

Remuneration Policy

BinckBank N.V.

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1 Introduction

This document describes the Remuneration Policy of BinckBank N.V. ('the **BinckBank Remuneration Policy**'). The BinckBank Remuneration Policy implements the statutory and other requirements with regard to the remuneration policy of (listed) financial enterprises. The Controlled Remuneration Policy Decree Financial Supervision Act (Wft) 2011, the Regulation for a Controlled Remuneration Policy in the Financial Supervision Act (Wft) 2011, the Banking Code, the Dutch Corporate Governance Code and the CEBS Guidelines on Remuneration Policies have been used as the guidelines in the formulation of the Remuneration Policy. In the event of changes to the applicable legislation and regulation, the BinckBank Remuneration Policy will be adjusted accordingly. Reference in the BinckBank Remuneration Policy to 'employee' or 'Identified Staff' also refers to an executive director of BinckBank N.V. ('**BinckBank**'), unless otherwise indicated or this is not appropriate in the context.

1.1 Purpose and scope

The BinckBank Remuneration Policy concerns BinckBank, its branch offices and financial enterprises in which BinckBank has a shareholding of 50% or more. The BinckBank Remuneration Policy does not apply to the subsidiaries Syntel B.V. and Syntel Beheer B.V., because neither of these companies qualify as a financial enterprise in the sense of the Financial Supervision Act (Wft). Joint ventures in which BinckBank is a partner are not covered by the BinckBank Remuneration Policy. The BinckBank Remuneration Policy is formulated, coordinated and implemented centrally by BinckBank. The BinckBank Remuneration Policy is designed to achieve the basic principles stated in paragraph 1.2.

The BinckBank Remuneration Policy reflects the business strategy, objectives, values and long-term interests of BinckBank and ensures that conflicts of interest are avoided. The BinckBank Remuneration Policy corresponds to and contributes to thorough and effective risk management and does not encourage the taking of risks that are unacceptable to BinckBank. The BinckBank Remuneration Policy is part of the HR policy of BinckBank.

The BinckBank Remuneration Policy relates to the fixed and variable remuneration of employees both financial and non-financial.

The BinckBank Remuneration Policy takes precedence over local remuneration agreements and/or local practices, with the exception of the provisions of local mandatory (employment) legislation and/or regulation and/or a group employment contract that is declared generally binding.

1.2 Basic principles

The BinckBank Remuneration Policy is intended to achieve the following basic principles:

1. Promoting the integrity and solidity of BinckBank, with a focus on the company's long-term interests.
2. The avoidance of incentives that are to the detriment of BinckBank's obligation to conduct itself in the legitimate interests of customers and other stakeholders, or other obligations of BinckBank with regard to its duty of care.

The basic principles of the BinckBank Remuneration Policy are:

1. The BinckBank Remuneration Policy must be fair and consistent and promote balance between levels of pay. BinckBank has an effective position evaluation system and salary structure in which the added value of positions is assessed and valued.
2. The BinckBank Remuneration Policy supports the business strategy and facilitates the achievement of the strategic, collective and individual targets. The BinckBank Remuneration Policy promotes the long-term interests of BinckBank as a whole. Individual pay should reflect a combination of the results achieved according to the performance indicators at company level, business line level and individual level ('what') and according to competences and other conduct factors ('how'), so that there is a clear connection between strategy, performance and pay. A considered balance of quantitative and qualitative performance indicators should moreover be available.
3. BinckBank pursues a moderate Remuneration Policy designed to attract, retain, motivate and reward the right people who have the right qualities. External benchmarking should focus on payment of a competitive remuneration to the employees, on the basis of the total remuneration package.
4. The variable remuneration paid to employees annually is related to the realised profit of the company as a whole in the period in question. There is an exception with respect to employees in control positions. The variable remuneration for these employees is not profit-related. If due to the payment of the variable remuneration the solvability position and liquidity position of BinckBank drops under an acceptable level, the total variable remuneration will be reduced.

5. The variable remuneration for Identified Staff is based on financial, non-financial, quantitative and qualitative performance criteria. The weighting of the performance criteria for Identified Staff in the final assessment is determined in advance.
6. When setting the remuneration package, the total package must be taken into consideration: pay consists of pension, secondary and tertiary employment benefits as well as the basic salary and the variable remuneration.
7. BinckBank has discretionary powers with regard to the awarding of variable remunerations.

1.3 Guidelines for the application of the Remuneration Policy

The following preconditions and discretionary guidelines must be taken into account in the implementation of the BinckBank Remuneration Policy:

