

A total of 41,146,668 Class A ordinary shares had been issued at 31 December 2017. The outstanding capital has changed compared to the situation at 31 December 2016 in terms of the number of shares in issue. Van Lanschot Kempen issued 55,000 Class A ordinary shares on 18 May 2017 in order to meet obligations under our remuneration policies and related share schemes. Our outstanding capital consisted entirely of Class A ordinary shares. There were no outstanding Class C preference shares in 2017.

Depository receipts for shares

Over 99.99% of Class A ordinary shares in issue are held by Stichting Administratiekantoor van gewone aandelen A Van Lanschot Kempen ("Stichting Administratiekantoor"), which has issued depository receipts for these shares. The receipts have been listed on the official market of the Euronext Amsterdam stock market since 1999. A depository receipt can be converted into its underlying share without any restrictions, although administrative costs may be charged. In line with the Code, Stichting Administratiekantoor grants proxies so that holders of depository receipts can always exercise their voting rights. In the case of shares for which Stichting Administratiekantoor has not granted proxies to the holders of depository receipts and for which no voting instructions have been received, Stichting Administratiekantoor's board decides how the votes are to be cast. It has three members and is independent of Van Lanschot Kempen. It appoints its own members, without requiring the approval of Van Lanschot Kempen, and reports on its own activities. This report can be found on page 238.

Stichting preferente aandelen C Van Lanschot Kempen

A call option contract has been agreed between Stichting preferente aandelen C Van Lanschot Kempen ("Stichting preferente aandelen") and Van Lanschot Kempen, under which Stichting preferente aandelen was granted the right to acquire Class C preference shares up to 100% of the value of Van Lanschot Kempen's share capital in issue before the exercise of the call option, less one share. A General Meeting of Shareholders, at which a proposal to redeem the preference shares will be placed on the agenda, is to be convened within 12 months. The following circumstances may lead to the issuance of Class C preference shares:

- A concentration of shares or depository receipts for shares in Van Lanschot Kempen as a result of purchases on the stock market or the purchase of blocks of shares, other than as a pure investment;
- Merger talks that do not lead to an agreement;
- The announcement of a public bid, whether or not in combination with the above circumstances;
- A proposal by a shareholder to place an item on the agenda that represents a potential threat to Van Lanschot Kempen's continuity, identity and/or independence.

Share plans

In March 2017, an employee stock purchase plan was introduced, enabling employees working in the Netherlands, Belgium or Switzerland to buy depository receipts for shares of Van Lanschot Kempen during the open periods at a discount in return for a lock-up period of five years. There is a minimum subscription amount of €100 and a maximum amount of 25% of the gross annual salary of the employee per year.

A share option plan was in place between 1989 and 2006. A term of seven years has applied since 2003, which has been extended by five years in Belgium for several option series. The number of outstanding option rights amounted to 6,679 at 31 December 2017.

Van Lanschot Kempen holds shares in order to cover its commitment in respect of these option rights. The company meets its obligations under the share and option plans primarily by drawing on its stock of shares and by issuing new shares.

A management investment plan (MIP) was introduced for a group of Kempen employees in 2010, with a view to helping recruit and retain professionals on a long-term basis. The MIP enables this group of employees to invest their own funds indirectly in Kempen shares and profit-sharing certificates, entitling them to a payment dependent on Kempen's net profit. Van Lanschot Kempen retains full control over Kempen.

Interests in Van Lanschot Kempen notifiable under Article 5.3.3 of the Financial Supervision Act

Pursuant to the Dutch Financial Supervision Act, shareholders and holders of depository receipts of Van Lanschot Kempen NV are required to provide information on their holdings once they cross threshold levels of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. As of the publication date of this report, Van Lanschot Kempen is not aware of any shareholders, potential shareholders or investors with an interest of 3% or more in Van Lanschot Kempen other than Stichting Administratiekantoor, Stichting preferente aandelen, Stichting Pensioenfonds ABP (via APG Asset Management NV), Wellington Management Group LLP, LDDM Holding BV, Reggeborgh Invest BV, FMR LCC, Janus Henderson Group plc, T. Rowe Price Associates, Inc., Invesco Limited and CRUX Asset Management Limited.

No transactions took place in 2017 between Van Lanschot Kempen and any natural person or legal entity holding at least 10% of the shares in Van Lanschot Kempen, and which would be material to Van Lanschot Kempen and/or the person/entity involved.

Rights of shareholders

Since there are exclusively Class A ordinary shares in issue at present, this section only describes the rights of holders of Class A ordinary shares and depository receipts for Class A ordinary shares.

Dividend

The portion of the profit remaining after addition to the reserves is at the disposal of the General Meeting. In the event that a loss is incurred over a year, which cannot be covered by a reserve or by some other means, no profit distribution will occur in subsequent years until such time as this loss has been absorbed. A dividend on ordinary shares can only be paid out when the dividend proposal has been approved by the General Meeting. Van Lanschot Kempen checks whether the proposed dividend satisfies the European Central Bank's recommendation on dividend payment policies. Further information on our dividend policy can be found on pages 95-96.

