

Remuneration report 2013

Remuneration report by the supervisory board of BinckBank N.V. for the 2013 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 2013 (Remuneration Report 2013) is available at 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 2013 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 2013 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 WIA 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 2013 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 salary for Mr K.N. Beentjes was increased on his reappointment as of 1 May 2013, from € 375,000 to € 400,000. The fixed gross annual salary for Mr E.J.M. Kooistra was increased with effect from 1 May 2013 from € 325,000 to € 360,000. The increase was due to factors including the increased emphasis on risk management and the higher responsibility associated with this. Mr Kooistra has responsibility for risk management as part of his portfolio as an executive director.

K.N. Beentjes	€ 400,000
E.J.M. Kooistra	€ 360,000
P. Aartsen	€ 325,000

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 lock-up period of at least two years.

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Implementation

Financial targets (40%)

The total score on the financial targets was 99%.

The budgeted financial target for 2013 of an adjusted net profit of € 0.59 per share was comfortably achieved. The adjusted net profit came to € 0.78 per share. The condition that the adjusted net profit per share should exceed 90% of the target level was also met.

The financial target for 2013 that operational losses should amount to less than 1% of sales was realised (0.63%), but will not be honoured due to the additional costs associated with the distribution of price information.

Collective qualitative and quantitative targets (20%)

The collective qualitative and quantitative targets for 2013 were realised to an extent of 30% overall.

The target for the customer satisfaction score was not achieved (actual 7.9 versus a target score of 8). The target for systems availability of at least 99.9% was not achieved. Actual availability was 99.7%. The target of two successful contingency tests was realised.

The target for the implementation of a CDD/AML system and documentation of governance was achieved. BinckBank implemented an anti-money laundering system and documented its entire governance structure in 2013.

The target of timely resolution (within six months) of high-risk findings of DNB, EY or IAD was not realised. The scheduled employee satisfaction survey was unsuccessful, as it was not carried out in 2013.

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Targets per business unit (20%)

The targets for each business unit were achieved to an extent of 42.5%.

The targets for online brokerage were:

Introduction of a leverage product (not realised), growth of the number of active customers in the Netherlands (realised), growth of transaction volume in France and Italy in line with the business plan (not realised), completion of the migration of Belgium to the European base platform (realised) and formulation of a road map for rebuilding the European base platform (realised).

The target for Savings & Investment Management (net new assets of € 200 million) was achieved. The savings broker has not received priority.

The targets for Professional Services: completion of the combination of Syntel B.V. and Professional Services, growth in BPO sales and the road map for the new-build of Europort were not realised.

The other targets: redesign of the Credit Risk Management department (realised). Development of a plan for efficiency improvement on the asset side of the bank (not realised) and all option orders on TOM (realised).

Qualitative and quantitative targets in the medium term (20%)

The quantitative targets in relation to the medium-term development are among others retail brokerage transaction volume, 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 50%.

Conclusion:

In view of the above, the overall targets were realised to a degree of 64.1%. The supervisory board has established that the above figures are correct and used them as the basis for the calculation of performance-related remuneration. There are no grounds for differentiation between the individual directors.

c. Pension scheme and WIA 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 WIA 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 2013.

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 2013.

Remuneration of the executive board

Remuneration of the executive board in 2013	Fixed gross annual salary	Pension contribution 20%	Performance-related rewards in 2013	Total remuneration (fixed + performance-related) ****	Variable as a % of fixed remuneration	Shares in BinckBank held at year-end 2013	Of which shares in lock-up period	Shares still to be received from previous financial years***
K.N. Beentjes *	€ 391,667	€ 78,333	€ 251,058	€ 721,058	64.1%	42,345	28,270	6,852
E.J.M. Kooistra**	€ 348,333	€ 69,667	€ 223,282	€ 641,282	64.1%	39,295	22,716	5,582
P. Aartsen	€ 325,000	€ 65,000	€ 208,325	€ 598,325	64.1%	47,646	18,221	5,939
Totaal	€ 1,065,000	€ 213,000	€ 682,665	€ 1,960,665		129,286	69,207	18,373

* The fixed salary for K.N. Beentjes is increased by resolution of the supervisory board from € 375,000 to € 400,000 as of 1 May 2013

** The fixed salary for E.J.M. Kooistra is increased by resolution of the supervisory board from € 325,000 to € 360,000 as of 1 May 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 security and crisis levy

Remuneration of the executive board in 2012	Fixed gross annual salary	Pension contribution 20%	Severance payments**	Performance-related rewards in 2012	Total remuneration (fixed + performance-related) ***	Variable as a % of fixed remuneration	Shares in BinckBank held at year-end 2012	Of which shares in lock-up period	Shares still to be received from 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	5,508
E.J.M. Kooistra*	€ 316,667	€ 63,333		€ 47,500	€ 427,500	15%	35,548	18,696	5,967
N. Bortot	€ 300,000	€ 60,000	€ 300,000	€ 45,000	€ 705,000	15%	60,191	16,104	5,508
Totaal	€ 1,316,667	€ 263,333	€ 300,000	€ 197,500	€ 2,077,500		179,276	75,110	23,868

* 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 security and crisis levy

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. None of the executive directors made use of this facility in 2013.



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