- Performance criteria for variable remunerations contain no incentives for taking irresponsible risks;
- Welcome bonuses on the signature of an employment contract and other guaranteed bonuses are not permitted;
- There is no undertaking with regard to a future severance payment if an employment contract is concluded;
- Severance payments must be established and approved in accordance with the applicable procedure. Such payments shall take account of the risks taken in the position and should not be a reward for failure;
- Employees are not permitted to use evasive constructions designed to counter the intended effects of the BinckBank Remuneration Policy (for instance, if the variable remuneration is partly in shares, employees may not institute personal hedging strategies with regard to shares held in a blocked account);
- Due to the fact that BinckBank attaches great importance to the integrity of employees, BinckBank has the discretionary authority to withdrawal or reduce the variable remuneration in case of incidents, amongst other compliance incidents.
- The method of determining the variable remuneration for employees employed by BinckBank is formulated by Human Resources ('HR') and established by the executive board. The supervisory board ('SB') establishes the method of determining the variable remuneration for Identified Staff;
- No use will be made at BinckBank of discretionary pensions and non-financial benefits linked to the performance of the organisation or of individual employees;
- A maximum ratio between the basic salary and the variable remuneration is established at BinckBank for each employee category:
 - Identified Staff: the variable remuneration will not be more than 100% of the basic salary;
 - Key Staff: the variable remuneration will not be more than 30% of the basic salary; and
 - Other employees: the variable remuneration will depend on the total profit of BinckBank and the employees' individual performances.
- In view of the importance BinckBank attaches to the integrity of its employees and promoting the desired behaviour, BinckBank has the discretionary power to withdraw the variable remuneration in the event of incidents, including compliance incidents;
- It is not permitted to formulate performance criteria that encourage the taking of risks that are unacceptable to BinckBank; the formulation of performance indicators should be based on financial, non-financial, quantitative and qualitative indicators;
- The final assessment on the basis of the established performance criteria will involve an adjustment to financial performance for all kinds of current and coming estimated risks and costs of capital involved;
- If an employee's performance evaluation for a year is poor or moderate, no variable remuneration will be awarded for that year;
- The total income of an executive director should be reasonably proportionate to the established Remuneration Policy, whereby the total income at the time it is established is slightly lower than the median for similar positions in and outside the financial sector and the relevant international context is taken into consideration; and
- Bonuses paid do not form a fixed component of an employee's salary, and are therefore not taken into consideration in the calculation of any severance pay or compensation in the event of dismissal or termination of the employment contract.

2 Governance of the Remuneration Policy

The governance structure of the BinckBank Remuneration Policy is as follows: The supervisory board is responsible for internal supervision with regard to the BinckBank Remuneration Policy, and has final responsibility for its content and implementation. The supervisory board has appointed a remuneration committee (hereinafter, 'RemCo') from among its number whose duty is to prepare for decisions to be made by the supervisory board with regard to pay. It is supported by the executive board and the internal control staff in this respect. Preparatory decision making is carried out by the internal control staff, who have a direct escalation to the RemCo in the event that there is a difference of opinion with the executive board. Subsequently the documents are to be approved by the executive board after which the preparatory decision making takes place in the RemCo.

2.1 Supervisory board ('SB')

The SB:

- Sets the remuneration of the executive board in accordance with the provisions of applicable legislation and regulation, the articles of association of BinckBank and the BinckBank Remuneration Policy;
- Approves the general principles of the BinckBank Remuneration Policy and is responsible for the implementation and evaluation of the remuneration policy with regard to the members of the executive board;
- Regularly tests the general principles of the BinckBank Remuneration Policy;
- Is responsible for the implementation of the BinckBank Remuneration Policy and thereby takes account of the relevant legislation and regulation, as well as the applicable recommendations in a manner and to a degree that reflects the size, internal organisation, scale, scope and complexity of BinckBank;
- Takes account of the long-term interests of all stakeholders in its decisions; and
- Is authorised to decide in cases of material significance not provided for in the BinckBank Remuneration Policy. To the extent that this concerns a decision regarding the BinckBank Remuneration Policy of material significance that relates to the executive board, this requires the prior approval of the general meeting of shareholders of BinckBank. In all other cases, the SB is authorised to make a decision that is as far as possible consistent with the principles of the BinckBank Remuneration Policy.

2.2 Remuneration committee ('RemCo')

The SB of BinckBank has appointed a RemCo from among its number. The RemCo monitors the implementation of the BinckBank Remuneration Policy and to advise the SB about the BinckBank Remuneration Policy. The RemCo is independent and has sufficient expertise to fulfil her tasks in the area of risk management, performance management and remuneration.

The RemCo's duties include:

- Conducting a central and independent internal assessment at least once a year to test the implementation of and compliance with the BinckBank Remuneration Policy;
- Preparing for resolutions by the SB regarding pay, including resolutions that affect the risks and risk management of BinckBank. In preparing for these resolutions, the RemCo takes account of the long-term interests of all stakeholders of BinckBank;
- Harmonisation with (and reporting and escalation by) the (separate) control staff and business units of BinckBank in the area of pay as described in the Regulation for a controlled remuneration policy in the Financial Supervision Act (Wft) 2011;
- Ensuring that all control staff have an appropriate influence on the BinckBank Remuneration Policy and the facilitation of the possibility of structural cooperation between these staff with regard to the design of, any amendments to and the implementation of the BinckBank Remuneration Policy;
- Adequate supervision of compliance with the procedure for 'establishing and approving severance payments', whereby the principle of 'no reward for failure' is adhered to with an adjustment for potential and actual risks incurred. This procedure is established in the HR Manual;
- The assessment of executive board resolutions that materially deviate from the BinckBank Remuneration Policy and the submission of such resolutions to the SB for approval;
- Ensuring that the variable remunerations are significantly reduced in the event of poor financial performance by BinckBank;
- Preparation for resolutions by the SB with respect to the reassessment of conditionally awarded variable remunerations on the basis of the initial performance criteria related to the variable remuneration in question;

- Ensuring that a controlled remuneration policy is not undermined by the payment of a variable remuneration using vehicles or methods that enable the provisions of a controlled remuneration policy to be evaded;
- Supervising the application of the claw back provision;
- Ensuring the availability of sufficient expertise in the field of risk management, performance management and pay in the relevant positions at BinckBank as described in the Regulation for a controlled remuneration policy in the Financial Supervision Act (Wft) 2011;
- Exercising direct supervision of the basic salaries and variable remunerations of Identified Staff; and
- Exercising direct supervision of the basic salaries and variable remunerations paid to employees in control positions;

The RemCo is kept informed on a permanent basis by the chairman of the executive board and advised by the manager of Risk management, manager of HR, the Compliance manager (the control staff) and the IAD. The RemCo is kept informed by the control staff with regard to matters relevant to the exercise of its duties.