Pre-emption rights

When ordinary shares are issued, each existing holder of ordinary shares has a pre-emption right proportionate to the aggregate nominal amount of the existing holding of ordinary shares. Class A ordinary shares are issued to holders of Class A ordinary shares. The same applies to the grant of rights to acquire ordinary shares. Pre-emption rights can be limited or excluded by resolution of the Statutory Board, any such resolution being subject to the approval of the Supervisory Board. The relevant authority of the Statutory Board ends as soon as its authority to issue shares expires (see "Share issues").

Shareholders do not have any pre-emption rights on shares issued in exchange for a non-cash contribution. Nor do shareholders have any pre-emption rights on shares or depositary receipts for those shares issued to employees of Van Lanschot Kempen or another group company.

Special rights of shareholders

There are no special statutory control rights attached to shares in Van Lanschot Kempen.

Van Lanschot Kempen signed a shareholder agreement with LDDM Holding BV in 2011. In it, LDDM Holding affirms that it will respect Van Lanschot Kempen's independence. LDDM Holding will not cooperate with the acquisition by a third party of a shareholding in Van Lanschot Kempen exceeding 25% of the issued share capital without the approval of the Statutory and Supervisory Boards. In the event of any future share issues, Van Lanschot Kempen will give LDDM Holding the opportunity, subject to certain conditions, to keep its relative shareholding in Van Lanschot Kempen at the same level. As long as LDDM Holding retains an interest of at least 7.5% in Van Lanschot Kempen, it has the right to recommend one person for appointment as a member of the Supervisory Board of Van Lanschot Kempen. Godfried van Lanschot currently serves on the Supervisory Board on LDDM Holding's recommendation.

Restrictions on voting rights and deadlines for exercising voting rights

Van Lanschot Kempen has not imposed any restrictions on the exercise of voting rights. In principle, voting rights are exercised at the General Meeting by the shareholder or the person authorised by the shareholder to that end. A shareholder is entitled to vote at the General Meeting if the shares in question are registered in the shareholder's name on the registration date (see "General Meeting"). Holders of depositary receipts for Class A ordinary shares who register on time to attend the General Meeting are granted a proxy by Stichting Administratiekantoor. They can use this proxy at the General Meeting to exercise the voting rights on the shares held by Stichting Administratiekantoor, and in exchange for which depositary receipts were issued. Proxies will be provided when the depositary receipt holders sign the attendance list prior to the start of the meeting. If the depositary receipt holder's right to attend the meeting is to be exercised by a representative authorised in writing, Stichting Administratiekantoor will grant a proxy to the representative. Shareholders and holders of depositary receipts for shares are also offered the opportunity to issue a voting instruction to an independent third party prior to the General Meeting. The notice convening the relevant General Meeting will

state to whom this voting instruction should be sent and what the deadline is for submission.

Share issues

The extent of the Statutory Board's authority to decide on a share issue (subject to the approval of the Supervisory Board) is determined by a resolution of the General Meeting. The duration and granting of this authority are also determined by resolution of the General Meeting and may not exceed five years. The Statutory Board's authority to issue ordinary shares, including the granting of rights to acquire these shares, was extended at the General Meeting held on 18 May 2017 for a period of 18 months from the date of that meeting. The authority to issue these shares is limited to 10% of the issued capital, to be increased by an additional 10% of the issued capital if the issue is made within the context of a merger or takeover.

This authority has been used for the issuance of 55,000 Class A ordinary shares in order to meet the company's obligations under the remuneration policies and related share schemes.

Repurchase of shares

Repurchases of paid-up shares in the company or depositary receipts for such shares, other than for no consideration, may take place if the General Meeting has authorised the Statutory Board to this effect. This authorisation applies for up to a maximum of 18 months. Repurchase occurs pursuant to a decision by the Statutory Board, subject to Supervisory Board approval.

The Statutory Board was authorised at the General Meeting held on 18 May 2017 to repurchase paid-up ordinary shares in the company or depositary receipts for these shares, by buying such shares on the stock market or otherwise, up to a maximum of 10% of the issued capital at the date of authorisation, subject to Supervisory Board approval. This authority has been granted for a period of 18 months from the date of the meeting.

Transfer of shares and depositary receipts

The Articles of Association and the conditions of administration do not contain any restrictions on the transfer of Class A ordinary shares or depositary receipts for Class A ordinary shares.

Amendment to the Articles of Association

A resolution to amend the Articles of Association of Van Lanschot Kempen may only be adopted based on a proposal by the Statutory Board that has been approved by the Supervisory Board. If a proposal to amend the Articles of Association is presented to the General Meeting, a copy of the proposal will be made available to the shareholders and holders of depositary receipts prior to the meeting.

