	19
Jeanine Helthuis (until 27 May 2021)	—	35

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

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

Supervisory Board peer group

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

Remuneration of other employees

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

Fixed remuneration

Employees' fixed remuneration reflects their relevant work experience and organisational responsibilities. 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.

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. For the second year, in 2022 we further analysed the gender pay gap at different levels in the organisation to determine whether there are any unexplained differences. As a result, we concluded that our unexplained (corrected) gender pay gap is 2.7%, which is a significant improvement on our 2021 score of 4%. Our target is to reduce this to less than 2%.

Variable remuneration

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

Our variable remuneration policies comply with all relevant laws and regulations. The average variable remuneration of all Van Lanschot Kempen employees who work (largely) in the Netherlands 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 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 2022

Variable remuneration totalling €21.5 million was awarded to employees (including identified staff) over 2022 (2021: €23.0 million). Six people received total annual remuneration of over €1 million in 2022 (2021: five people).

Long-term share plan

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

Matching Share Plan

In 2022, a new employee participation plan was introduced, known as the Matching Share Plan. The plan offers an attractive investment opportunity in Van Lanschot Kempen, as well as the chance to share in the company's successes. Employees are able to purchase Van Lanschot Kempen shares, up to a maximum amount of €15,000 (as of 2023). The shares are locked up for five years and can therefore be offered at an 18.5% discount. If the employee is still employed after one year, a matching amount is awarded in shares. In 2022, the maximum value of shares that would be matched by the company was €2,500; in 2023, this limit will be raised to €3,500. We are proud that more than 70% of our employees are now also shareholders in Van Lanschot Kempen.

Partnership for leadership

In summer 2022, the Van Lanschot Kempen Partnership was launched: a long-term participation plan for key senior employees. For more information, see "Partnership for leadership" on page 34.

Pensions

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

Remuneration policy for identified staff

Identified staff are employees whose activities have a material impact on the risk profile of the business. For these employees, performance measurement is the same as for other employees, but additional rules apply for the pay-out of variable remuneration in order to align the interests and risks of the employee with those of the company.

As a general rule, any pay-out to identified staff is made 50% in cash and 50% in Van Lanschot Kempen shares. As an exception¹⁸ 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 the Human Resource Management, Finance, Reporting & Control, Risk Management and Compliance departments. These, together with the Internal Audit department, have an important part to play in setting up, adjusting, implementing and reviewing our variable remuneration policy. They advise the Management and Supervisory Boards and report to them on their conclusions.

The Management Board is responsible for implementing the remuneration policy. The Supervisory Board approves the variable remuneration policy, including its general principles, and oversees its implementation. Approval by the Supervisory Board is also required for the variable remuneration pools, any significant¹⁹ 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 2022 Pillar 3 disclosure, available on our website from 9 March 2023.

¹⁸ Based on the Alternative Investment Fund Managers Directive (AIFMD) and Undertakings for the Collective Investment in Transferable Securities (UCITS) guidelines on sound remuneration policies.

¹⁹ More than 50% of fixed remuneration.