2.3 Executive board

The executive board is responsible for:

- A Remuneration Policy that complies with relevant legislation and regulation, as well as the applicable recommendations, for instance in the Dutch Corporate Governance Code and the Banking Code;
- The formulation, management, implementation and evaluation of the BinckBank Remuneration Policy with regard to the employees except the executive board itself;
- Ensuring that it has sufficient expertise for the exercise of its duties with respect to risk management, performance management and pay;
- Ensuring the availability of expertise in the BinckBank organisation in these areas by means of the intake policy and adequate provisions for permanent education;
- Ensuring that the provision of information to and by the control staff is satisfactory; and
- Ensuring that the BinckBank Remuneration Policy forms part of the portfolio of the chairman of the executive board.

If the executive board proposes to materially deviate from the BinckBank Remuneration Policy, it will request advice from the control staff. The control staff will report their advice to the executive board and to the RemCo. Taking the advice into consideration, the executive board has the power, with the prior approval of the SB, to decide to deviate from the BinckBank Remuneration Policy.

2.4 Control staff

2.4.1 General

The control staff are involved in the risk analysis of the BinckBank Remuneration Policy each year. The control staff: compliance, risk management and HR report each year to the RemCo regarding the application of the BinckBank Remuneration Policy and the results of the risk analysis of the BinckBank Remuneration Policy.

Expertise with regard to pay, risk management and compliance in the various control positions is ensured by means of the intake policy and the facilitation of the necessary permanent education in the professional field in question. The control staff have access to all the information they need for the proper exercise of their duties. The total pay of people in the control positions must be sufficient for adequately qualified people that can carry out their duties satisfactorily.

The control staff report to the executive board. If there is a difference of opinion with the executive board with regard to pay, the various control staff have the option of escalating the matter directly to the RemCo. With respect to decisions regarding variable remunerations that deviate from the established BinckBank Remuneration Policy, they advise the executive board and the RemCo. The control staff meet at least twice a year for the exercise of their duties and as often as necessary on an ad hoc basis.

Internal audit department (IAD)

IAD conducts an audit of the implementation of the BinckBank Remuneration Policy once a year. Any deviations identified are reported to the Audit committee and the RemCo.

2.4.2 Human Resources

HR is responsible for coordinating the activities that arise from the BinckBank Remuneration Policy.

The duties and responsibilities of HR are:

- To coordinate the operational execution of the BinckBank Remuneration Policy. This means that HR amongst others gives advice during the assessment process. HR also advises the executive board and senior management with determining the fixed and variable remunerations. Furthermore HR controls whether or not the determined remuneration meet the requirements of the BinckBank Remuneration policy;
- To inform and advise the RemCo with regard to identified material deviations from the BinckBank Remuneration Policy in relation to fixed salaries or variable remunerations;
- Reporting to the executive board and the RemCo; and
- Acting as a central contact point among the control staff towards the RemCo, subject to the provisions of the BinckBank Remuneration Policy;

2.4.3 Risk management

Risk management has the following duties with respect to the implementation of the BinckBank Remuneration Policy:

- Annual testing to establish that the BinckBank Remuneration Policy meets the basic principles with regard to risk management;
- Annual conduct of a risk analysis with respect to Identified Staff in collaboration with HR and compliance and, if necessary, formulating a proposal to change the group of employees that are categorised as Identified Staff;
- Reporting to the executive board and the RemCo regarding the control activities conducted in relation to the BinckBank Remuneration Policy;
- Establishing each year whether, and if so to what extent, the realised financial and non-financial performance criteria for Identified Staff need to be adjusted for all kinds of current and coming risks; and
- Determining each year whether the total amount available for the variable remunerations is permissible in the light of the established solvency and liquidity requirements of BinckBank as published yearly in the ICAAP and ILAAP reports.

2.4.4 Compliance

Compliance conducts an annual check to establish that the BinckBank Remuneration Policy complies with the relevant legislation and regulation and the applicable recommendations. If necessary compliance advises about possible adjustments to the BinckBank Remuneration Policy.

Compliance controls as whether the variable remunerations awarded are in line with the BinckBank Remuneration Policy and reports about the outcome to the executive board and the RemCo.

2.4.5 Prevention of conflicts of interest

Independence and objectivity are essential qualities for the control staff to function effectively. The independence and objectivity of the control staff is safeguarded by the following measures:

- The RemCo is the client with regard to the control activities;
- The managers of the control departments are appointed by the executive board, and the executive board informs the RemCo regarding the appointment and dismissal of employees in control positions;
- The control staff submit an overall report on the control measures implemented and their recommendations to the executive board and the RemCo;
- The RemCo decides whether and when the managers of the control departments should attend its meetings;
- The RemCo meets at least once a year with the managers of the control departments without the presence of the executive board;
- In the event of a difference of opinion with the executive board regarding pay, the RemCo is the contact point for the managers of the control departments via the HR department, and if necessary directly;
- The RemCo assesses the role and operation of the control staff once a year. This includes an assessment of objectivity and independence, the qualitative and quantitative workforce and an evaluation of the control activities;
- The employees in the control departments at the branch offices of BinckBank are hired and evaluated by the manager of the control department concerned and not by the management of the branch office; and
- The performance indicators for the control staff are established independently from the company's result.

2.5 Subsidiaries and branch offices

With regard to pay, the management of the subsidiary companies and the branch offices have the same duties and responsibilities as the directors of the business units. This means that they are responsible for the correct, complete and timely implementation of the performance management process taking account of the principles and guidelines as established in the BinckBank Remuneration Policy.

