

# Remuneration Report 2009

This document is a translation of the Dutch original and is provided as a courtesy only. In the event of any disparity, the Dutch version shall prevail. No rights may be derived from the translated document.

# Remuneration report 2009

## A. Introduction.

### Remuneration report

1. According to best practice provision II.2.12 of the Dutch corporate governance code of 2008 (“the CGC”) the remuneration report of the supervisory board should include a report of how the Remuneration Policy has been implemented in practice in the last reporting year, as well as a summary of the Remuneration Policy expected by the supervisory board in the next and subsequent reporting years.
2. The following matters are dealt with below:
  - a. 2009 Remuneration Policy (and how this policy was implemented in the 2009 calendar year in practice) (B);
  - b. 2010 Remuneration Policy (C);
  - c. Settlement of accumulated rights of the executive board members under the 2008 Remuneration Policy and the 2009 Remuneration Policy (D).

## B. 2009 Remuneration Policy.

### Introduction

3. The 2009 Remuneration Policy (“the 2009 Remuneration Policy”) was adopted at the general meeting of 2009. The 2009 Remuneration Policy serves as a framework within which the supervisory board has set the remuneration of the members of the executive board of BinckBank N.V. (“executive board members”) for the 2009 calendar year. The 2009 Remuneration Policy is published on [www.binck.com](http://www.binck.com).

### Remuneration elements

4. In accordance with the 2009 Remuneration Policy, the remuneration package for executive board members consists of the following components:
  - I. Basic salary;
  - II. Variable short-term performance-related pay;
  - III. Variable long-term performance-related pay;
  - IV. Pension scheme and supplementary disability insurance;
  - V. Participation in the relevant BinckBank company car lease scheme and reimbursement of mobile telephone charges.

The contents of the 2009 Remuneration Policy will be described per component below, as well as how the 2009 Remuneration Policy was implemented in practice in the last reporting year.

#### I. Basic salary

##### 2009 Remuneration Policy

5. The basic salary should reflect the responsibilities placed on the chairman and on the other members of the executive board of BinckBank N.V. The basic salary should be competitive, taking into account the tasks and responsibilities of the chairman and the other members of the executive board of BinckBank N.V. The basic salary of members of the executive board of BinckBank N.V. must be set within the following framework:

Chairman	€ 375.000 – € 450.000 (bruto p/j)
Other board members	€ 275.000 – € 325.000 (bruto p/j)

##### Implementation

6. In accordance with the provisions in the 2009 Remuneration Policy, the supervisory board has set the 2009 gross basic annual salary as follows:
  - T.C.V. Schaap (chairman until 28/4/09) € 425.000
  - K. Beentjes (chairman with effect from 28/4/09) € 375.000
  - P. Aartsen € 300.000
  - E.J.M. Kooistra € 300.000
  - N. Bortot € 300.000

## II. Variable short-term performance-related pay

### 2009 Remuneration Policy

7. Each year, the short-term performance-related pay is awarded and paid in cash. In order for the short-term performance-related pay to be awarded ("short-term cash payment"), the following performance criteria must be met:
  - a. 50% of the short-term cash payment is based on financial criteria, viz.: Earnings per Share ('EPS'). This depends on whether the adjusted net EPS of €0.86, as set as a target by the supervisory board at the beginning of the 2009 calendar year, is realised;
  - b. 50% of the short-term cash payment is based on qualitative criteria.
8. The qualitative criteria as per 1 January 2009 included:
  - a. Completion of integration of Alex and Binck, measured by e.g. the setup of data centres and full integration of terms and conditions of employment of Alex and Binck;
  - b. Further expansion of the Retail business unit, measured by e.g. the start of an investment funds supermarket in the Netherlands and Belgium, intensifying asset management in the Netherlands and the introduction of SRD in France;
  - c. Further expansion of the Professional Services business unit, measured by e.g. the signing of a BPO contract with at least one new party; best-execution project operational; Professional Services organisationally separated, 600 new clients and assets under administration of at least €150 million in Belgium;
  - d. Internal control, measured by the recording of all policies in the BinckBank Governance Risk Compliance Tool, installation of a new treasury system and Asset & Liability Management (ALM) model, implementation of a personnel administration system at HR, adequate project planning, and acceleration and improvement of the quality of the contents of financial reports.
9. In the event that, in the opinion of the supervisory board, all stated performance criteria have been met in any one calendar year, the executive board members are awarded a short-term cash payment for this calendar year of 45% of the gross basic annual salary. Extremely good performance can lead to a maximum short-term cash payment of 65% of the gross annual salary. No short-term cash payment is paid if the executive board members fail to realise at least 80% of the financial criteria for any one calendar year. If the executive board members have succeeded in realising at least 80% of the financial criteria in any one calendar year, yet not all performance criteria for that calendar year have been realised, it will be at the discretion of the supervisory board to award a short-term performance-related pay of up to 45% of the gross basic annual salary.

