

# Remuneration report 2012

Remuneration report by the supervisory board of BinckBank N.V. for the 2012 financial year

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# Summary of the remuneration report

## General

Best practice provision II.2.12 of the Code stipulates that information must be included in the remuneration report as to the manner in which the remuneration policy of the preceding year has been implemented. In addition, it must contain a remuneration policy overview for the following and subsequent years as envisaged by the supervisory board. The remuneration report for calendar year 2012 (Remuneration Report 2012) is available at [www.binck.com](http://www.binck.com).

A new remuneration policy for the executive board (BinckBank Remuneration Policy) was adopted at the annual general meeting in 2012 that is in line with the Regulation for a controlled remuneration policy in the Wft 2011 (the 'Regulation'). The Regulation is a supervisory measure that is based on the powers of De Nederlandsche Bank (DNB) to set rules with respect to executive pay. The important changes are that the remuneration policy will apply to the entire organisation and that a substantial part of the variable remuneration will be awarded on a conditional basis. A variable remuneration will become fully or partially unconditional on the basis of a reassessment that must be made on the basis of the applicable performance criteria after a certain period has elapsed. No dividend may be paid on shares that have been conditionally awarded. A risk adjustment may be required in the assessment of whether the applicable performance criteria have been met.

In consideration of the above, the following report describes the manner in which the remuneration of the executive board in 2012 was established by the supervisory board – in accordance with the provisions of the BinckBank Remuneration Policy - and gives a summary of the remuneration policy for the next and subsequent years as envisaged by the supervisory board.

## BinckBank Remuneration Policy

### Introduction

The BinckBank Remuneration Policy is the framework used by the supervisory board to establish the remuneration of the executive directors of BinckBank N.V. ('the executive directors') for the 2012 calendar year.

### Remuneration elements

The BinckBank Remuneration Policy comprises the following remuneration components:

- a. fixed gross annual salary;
- b. variable remuneration;
- c. pension scheme and supplementary disability insurance;
- d. car lease scheme and reimbursement of mobile telephone charges.

A description of each element in the BinckBank Remuneration Policy and the way in which it was implemented by the supervisory board during the calendar year 2012 is given below.

#### a. Fixed gross annual salary

##### BinckBank Remuneration Policy

The fixed gross annual salary is established by the supervisory board within a framework indicated in the BinckBank Remuneration Policy. A distinction is made between the tasks and responsibilities of the chairman and of the other executive directors.

### Implementation

The fixed gross annual salaries remained unchanged, with the exception of the salary for Mr E. Kooistra, who received a salary increase on the occasion of his reappointment as of 1 May 2012. The salary increase was in line with the BinckBank Remuneration Policy and is approved by the supervisory board:

K.N. Beentjes	€ 375,000
P. Aartsen	€ 325,000
E.J.M. Kooistra	€ 325,000
N. Bortot	€ 300,000

#### **b. Variable remuneration**

##### BinckBank Remuneration Policy

A variable remuneration consists of 50% in BinckBank shares and 50% of cash. A variable remuneration may not exceed the fixed gross annual salary. 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, in the form of a considered package of qualitative and quantitative financial and non-financial criteria focused on both the short term and the long term. After the performance period has elapsed, an evaluation is made to determine whether, and if so to what extent, the performance criteria have been realised. This evaluation may involve an adjustment for risk.

50% of the total variable remuneration awarded is allocated unconditionally. The other 50% is allocated conditionally over a period of three years on a pro rata basis. A reassessment is made on the basis of the initial performance criteria at the end of each year (within the three-year period). Depending on the result of the reassessment, the part of the variable performance fee allocated for the year in question pro rata becomes fully or partially unconditional.

BinckBank shares awarded unconditionally must be held by the executive director in question for a period of at least two years.

##### Implementation

The financial target for 2012 of an adjusted net profit of €0.96 per share was not realised. The adjusted net annual profit per share came to €0.76. This represents in total 79% of the target to be realised and exceeds the minimum threshold of 90% of the budgeted adjusted net annual profit per share.

The qualitative targets for 2012 were realised to an extent of 37.5%. As concerns Retail, these targets were growth of the number of customers and transactions in the Netherlands, Belgium, France and Italy in line with the budget for 2012, improving the service provision in the Netherlands, including increasing the level of customer satisfaction to a score of at least 8 for the Binck and Alex brands and a successful launch in Italy in the third quarter of 2012. The qualitative target for Savings & Investment Management was growth of the number of customers in line with the business plan, which envisaged a net increase of 5,250 and inflow of net new funds of €235 million. The qualitative targets for Professional Services were growth of the number of transactions and growth of commission sales in both the Netherlands and Belgium in line with the budget for 2012. In addition, two BPO contracts have to be concluded in the Netherlands and Belgium with an annual BPO fee of at least €1.5 million per BPO contract.

The qualitative targets for ICT were improving (the design of) the OTAS environments, the test process and the change management process. The availability of the platform must also be at least 99.9%. For the joint venture with TOM, the qualitative targets formulated were expanding the derivatives order flow (Binck + ABN AMRO) and a substantial reduction in the costs of the platform. The qualitative targets set for supervision and audit were as follows:

The qualitative targets set for supervision and audit were as follows: High Risk Findings of DNB, E&Y or IAD should be no more than six months overdue and losses as a result of operational risks should be less than 1% of the total gross commission expenses. The quantitative target for the strategy element was to formulate a sustainable strategic plan. This target for 2012 was fully realised.