3 Employee categories

The BinckBank Remuneration Policy distinguishes three categories of employees: Identified Staff (including executive directors), Key Staff and other employees.

3.1 Identified Staff

Identified Staff are employees who by virtue of their position materially affect the risk profile, employees who occupy a senior management or risk-taking position or who occupy a control position. Pursuant to the Regulation for a Controlled Remuneration Policy in the Financial Supervision Act (Wft) 2011, employees in the following positions are designated as Identified Staff:

- a. executive directors;
- b. senior management;
- c. manager of Legal & Compliance, Compliance manager, manager of Risk management, manager of HR and manager of IAD;
- d. other direct reports who have a significant influence on the policy and risk profile of BinckBank;
- e. other risk takers; and
- f. employees with the same level of remuneration as senior management or other risk takers.

3.1.1 Designation of Identified Staff

BinckBank has initiated a process for the designation of Identified Staff, see paragraph 5.2. Direct reports who do not have a significant influence on the policy and risk profile of BinckBank are not designated as Identified Staff.

3.1.2 Identified Staff being executive directors

In the case of executive directors, the following conditions are included in the employment contracts or contracts of engagement:

- Mutual interim notice clause;
- Competition clause, customer clause and confidentiality clause with a substance and term of validity such that the interests of the company are adequately safeguarded;
- Severance scheme: Any severance scheme in the event of the dismissal of an executive director is limited to 100% of the fixed gross annual salary of the director concerned. If this maximum for a director dismissed during his first term of appointment is clearly unreasonable, in this case the director concerned will be eligible for a severance payment of not more than twice his fixed gross annual salary. BinckBank only pays a severance payment to an executive director voluntarily if this is appropriate in the light of the performance delivered over time and is formulated in such a way that failure is not rewarded; and
- Differentiation: The SB has the authority in the award of a variable remuneration to differentiate between the various executive directors in accordance with the contribution they have made to the realisation of the relevant targets, in the discretionary opinion of the SB. The targets set by the SB are partly collective and partly individual in nature. The SB has the discretionary authority in exceptional circumstances to adjust a variable remuneration if in the opinion of the SB the fee in question will entail unfair or unintended consequences. The SB will elaborate relevant provisions of the BinckBank Remuneration Policy in the employment contracts with the executive directors.

3.2 Key staff

Key Staff are employees who as part of the exercise of their duties play an important part in the conduct of BinckBank's business, for which a supplementary incentive programme has been agreed.

Employees in this category fall into two sub-categories:

- a. Employees selected by the executive board on the basis of their above-average performance and/or their exceptional importance for BinckBank; and
- b. Employees of control departments who on the basis of their performance or the importance of their position are eligible for a supplementary incentive programme.

3.3 Other employees

Other employees have a performance-related pay scheme for which the total size is based on BinckBank's result, but in which awards are made on the basis of the individual performances of the employees concerned. The bonus scheme for these employees is described in the HR Manual. There is also a specific scheme applying to a number of employees in Sales and Customer Management.

4 Fixed salaries

The total pay at BinckBank consists of a fixed component and a variable component. This section describes the financial and the non-financial components of the basic salary.

4.1 Financial remuneration Identified Staff

Executive directors

The fixed gross annual salary is on the advice of the RemCo established by the SB. The fixed gross annual salary is market-oriented. With the establishment of the fixed gross annual salary, the weight of the duties and responsibilities of the chairman and the other executive directors is taken into account.

Other Identified Staff

The fixed gross annual salaries of the Identified Staff are established by the executive board, under the direct supervision of the RemCo.

4.2 Financial remuneration employees 'above scale 10'

BinckBank has a position evaluation system that includes all positions. The positions are divided into scales. The scales run from scale 4 to scale 10; positions above this level are designated as 'above scale 10'. The salaries for positions 'above scale 10', for those employees who are not Identified Staff, are established by the executive board on an individual basis.

4.3 Financial remuneration other employees

The other employees are divided into scales 4 to 10. A benchmark is applied to these position scales once a year. Employees are paid a competitive salary within these scales. Exceptional situations arise in which employees are still growing into their position and are paid according to a preliminary pay scale. It may also be the case that an employee is valued at above the maximum of his scale on the basis of history, personal qualities or market circumstances (known as a personal supplement). Very good or exceptional personal performance offers the possibility of exceeding the scale maximum (additional scale).

4.4 Non-financial benefits

4.4.1 Company car lease plan

The executive board and employees designated by the executive board may be eligible for a lease car or similar facility. Other employees only qualify for this if it has been agreed as part of their employment package. In the possible assignment of a lease car, the total package of employment conditions is taken into consideration in all cases.

4.4.2 Pensions

BinckBank considers it important to operate a competitive pension scheme for its employees that reflects social developments and BinckBank's strategy, objectives and long-term interests. A decision has been made to use a defined contribution scheme characterised by transparency and low costs. BinckBank's pension scheme does not provide discretionary pensions. There are currently two schemes, one for the executive board and one for the employees. The defined contribution for executive directors is 20% of the basic salary, and is not age-related. The defined contribution for the other employees is age-related. The defined contributions per age category are within the tax thresholds and are listed in the HR Manual.

4.4.3 Telephone

The allocation of a payment for or the provision of a mobile telephone is based on operational necessity, in the assessment of the director or executive director of the business unit concerned.

4.4.4 Training

The allocation of training is made on the basis of operational necessity for the fulfilment of the duties of a current or future position, in the assessment of the director or manager of the business unit or staff department concerned. Allocations are reviewed by HR. A training contract is drawn up for the course in question, which includes a repayment arrangement in the event the employee leaves the company's service prematurely.