### Implementation

10. The quantitative target for 2009 of adjusted net earnings per share (EPS) of €0.86 has been amply met, achieving earnings per share of €1.04. In addition, the supervisory board has concluded that 50% of the qualitative targets have been met. The executive board has shown a real commitment to the integration of the data centres of Alex and BinckBank and the terms and conditions of employment of Alex and BinckBank have been harmonised.
11. The Retail business unit has postponed until 2010 the start of an investment funds supermarket in the Netherlands and Belgium as well as the introduction of SRD in France, which were scheduled for 2009. The asset management product of Alex has been intensified. The funds invested grew by 164%, from €127.1 million to €336.1 million, and 3,343 new accounts were opened. The Professional Services business unit has achieved two important milestones: software subsidiary Syntel has issued a software licence to a high-street bank (ING) for the first time, and, in addition to providing services to asset managers and banks, BinckBank has been successful in expanding its services with (online) securities services to insurers (Robein) in 2009.
12. The best-execution joint venture with Optiver (TOM) was started in the third quarter, with a selection of shares from the AEX and AMX. In addition, internal control has been improved: the Governance Risk Compliance Tool has been embedded in the organisation, the ALM model has been set up and implemented, financial reports have been improved and the treasury system has been partially implemented. The HR department has implemented a new personnel administration system (ADP).

13. In accordance with the provisions in the 2009 Remuneration Policy, the short-term cash payment has been set by the supervisory board as follows:
- |   |            |
|---|------------|
| a. K. Beentjes (chairman with effect from 28/4) | € 84.375;  |
| b. P. Aartsen                                   | € 101.250; |
| c. E.J.M. Kooistra                              | € 101.250; |
| d. N. Bortot                                    | € 101.250. |

### ***III. Variable long-term performance-related pay***

#### 2009 Remuneration Policy

14. On 1 January of each year, a number of long-term, phantom performance-related BinckBank shares (“phantom shares”) are awarded to executive board members, subject to conditions. The number of phantom shares to be awarded per year is equal to 45% of the gross basic salary payable to the executive board member in the relevant calendar year, based on the closing price of ordinary BinckBank shares on NYSE Euronext Amsterdam on 31 December prior to the year of awarding. After a period of three years, the phantom shares awarded annually entitle the executive board members to payment of the value of the underlying ordinary BinckBank shares as per 1 January of the calendar year following the final calendar year of the three-year period (“the value”), provided the following suspensive condition has become effective at that time. The suspensive condition is based on the Total Shareholder Return (“TSR”) performance of BinckBank N.V. in comparison with the performance of the companies in the TSR peer group. As at 1 January 2009, the TSR peer group consisted of the following companies:
- Avanza – Sweden;
  - Boursorama – France;
  - Comdirect – Germany;
  - DAB Bank – Germany;
  - E\*trade Financial – United States;
  - Nordnet Securities – Sweden;
  - Optionsxpress – United States;
  - Schwab – United States;
  - Swissquote – Switzerland;
  - TD Ameritrade – United States.
15. Only if - on average - a position in the top five of the peer group ranking is achieved for the entire performance period of three years on the basis of TSR will the phantom shares awarded in any calendar year become unconditional and will the value be paid out in the month of February:
- If position 1 is achieved within the peer group ranking, 150% of the phantom shares become unconditional.
  - If position 5 is achieved within the peer group ranking, 100% of the phantom shares become unconditional.
  - If a position between 1 and 5 is achieved, a proportionate percentage of the phantom shares become unconditional.