General Meeting

Each voting shareholder and depositary receipt holder is authorised, either in person or through a representative authorised in writing, to attend the General Meeting, to address the meeting and to exercise their voting rights.

A registration date applies to each General Meeting of Shareholders, which is the 28th day prior to that meeting. The registration date determines who qualifies as a voting shareholder or depositary receipt holder for the relevant

General Meeting of Shareholders. The notice convening the meeting states the registration date, the way in which shareholders and depositary receipt holders can register and how they can exercise their rights, either in person or through a representative authorised in writing.

Shareholders and depositary receipt holders or their representatives are only admitted to the meeting if they have informed Van Lanschot Kempen in writing of their intention to attend, and if this has been done in the manner described in the notice convening the meeting. Access to the meeting is only possible if the relevant shares or depositary receipts are registered in the name of the shareholder or the depositary receipt holder on the registration date. Representatives must also present a written proxy. A written proxy may be sent electronically. Each share entitles the holder to cast one vote at the General Meeting of Shareholders.

The powers of the General Meeting include the following:

- Approving decisions of the Statutory Board to make important changes to the identity or nature of the company or the business;
- Appointing members of the Supervisory Board on the Supervisory Board's recommendation;
- Setting the remuneration of members of the Supervisory Board;
- Passing a motion of no confidence in the Supervisory Board;
- Determining the remuneration policy for the Statutory Board;
- Approving schemes in the form of shares and/or rights to acquire shares for the Statutory Board;
- Adopting the financial statements;
- Disposing of the profit remaining after dividend has been distributed to any outstanding Class C preference shares, and after the decision has been made to add all or part of the profit to the reserves;
- Discharging the Statutory Board;
- Discharging the Supervisory Board;
- Granting the Statutory Board the authority to issue shares and to limit or exclude pre-emption rights on the issue of shares;
- Granting the Statutory Board the authority to repurchase the company's own shares;
- Resolving to amend the Articles of Association of Van Lanschot Kempen, to dissolve Van Lanschot Kempen, or to effect a legal merger or demerger of Van Lanschot Kempen, following a proposal to that effect by the Statutory Board which has been approved by the Supervisory Board.

Main features of Van Lanschot Kempen's management and control system

Van Lanschot Kempen's management and control system is designed to manage internal and external risks. This includes the management of financial reporting risks, to ensure reliable financial reporting and financial statements that are prepared in accordance with generally accepted accounting principles, and which comply with the prevailing legislation and regulations.

Van Lanschot Kempen applies the three lines of defence model for the management of risk. The first line of defence is the business, responsible for day-to-day risk management.

The second line of defence is provided by departments such as Group Risk Management and Compliance which oversee the functioning of the first line. Group Audit acts as the third line of defence, providing an independent evaluation of the adequacy of the internal management and control systems.

The three lines of defence model provides the Statutory Board with a reasonable degree of certainty as to how the internal management and control system is functioning, including the efficacy of both the first and second lines. In 2017, the monitoring of the effectiveness of key controls (as part of the risk & control framework) was improved, and the risk & control framework was updated to reflect changes in the organisational structure.

Group Audit is responsible for carrying out IT and operational audits. All of Group Audit's reports were submitted to the Statutory Board. Group Audit, Compliance and Group Risk Management ensure adequate follow-up and prioritisation. Supplementary control measures have been defined in the meantime, which should mitigate risk sufficiently.

The effectiveness of the framework is evaluated annually by Group Risk Management and Compliance, while Group Audit has also assessed its quality and effectiveness. The results of these evaluations featured in the respective quarterly reports of Group Risk Management, Compliance and Group Audit.

For more detailed information on risk management within Van Lanschot Kempen, see page 68. The financial statements include also a more detailed explanation of risk management at Van Lanschot Kempen (see "Risk management", beginning on page 122).

Financial reporting risk

The Statutory Board is responsible for the design and operation of an adequate system of internal control for Van Lanschot Kempen's financial reporting. The system is designed to provide reasonable assurance as to the reliability of financial reporting. The financial statements must be prepared in accordance with generally accepted accounting principles and applicable legislation and regulations.

Van Lanschot Kempen has tools in place to manage financial reporting risks:

- Periodic management reports and KPI dashboards, accompanied by analysis of financial and non-financial figures and trends;
- A risk & control framework describing processes and procedures, and setting out primary controls such as authorisations and segregation of duties;
- Evaluation of the functioning of the internal management and control system by Group Audit. The main findings are discussed with the Statutory Board, the Audit and Compliance Committee and the Supervisory Board;
- Assessment and approval of the annual report by the Statutory Board, and discussion of the annual report by the Audit and Compliance Committee and the Supervisory Board;
- The Accounting Manual, which sets out the principles regarding financial accounting.