

Statement of the Chairman of the Supervisory Board

Agenda item 6: remuneration of the Statutory Board

The Supervisory Board would like to outline the context for the proposal included in agenda item 6 of the agenda of the General Meeting of Shareholders. It is our firm belief and conviction that the Supervisory Board has followed due process in all aspects. We have clustered our remarks to provide some coherence and perspective to the arguments. Allow us to address the four key factors that played a role in the review process:

Performance of the Statutory Board (RvB): 2013 - 2018

The members of the RvB individually and collectively have performed well during this period, in the execution of our stated strategy and in the turnaround of the firm. The metrics used by the Supervisory Board incl. profitability, de-risking, capitalization, return to shareholders, employee satisfaction, client satisfaction, etc. Please note that Van Lanschot Kempenn has never resorted to asking for support from the government during this or any other period of time.

Review - Choices and rationale

The review was done for several reasons - to ensure that the RvB is fairly compensated for performance, to remain competitive in an evolving market and to ensure that we can attract talent with respect to succession.

The choice of the peer group is based on the guidelines provided by the Dutch Banking Code and the type of business that we pursue. Van Lanschot Kempenn is a pure wealth management firm with a long liability model. There are very few, if any, firms of this nature in The Netherlands. Degroof Petercam in Belgium is probably the closest comparable; in Switzerland, of course there are many more firms of a similar nature.

Choices were also driven by the changing nature of the firm - from digitalization, automation to advanced analytic capability - and the leadership qualities required to manage that change. As a matter of fact, we increasingly recruit from outside the banking sector. We are essentially a wealth management house with a banking license.

Size has been cited as a key issue. We strongly believe that size should not determine the quality of the talent that we seek. It is not in the interest of the firm to restrict itself in such a way. As a matter of fact, the majority of the Executive Board (EB) has come from significantly larger firms. The argument that size should limit one's search for talent is not something we subscribe to; as such, we are convinced that we need to attract people from larger firms in our industry and outside of it to drive the transformation and growth of Van Lanschot Kempenn. Members of our current RvB/EB are a case in point.

Finally, arguments were made by some that companies such as ASML or DSM should not be included in the peer group. We disagree for the reasons stated above. However, for the sake of argument, if we were to exclude both companies from the peer group, it would change very little in terms of the percentile - it would simply move the proposed percentile from 29 to 31. Please note that the proposed 29th percentile is well below the median.

Timing of the Review - an explanation as to why now

The review related to compensation was due in 2013. It was postponed to 2015. In 2015 we had to review the compensation package as a result of new regulations with respect to variable compensation. There were also additional factors that we took into consideration, such as the re-IPO process, Brexit and the resultant market turmoil. Consequently, the review was postponed to 2017. A decision was taken to wait for the new Dutch Banking Code before embarking on a salary review. It is noteworthy that it was agreed

with the shareholders (in 2015) that a review would be conducted in 2017. In short, the review was long overdue.

How does it compare to the average compensation for employees

The ratio of median salary in the firm to that of the CEO is 10.8; the same ratio for other members of the RvB and EB is 8.6. Both are well below the general accepted norms the so called 'pay ratio'.

Compensation comparisons between 2013 and 2018 for the CEO

| | Salary | Pension & Disability Premium | Total Compensation |
|-------|-------------|------------------------------|--------------------|
| 2013: | € 1,125,000 | € 168,750 | € 1,293,910 |
| 2018: | € 1,160,000 | € 378,000 | € 1,538,000 |

While it is tempting to take a one-year view, it is more relevant and in line with our long term sustainable views, to compare the differences over a five-year period. You will note that the difference in total compensation including pension is higher by 18.8% over the five-year period. It is also relevant to take into account that the total compensation for the CEO is well below that of his predecessors.

The relevant numbers for the RvB members are as follows:

| | | | |
|-------|-----------|-----------|-----------|
| 2013: | € 850,000 | € 106,250 | € 956,250 |
| 2018: | € 750,000 | € 244,425 | € 994,425 |

In order to have a rational understanding of the numbers, it is important to break down total compensation into its constituent parts:

Salary

Please note that the salary increased by 3% for the CEO during the same five-year period - in line with AVR - increases for staff during the same period. In other words, it is broadly in line with the salary level in 2013.

In 2015, the total salary for the RvB was reduced by 13% for the CEO and 26% for the other RvB members. Variable compensation was abolished and shares were introduced as part of the fixed compensation with two requirements: a minimum hold period of 3 years (proposed increase to 5 years) and a minimum amount worth two years of gross cash compensation. On average that would take the average "holding period" to eight years or more.

In our deliberations, we have also taken note of the fact that the RvB declined variable compensation due to them in 2013, accepted a significantly lower percentage of variable granted the following years, and accepted a lower of overall compensation in 2015.

Please note, the proposed increase in salary are all in shares and given the long lock-up period, is aligned with the long-term interest of the company.

Pension

At Van Lanschot Kempenn the pension for the RvB has been 21%, while for staff the applicable pension is 22.5%.

The proposal is to increase pension contribution to 30%. The norm for the members of the RvB in the industry is between 30% and 50%. We believe that the percentage increase in pension is both reasonable and acceptable in the context of the industry norm.

Conclusion

We believe that we have applied a highly professional standard - as exemplified by the period of time under consideration, long term holding of shares, the ratio between median staff salary, and the choice of a percentile (29) well below the median of the peer group. We believe very strongly that, in making this proposal, we have complied with all elements of the Dutch Banking Code and properly considered critical factors such as performance, retention and succession.

Willy Duron
Chairman Supervisory Board

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Member Supervisory Board and
Chairman Remuneration Committee