4.4.5 Securities transactions, savings and collateralised lending

The execution of transactions in financial instruments, custody fees, savings interest and collateralised lending facilities are provided to BinckBank employees at rates based on the most favourable local commercial rates available to customers.

5 Variable remunerations

5.1 General

The payment of a variable remuneration depends on the realised objectives and the assessment of performance in the position. As a basis for the calculation of the variable pay component, the assessment of performance includes an adjustment for all types of current and future risks, and account is taken of the costs of the capital used and the costs of the liquidity required.

The percentage of profit used for variable remunerations (excluding Identified Staff) is established annually by the executive board (as a reserve for variable remunerations) and is approved by the SB. It is an inherent feature of this method that the total variable remuneration will be lower in less successful years. Future profits are not included in the calculation of the total sum to be reserved for variable remunerations.

The total variable remuneration to be paid may not limit BinckBank's possibilities to adequately strengthen its available capital, solvency margin or equity. The manager of Risk management determines whether the total pool of variable remunerations is permissible each year.

The employee (other than Identified Staff) shall be eligible for payment of the variable remuneration only if the employment contract with the employee (other than Identified Staff) is not terminated at the time of payment, the employee on that time has not notified BinckBank that he would terminate his employment contract with BinckBank and the employee must also not have been informed by BinckBank on that time of the fact that his contract with BinckBank will be terminated. BinckBank does not pay variable remuneration in proportion.

Claw-back

The executive board and the SB (with regard to the executive board) have the power to reclaim a variable remuneration that was awarded on the basis of incorrect financial or other information. This applies to variable remunerations awarded either conditionally or unconditionally. The procedure for applying the claw back is described in the manual of the HR department.

5.2 Provision of information and the decision-making process

The variable remuneration of Identified Staff (apart from control staff) is based on collective targets that include the company's profitability, but also on collective qualitative targets. The variable remuneration of Identified Staff is also based on previously established targets for the business unit and personal targets. The relative weights of the various targets for Identified Staff are established in advance.

The following process is followed each year for the practical operation of the Remuneration Policy:

1. An annual risk analysis is conducted or the existing risk analysis is reviewed, and a report is submitted to the executive board and the RemCo each year. This establishes the extent to which employees can affect the company's risk profile.
2. The executive board establishes the group of Identified Staff each year on this basis and reports on this to the RemCo.
3. The BinckBank Remuneration Policy is tested by the control staff against the relevant legislation and regulation and the applicable recommendations and they report and advise with regard to possible changes to the executive board and the RemCo.
4. If changes have been made to the BinckBank Remuneration Policy, the staff are informed of the changes and guidance is provided to the managers as to how to deal with the changes in the application of the BinckBank Remuneration Policy.
5. The amended BinckBank Remuneration Policy is established by the executive board and approved by the SB. To the extent that this concerns a decision regarding the BinckBank Remuneration Policy of material significance that relates to the executive board, this requires the prior approval of the general meeting of shareholders of BinckBank.
6. At the start of the evaluation year, the targets and associated performance indicators are determined by the managers in consultation with the employees. These targets and performance indicators must reflect the principles and guidelines in the Remuneration Policy.
7. The results and performances are assessed against the targets by the managers at the end of the evaluation year.

5.3 Identified Staff

5.3.1 General

The allocation of a variable remuneration to Identified Staff is determined on the basis of a score on financial and non-financial, quantitative and qualitative performance indicators.

Part of the variable remuneration is paid by BinckBank subject to conditions. The length of the conditional allocation depends on the potential influence of the employee on the risk profile, their duties and responsibilities and expectations with regard to fluctuation in the economic activity of the company. The conditional period corresponds to the nature of the activities of the Identified Staff and the associated risks. When establishing the period over which payment will be spread, BinckBank takes account of the underlying business cycle and its business risks. The nature of the services of BinckBank mainly consists of the execution of securities orders on behalf of its customers. The risks and returns from these activities manifest themselves immediately and have a short term nature. Given its business cycle, BinckBank sees no reason to spread the payment over a longer period and uses the minimum term of three years.

5.3.2 Performance assessment

Executive directors

The targets for the executive board are set at the beginning of the calendar year by the SB on the basis of preparatory work by the RemCo. The targets are collective in nature, however the SB may set different individual targets for executive directors if it considers this appropriate.

With performance-related pay, the total payment is based on a combination of the assessment of the performance of the executive director concerned and the results of BinckBank. The assessment of the personal performance of executive directors is based on financial and non-financial, and quantitative and qualitative criteria. The individual performances of the executive directors are assessed by the SB after the end of the calendar year. The assessment of the company as a whole, the performance of the business units in portfolio and the individual assessment together form the basis for the allocation of the variable remuneration. The allocation of a variable remuneration to an executive director takes account of the long-term component. Allocation partly depends on profitability and continuity.

Control staff

The individual targets for the control staff are established by the executive board at the beginning of the calendar year in accordance with the BinckBank Remuneration Policy. The targets are based on position-specific requirements. To prevent any conflicts of interest, it has been decided not to relate the targets and performance indicators to the company's result.

If an employee in this group reports to an Identified Staff member other than the executive board, his or her targets are established by their immediate superior in consultation with the executive board, taking account of the principles applying to this group.

The individual performances are assessed by the managers after the end of the calendar year. These individual assessments form the basis for the allocation of a variable remuneration. Proposals for fixed salaries and variable remunerations are submitted to the RemCo.