The calculation of the average is based on the positions in the peer group ranking as at 31 December of each relevant calendar year.

#### Implementation

16. The supervisory board has established that BinckBank N.V. finished in third position in 2009 on the basis of TSR, after Nordnet Securities (no. 1) and Avanza (no. 2). A proportionate percentage of the phantom shares will therefore become unconditional.

#### **IV. Pension scheme and supplementary disability insurance**

##### 2009 Remuneration Policy

17. Executive board members should participate in a pension scheme in which 20% of the gross annual salary is paid by the company each year as pension contribution for a defined contribution scheme. BinckBank pays 50% of the premium for the supplementary disability insurance, which entitles the insured person to receive a maximum of 70% of their last-earned salary. The premium is 2.3630% of the sum insured per year.

##### Implementation

18. The executive board members participated in this scheme during 2009.

#### **V. Company car lease scheme and reimbursement of mobile telephone charges**

##### 2009 Remuneration Policy

19. Executive board members should participate in the relevant BinckBank company car lease scheme and have their mobile telephone charges reimbursed.

##### Implementation

20. The executive board members participated in this scheme during 2009.

#### **C. 2010 Remuneration Policy.**

##### **General**

21. As a result of the credit crisis, a number of recommendations were made in 2009 with regard to the remuneration of executive board members and senior management. After the CGC was amended at the end of 2008, the Netherlands Bankers' Association [De Nederlandse Vereniging van Banken, or NVB], De Nederlandsche Bank (DNB) and the Netherlands Authority for the Financial Markets [Autoriteit Financiële Markten, or AFM] issued a number of recommendations in 2009 regarding remuneration. These recommendations are reflected in the Dutch Banking Code [Code Banken] and the Principles for a Controlled Remuneration Policy.
22. The supervisory board has therefore had to review the 2009 Remuneration Policy established at the Annual General Meeting in 2009 and has concluded that the 2009 Remuneration Policy should be revised.

##### **2010 Remuneration Policy**

##### General

23. The new Remuneration Policy ("2010 Remuneration Policy") takes account of the relevant social developments in this area. Taking account of the specific nature of the company, the 2010 Remuneration Policy also corresponds as far as possible with the various recommendations in the CGC, the Banking Code and the Principles for a Controlled Remuneration Policy.

##### Targets for variable long-term performance-related pay

24. BinckBank is a young and fast-developing company which is undergoing change on a regular basis. The usefulness and feasibility of setting long-term targets and measuring the realisation of these targets for the establishment of remuneration for executive board members are therefore limited. For these reasons, and in line with the above-mentioned recommendations, two-thirds of the 2010 Remuneration Policy will consist of long-term targets. The extent to which these targets have been achieved will be assessed at the discretion of the supervisory board in the interim on an annual basis. The supervisory board will give account to the General Meeting of Shareholders of how its assessment is arrived at and the result thereof.

25. The long-term targets are:

a. Quantitative targets

In the context of the objective of increasing the company's profit over the longer term, multi-year quantitative targets have been formulated. With the publication of the annual result in 2009 BinckBank announced new quantitative targets for the number of accounts, the number of BPO contracts, the assets under management and the savings held by clients as of 31 December 2013. In the assessment of the degree to which these long-term targets have been realised, the results for the number of accounts and the number of BPO contracts will, however, be measured on an annual (and time-proportionate) basis.

b. Qualitative targets

To ensure that the company can continue to perform in accordance with its appropriate risk profile in the long term, qualitative targets have been formulated in the areas of:

- client satisfaction;
- further development of our automated data systems in respect of availability, robustness, scalability and architecture;
- product development;
- preparation for geographical expansion.