The quantitative targets in relation to the long-term development of the number of Retail brokerage transactions, assets under administration at Retail Brokerage, assets under management for the asset management product, the number of BPO agreements and the development of earnings towards break-even in Italy in 2015 were achieved to an extent of 60%.

In view of the above, the overall targets were achieved to a degree of 31.6%. However, in view of the negative market developments and the current situation at the company, the supervisory board has set the level of achievement of the targets set for 2012 by the executive board at 15%. There are no grounds for differentiation between the individual directors.

In view of the contribution Mr Bortot has made to the company, the supervisory board considered it fair to award Mr Bortot a gross severance payment of €300,000 on his departure as of 1 January 2013.

#### c. Pension scheme and supplementary disability insurance

##### BinckBank Remuneration Policy and its implementation

Executive directors 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 2.36% of the insured sum per year. Executive directors participated in this scheme in 2012.

#### d. Car lease scheme and mobile telephone reimbursement

##### BinckBank Remuneration Policy and its implementation

Executive directors participate in the relevant BinckBank car lease scheme and are reimbursed for mobile telephone costs. Executive directors participated in this scheme in 2012.

Remuneration of the executive board in 2012	Fixed basic remuneration	Pension contribution 20%	Severance payment**	Performance-related pay 2012*	Total remuneration (fixed + variable)****	Variable as a % of fixed remuneration	Shares BinckBank held at year-end 2012	of which shares in lock-up period	Shares still to be received in relation to previous financial years***
K.N. Beentjes	€ 375,000	€ 75,000		€ 56,250	€ 506,250	15%	37,787	23,712	6,885
P. Aartsen	€ 325,000	€ 65,000		€ 48,750	€ 438,750	15%	45,750	16,325	5,967
E.J.M. Kooistra	€ 316,667	€ 63,333		€ 47,500	€ 427,500	15%	35,548	18,696	5,508
N. Bortot	€ 300,000	€ 60,000	€ 300,000	€ 45,000	€ 705,000	15%	60,191	16,104	5,508
<b>Total</b>	<b>€ 1,316,667</b>	<b>€ 263,333</b>	<b>€ 300,000</b>	<b>€ 197,500</b>	<b>€ 2,077,500</b>		<b>179,276</b>	<b>75,110</b>	<b>23,868</b>

\* The fixed salary for E.J.M. Kooistra is increased by resolution of the supervisory board from € 300,000 to € 325,000 as of 1 May 2012.

\*\* The severance payment will be paid in early 2013.

\*\*\* Shares still to be received in relation to previous financial years are subject to a reassessment of the performance delivered in the performance year in question.

\*\*\*\* Excluding social insurance and crisis levy.

Remuneration of the executive board in 2011	Fixed basic remuneration	Pension contribution 20%	Performance-related pay 2011	Total remuneration (fixed + variable)**	Variable as a % of fixed remuneration	Shares BinckBank held at year-end 2011	of which shares in lock-up period
K.N. Beentjes	€ 375,000	€ 75,000	€ 229,419	€ 679,419	61%	30,901	16,826
P. Aartsen	€ 325,000	€ 65,000	€ 198,831	€ 588,831	61%	42,885	13,460
E.J.M. Kooistra	€ 300,000	€ 60,000	€ 183,536	€ 543,536	61%	30,039	13,460
N. Bortot	€ 300,000	€ 60,000	€ 183,536	€ 543,536	61%	57,547	13,460
<b>Total</b>	<b>€ 1,300,000</b>	<b>€ 260,000</b>	<b>€ 795,322</b>	<b>€ 2,355,322</b>		<b>161,372</b>	<b>57,206</b>

\* Payment of the performance remuneration is made in accordance with the remuneration policy approved by the shareholders at the AGM in 2012.

\*\* Excluding social insurance

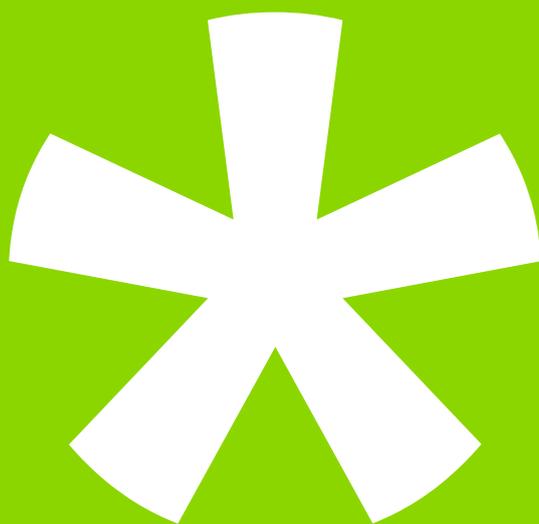
## Loans granted to members of the executive board

No loans have been granted to executive directors. Executive directors may take out a collateralised lending facility on the conditions applying to all employees.

## Future remuneration policy:

Recent experience has shown that remuneration policy has become a sensitive issue. Society's views have changed, especially with regard to variable remunerations to executive directors of listed companies and financial institutions. Partly as a result of this, the legislation and regulation and the recommendations relating to remuneration have changed as well.

The BinckBank Remuneration Policy is a policy that has been amended to reflect recent legislation and regulation in the field of remuneration. It would not however be realistic to assume that there will be no further developments in this area in the near future. BinckBank N.V. may therefore be compelled to amend its Remuneration Policy, either partly or entirely, in future.



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](mailto:info@binck.nl)

i [www.binck.nl](http://www.binck.nl)