Other Identified Staff

The targets for the individual employee are determined by the executive board at the beginning of the calendar year. The performance indicators are derived from the targets for the company as a whole and for the business unit in question. The executive board establishes the individual targets and associated performance indicators for the employees. The personal performance assessment is based on financial and non-financial, and quantitative and qualitative performance criteria.

If an employee in this group reports to an Identified Staff member other than the executive board, his or her targets are established by their immediate superior in consultation with the executive board, taking account of the principles applying to this group.

The individual performances are assessed by the executive board after the end of the calendar year. The assessment of the company as a whole, the performance of the business unit in question and the individual assessment together form the basis for the allocation of the variable remuneration. Proposals for fixed salaries and variable remunerations are submitted to the RemCo.

5.3.3 Procedure for establishing and calculating the variable remuneration

Performance assessment

The period in which a variable remuneration is earned is one year; this is known as the performance period. A number of performance criteria are established for this period (see paragraph 5.3.2), in the form of a considered package of financial, non-financial, qualitative and quantitative performance criteria focused on both the short term and the long term.

The financial performance indicators account for 50% of the calculation of the variable remuneration. The other qualitative and quantitative performance indicators also account for 50%. These indicators take account of the company's development over the longer term and of the interests of customers, which can be expressed in measures such as the completion of important projects, growth of the customer base, customer satisfaction, control of business processes and the availability of the platform.

All the targets and associated performance criteria are assessed at the end of the performance period. The performance criteria have a lower threshold below which no score is attributed, and are formulated in such a way that they do not encourage an 'all or nothing' approach. A risk adjustment may be applied to the assessment of performance criteria that do not include such an adjustment. For Identified Staff (with the exception of control staff), earnings per share (EPS) is a standard performance indicator so that payments are profit-related. The total potential variable remuneration is established as a percentage of the basic salary in advance.

Performance assessment according to EPS (other than control staff)

If Identified Staff are eligible for the allocation of a performance fee on the basis of the EPS, this part of the performance fee is calculated as follows. Prior to the performance year the executive board will determine the target for the EPS and the threshold level thereto. The EPS target and the threshold level is assessed by the RemCo and should be approved by the SB. If the EPS at the end of the year is below the threshold level, that part of the variable remuneration will be cancelled.

Establishment of the variable remuneration

The Risk management control staff assess each year whether the financial performance criteria have to be adjusted for risk. A distinction has to be made here between criteria that already include a risk adjustment, such as Total Shareholder Return, and criteria for which such adjustment still has to be made.

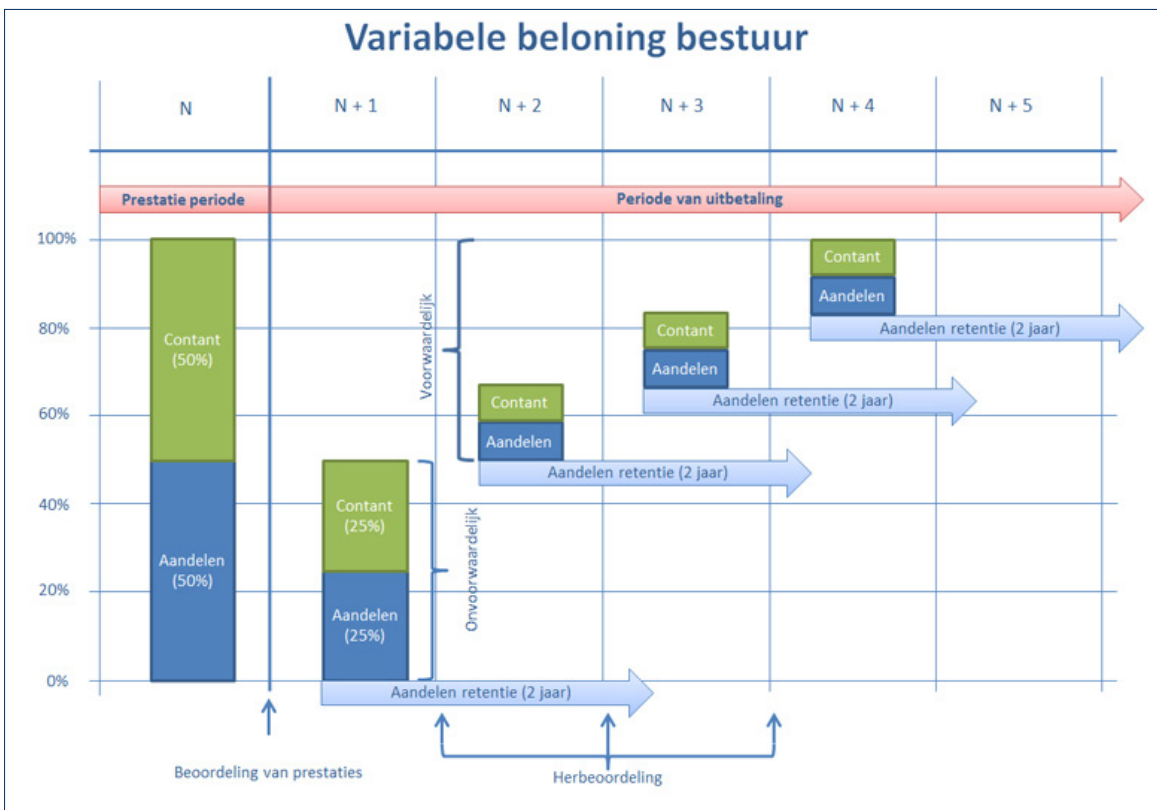
The individual performances of the Identified Staff are assessed by the immediate superior. The individual basic salaries and variable remunerations are established by the executive board, evaluated by the RemCo and submitted to the SB for approval.