26. Payment of a variable long-term performance-related pay is made in ordinary BinckBank shares. A lock-up period of five years applies. This also ensures that the interests of the executive board members and the long-term development of the company remain in alignment.

*Remuneration components*

27. The components of the 2010 Remuneration Policy, which is intended to come into effect on 1 January 2010, are a fixed gross annual salary, a variable short-term performance-related pay, a variable long-term performance-related pay, a pension scheme, supplementary disability insurance, a company car lease scheme and reimbursement of mobile telephone charges.

***Fixed gross annual salary***

28. The fixed gross annual salary is established by the supervisory board within an indicated framework. A distinction is made between the tasks and responsibilities of the chairman and of the other members of the executive board.

***Variable short-term performance-related pay***

29. The variable short-term performance-related pay is a gross payment in cash which, in addition to the fixed gross annual salary, can be awarded to a board member for a calendar year (pro rata) and is capped at one-third of the fixed gross annual salary. The award of a variable short-term performance-related pay depends on the extent to which the budgeted adjusted net annual profit is realised. For a variable short-term performance-related pay to be awarded, at least 80% of the budgeted adjusted net annual profit must be realised.

***Variable long-term performance-related pay***

30. A variable long-term performance-related pay is a variable gross payment in ordinary BinckBank shares which, in addition to the fixed gross annual salary and any variable short-term performance-related pay, can be awarded to a board member for a calendar year (pro rata). A variable long-term performance-related pay is capped at two-thirds of the fixed gross annual salary.

31. A variable long-term performance-related pay is equally dependent on the extent to which the qualitative and quantitative annual targets set by the supervisory board and focused on the long term are realised, according to the discretionary judgement of the supervisory board. A board member who is awarded a variable long-term performance-related pay is bound by a lock-up period of five calendar years.

#### ***Pension scheme and supplementary disability insurance***

32. Executive board members participate in a pension scheme in which 20% of the gross annual salary is paid by the company each year as pension contribution for a defined contribution scheme. BinckBank pays 50% of the premium for supplementary disability insurance, which entitles the insured person to up to 70% of their last-earned salary. The premium is 2.3630% of the sum insured per year.

#### ***Company car lease scheme and reimbursement of mobile telephone charges***

33. Executive board members participate in the relevant BinckBank company car lease scheme and are reimbursed for mobile telephone charges.

#### ***Other***

34. In the event of termination of the employment agreement with a board member within one calendar year after a variable long-term performance-related pay is awarded, the supervisory board, or at any rate BinckBank, is authorised to reclaim the variable long-term performance-related pay, either in full or in part.
35. When awarding a variable short-term performance-related pay and/or variable long-term performance-related pay, the supervisory board is authorised to differentiate between the various executive board members. In this context it is relevant to note that the targets set by the supervisory board are collective in nature.
36. In addition to its other discretionary authorities formulated in the 2010 Remuneration Policy, the supervisory board is authorised to adjust the value of a variable remuneration component awarded in a previous calendar year upwards or downwards if in the opinion of the supervisory board the allocation would lead to unreasonable results due to exceptional circumstances in the period in which the predefined performance criteria were or should have been realised.
37. The supervisory board is authorised to reclaim a variable performance-related pay awarded on the basis of incorrect (financial) information from the board member concerned (claw-back clause).

The 2010 Remuneration Policy is published on [www.binck.com](http://www.binck.com).

#### **D. Settlement of accumulated rights of the executive board members under the 2008 Remuneration Policy and the 2009 Remuneration Policy.**

##### **General**

38. The introduction of the 2010 Remuneration Policy will have to be accompanied by settlement of the rights accrued by executive board members under the Remuneration Policy approved at the Annual General Meeting in 2008 ("2008 Remuneration Policy") and the 2009 Remuneration Policy. It is not desirable to have various arrangements running concurrently. This would be against our principles of simplicity and transparency in this area.
39. For the rights accrued under the 2008 Remuneration Policy and the 2009 Remuneration Policy regarding the phantom shares, provisions were formed as of 31 December 2009 for settlement on the basis of the price of an ordinary BinckBank share as of 31 December 2009 (€12.54) ("Settlement Amount).

##### **Settlement of 2009 Remuneration Policy**

###### ***General***

40. The provision for settlement of the 2009 Remuneration Policy amounts to €1,289,951. This is, however, reduced by the maximum amount stated below on the basis of the CGC, the Banking Code and the Principles for a Controlled Remuneration Policy (€528,076). The total provision for the settlement of the 2009 Remuneration Policy is therefore €761,875.
41. For the phantom shares awarded for the 2009 reporting year, the unconditional rights are established on the basis of a third position in the peer group ranking.

42. For the rights which as of 31 December 2009 are still conditional (years 2010 and 2011), the Settlement Amount is based on a neutral fifth position in the peer group ranking.

***Cap of settlement at 100% of fixed gross annual salary***

43. The executive board of BinckBank wishes to act in accordance with the recommendations regarding variable pay as stated in the CGC, the Banking Code and the Principles for a Controlled Remuneration Policy. For this reason, the members of the executive board of BinckBank have, entirely voluntarily, waived part of the rights to variable pay they have accrued under the 2009 Remuneration Policy. As a result the variable pay for the executive board of BinckBank for the 2009 calendar year has been reduced by a total gross amount of €528,076 and is therefore now capped at 100% of the fixed gross annual salary paid to the executive board members.

**Settlement of 2008 Remuneration Policy**

44. For the allocation over the 2008 reporting year, the unconditional rights are established on the basis of a fifth position in the peer group ranking for 2008 and a third position in the peer group ranking for 2009.

45. For the rights that as of 31 December 2009 are still conditional (year 2010) the Settlement Amount is based on an average of the positions in 2008 and 2009, in other words a fourth position.

46. For the allocation of the Settlement Amount over the 2008 reporting year, a total provision has been made of €502,344, of which €360,000 was already recognised as an expense in the 2008 reporting year. Due to the increase in the BinckBank share price, an additional expense is recognised in 2009 of €142,344. The provisions for each board member as of year-end 2009 are as follows: P. Aartsen €188,379, E.J.M. Kooistra €188,379 and N. Bortot €125,586.

47. The executive board members should acquire BinckBank shares in the amount of the net value of the Settlement Amount on 27 April 2010. If the arrangement had not been terminated prematurely, the executive board members would have been entitled, three years after the award date, to payment of the value of the ordinary BinckBank shares underlying the phantom shares as of 1 January of the calendar year following the last calendar year of the three-year period.

48. Accordingly, for the ordinary BinckBank shares acquired with the Settlement Amount for 2008 a lock-up period of one year will apply. For the ordinary BinckBank shares acquired with the Settlement Amount for 2009, a lock-up period of four years will apply.

**Proposal**

49. The General Meeting of Shareholders of BinckBank N.V. (“the Meeting”) will, at the General Meeting held on 26 April 2010, be asked to adopt the 2010 Remuneration Policy and to approve the scheme forming part thereof in the form of shares or rights to acquire shares taking effect as of 1 January 2010, and to approve the settlement as of 1 January 2010 of the rights accrued by executive board members under the 2008 Remuneration Policy and the 2009 Remuneration Policy as described above. The convening notice for the Meeting is published on [www.binck.com](http://www.binck.com).

50. In the event that the Meeting does not approve the proposal, the 2009 Remuneration Policy will remain in force, as will the rights accrued by the executive board members under the 2008 Remuneration Policy and the 2009 Remuneration Policy, and the reserve formed in the 2009 financial statements for settlement will be released.