The variable remuneration of Identified Staff is subject to the condition that the general meeting of shareholders of BinckBank has adopted the financial statements for the performance period.

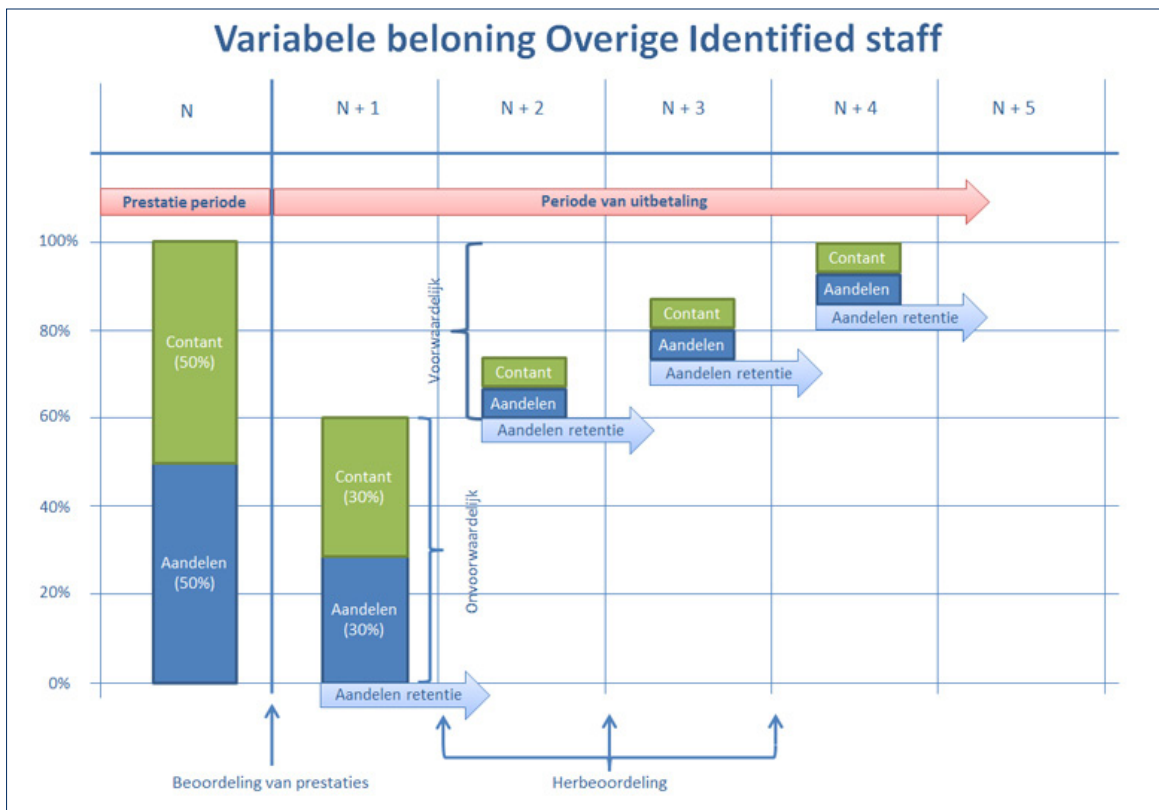
5.3.4 Payment procedure

A variable remuneration for Identified Staff consists of 50% in BinckBank N.V. shares and 50% in cash. This proportion applies to every payment of a variable remuneration. Part of the total allocated variable remuneration is paid unconditionally, and part is awarded subject to conditions pro rata (see the table below) over a period of three years. After the end of each year (within the three-year period) a reassessment is made on the basis of the performance criteria that initially applied to the variable remuneration (see the figures below). Subject to the result of this reassessment, the part of the variable remuneration allocated pro rata for the year in question becomes (fully or partially) unconditional. BinckBank shares that have been unconditionally allocated have to be held in a blocked account for a retention period.

	Executive directors	Other Identified Staff
Unconditional variable remuneration	50%	60%
Conditional variable remuneration pro rata	50%	40%
Retention period (after the pro rata part of the variable remuneration has become unconditional)	2 year	1 year



Variabele beloning Overige Identified staff



After adoption of the financial statements by the general meeting of shareholders of BinckBank, the unconditional part of the variable remuneration is paid the following day. The part of the variable remuneration to be paid in shares is converted into a number of BinckBank shares at the closing price of the performance year in question.

All shares allocated to Identified Staff are subject to the retention policy in relation to remuneration as described in the Regulation for a controlled remuneration policy in the Financial Supervision Act Wft 2011. Shares awarded under this scheme to executive directors must be held by the director in question for at least two years. The retention period for other Identified Staff is one year.

The executive board has discretion to determine whether an Identified Staff employee qualifies as a "Bad Leaver". This decision of the executive board shall require prior approval of the SB. In the event the employee qualifies as a "Bad Leaver", the conditionally awarded variable remuneration will not be paid out and all rights of the employee concerned thereto expire. BinckBank does not pay variable remuneration in proportion. The restrictions for employees (other than Identified Staff) with respect to payment of a variable remuneration, as mentioned in Section 5.1, are not applicable to Identified Staff.

Additional conditions that apply are:

- Subject to applicable internal conduct rules and the relevant legislation and regulation, BinckBank permits Identified Staff to sell part of the unconditionally awarded BinckBank shares to pay the income tax due on the value of these shares.
- No dividend is paid on conditionally awarded shares.
- Interest is paid on conditional cash payments at the rate applying to employee savings accounts.
- If the variable remuneration is less than one month's salary and less than € 10,000, the materiality principle will apply and the amount will be paid unconditionally in cash.