### Overview of remuneration of executive board members in 2009 and 2008

Remuneration of executive board in 2009	Fixed basic salary	Pension contribution 20%	Social security	Performance-related pay 2009 in cash	Accrual for settlement of 2009 Remuneration Policy	Cap under Banking Code	Accrual for settlement of 2009 Remuneration Policy*** after cap	Total performance-related pay for 2009 financial year	Total remuneration (fixed + performance-related)	Variable as % of fixed remuneration	Shares in BinckBank held at year-end 2009
T.C.V. Schaap*	€ 141,667	€ 28,333	€ 2,284	€ 0	€ 0	€ 0	€ 0	€ 0	€ 172,284	0%	nvt
K. Beentjes**	€ 250,000	€ 50,000	€ 4,568	€ 84,375	€ 280,424	-€ 114,799	€ 165,625	€ 250,000	€ 554,568	100%	10,000
P. Aartsen	€ 300,000	€ 60,000	€ 6,852	€ 101,250	€ 336,509	-€ 137,759	€ 198,750	€ 300,000	€ 666,852	100%	22,214
E.J.M. Kooistra	€ 300,000	€ 60,000	€ 6,852	€ 101,250	€ 336,509	-€ 137,759	€ 198,750	€ 300,000	€ 666,852	100%	5,768
N. Bortot	€ 300,000	€ 60,000	€ 6,852	€ 101,250	€ 336,509	-€ 137,759	€ 198,750	€ 300,000	€ 666,852	100%	39,280
<b>Total</b>	<b>€ 1,291,667</b>	<b>€ 258,333</b>	<b>€ 27,408</b>	<b>€ 388,125</b>	<b>€ 1,289,951</b>	<b>-€ 528,076</b>	<b>€ 761,875</b>	<b>€ 1,150,000</b>	<b>€ 2,727,408</b>		<b>77,262</b>

\* Stepped down on 28 April 2009, after which Mr Schaap continued for some time as a consultant to the company for a fee of €65,000.

\*\* Appointed as a executive board member on 28 April 2009; fixed salary rounded to whole months.

\*\*\* The executive board members are obliged to use the net value to purchase shares in BinckBank N.V. at the price on 27 April 2010 with a lock-up period of 4 years.

Remuneration of executive board in 2008	Fixed basic salary	Pension contribution 20%	Social security	Performance-related pay 2008 in cash	Accrual for long-term performance shares	Settlement of 2007 Remuneration Policy	Total performance-related pay for 2008 financial year	Total remuneration (fixed + performance-related)	Variable as % of fixed remuneration	Shares in BinckBank held at year-end 2008
T.C.V. Schaap	€ 425,000	€ 85,000	€ 6,852	€ 95,625	€ 0	€ 147,059	€ 242,684	€ 759,536	57%	1,022,995
K.J. Bagijn*	€ 76,486	€ 15,297	€ 2,284	€ 0	€ 0	€ 147,059	€ 147,059	€ 241,126	192%	0
P. Aartsen	€ 300,000	€ 60,000	€ 6,852	€ 67,500	€ 135,000	€ 19,736	€ 222,236	€ 589,088	74%	22,214
E.J.M. Kooistra**	€ 200,000	€ 40,000	€ 4,568	€ 45,000	€ 90,000	€ 0	€ 135,000	€ 379,568	68%	5,768
N. Bortot**	€ 200,000	€ 40,000	€ 4,568	€ 45,000	€ 90,000	€ 0	€ 135,000	€ 379,568	68%	39,280
<b>Total</b>	<b>€ 1,201,486</b>	<b>€ 240,297</b>	<b>€ 25,124</b>	<b>€ 253,125</b>	<b>€ 315,000</b>	<b>€ 313,854</b>	<b>€ 881,979</b>	<b>€ 2,348,886</b>		<b>1,090,257</b>

\* Stepped down on 6 May 2008, after which Mr Bagijn continued for some time as a consultant to the company for a fee of €100,000.

\*\* Appointed as a executive board member on 6 May 2008; fixed salary rounded to whole months.



BinckBank

Vijzelstraat 20  
1017 HK Amsterdam

Postbus 15536  
1001 NA Amsterdam

t 020 522 03 30  
f 020 320 41 76  
e [info@binck.nl](mailto:info@binck.nl)  
i [www.binck.com](http://www.binck.com)