5.3.5 Reassessment process

The performances during previous performance periods are reassessed annually in order to evaluate the effect of the performance in the long term and to finally establish the amount of the unconditional variable remuneration. This reassessment uses the initial criteria linked to the variable remuneration in question as applied during the performance period. The financial criteria will only be adjusted if the correction to be applied is significant, in other words if the difference in the reassessment varies by more than 10% from the sum originally established.

In addition to the other discretionary powers vested in it under the BinckBank Remuneration Policy, the SB is authorised to reduce the value of a variable remuneration awarded to an executive director in a prior calendar year if in the opinion of the SB the award leads to inappropriate results due to special circumstances in the period in which the previously established performance criteria were or should have been realised.

5.4 Key Staff

5.4.1 Performance assessment

The targets for the individual employee are determined by the manager at the beginning of the calendar year. The performance indicators are derived from the targets for the company and for the business unit in question. The individual targets and associated performance indicators are established by the manager in consultation with the employee concerned.

The individual performances are assessed by the managers after the end of the calendar year. These collective and individual assessments together form the basis for the allocation of a variable remuneration.

Participation in the Key Staff Incentive Plan is not an acquired right for any of the employees in the Key Staff category. BinckBank applies the principle that special qualification as Key Staff each year on the basis of knowledge, experience, commitment, effort, performance and/or other qualities of the employee must be earned. The executive board may decide that an employee is no longer eligible to participate in the Key Staff Incentive Plan at any time.

5.4.2 Calculation and payment procedure

The employees in this category are those selected by the executive board on the basis of their above-average performance and/or their exceptional importance for BinckBank. The variable remuneration for Key Staff is up to 30% of the basic salary. The Key Staff category is divided into two groups:

- Employees in the business units and staff positions; and
- Employees in control departments who are eligible for the Incentive Plan on the basis of their performance.

Key Staff: Employees in the business units and staff positions

50% of the total performance fee relates to the achievement of personal targets, and 50% relates to the degree to which the EPS target set by BinckBank and other financial, non-financial, quantitative and qualitative performance criteria are realised. The calculation of the payment of the variable remuneration on the basis of the realised EPS, is established in the same way as that described for Identified Staff. The performance fee is paid in cash as soon as possible after it is established, subject to withholding of income tax and social insurance contributions.

Key Staff: employees in control departments

The total performance fee is 100% related to the achievement of personal targets and departmental targets, if applicable. The total performance fee is paid in cash as soon as possible after it is established, subject to withholding of income tax and social insurance contributions.

5.5 Other employees

5.5.1 Performance assessment

The targets for the individual employee are determined by the manager at the beginning of the calendar year. The performance indicators are derived from the targets for the company and for the business unit in question. The individual targets and associated performance indicators are established by the manager in consultation with the employee concerned.

The individual performances are assessed by the managers after the end of the calendar year. These collective and individual assessments together form the basis for the allocation of a variable remuneration.

5.5.2 Calculation and payment procedure

At the beginning of the year, the executive board determines the percentage of the reserve for variable remunerations to be made available for payment to the other employees. Once the performance assessment has been completed for all individual employees, HR formulates a proposed variable remuneration for each employee. This proposal is calculated using the following components, in proportion to the period of employment:

- the basic salary;
- the evaluation score; and
- the reserve for variable remunerations.

The proposal is submitted to the managers for evaluation and approval. After possible adjustment and approval by the managers, HR conducts a consistency check for each department across the whole organisation. The total overview of the variable remunerations is then reviewed and approved by the executive board.

The total performance fee is paid in cash as soon as possible after it is established, subject to withholding of income tax and social insurance contributions.

5.6 Employees with a commission component

5.6.1 Performance assessment

Sales

Employees in this department are on a zero-hour contract. Their job is to call potential customers who have spontaneously asked BinckBank for information. They receive commission on the basis of the number of new customers resulting from this process. The details of the scheme and the method of performance assessment for sales employees are available from the HR department on request.

Relationship management

Employees in this department are employees with a normal employment contract who service BinckBank's major customers. They receive an additional reward in the form of a commission scheme based on revenue, integrity and customer satisfaction. The scheme is currently in a trial phase. The details of the scheme and the method of performance assessment for employees in relationship management are available from the HR department on request.

5.6.2 Calculation and payment procedure

The total performance fee for employees in both sales and relationship management is paid in cash as soon as possible after it is established, subject to withholding of income tax and social insurance contributions.

6 Other

Derivation of rights

Employees may not directly derive rights from the BinckBank Remuneration Policy.

Amendments

Amendments to the BinckBank Remuneration Policy are submitted by the executive board to the RemCo for approval by the SB. Material amendments to the BinckBank Remuneration Policy that relate to the pay of executive directors are also submitted to the general meeting of shareholders of BinckBank for approval. Changes to the BinckBank Remuneration Policy may be introduced with retroactive effect.

Unforeseen circumstances

In cases of material significance for which no provision is made in the BinckBank Remuneration Policy, the SB is authorised to make a decision after prior approval by the general meeting of shareholders of BinckBank. In all other cases, the SB is authorised to make a decision that is as far as possible consistent with the principles and intentions of the BinckBank Remuneration Policy.

7 Publication

The implementation of the BinckBank Remuneration Policy with regard to employees whose duties materially affect the company's risk profile is published annually in accordance with the applicable legislation and regulation.

The executive board
BinckBank 2012



BinckBank

Barbara Strozilaan 310
1083 HN Amsterdam

Postbus 75047
1070 AA Amsterdam

t 020 522 03 30
f 020 320 41 76
e info@binck.nl
i www.binck.com