

Remuneration Report 2014

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 2014 (Remuneration Report 2014) is available at www.binck.com.

BinckBank has a remuneration policy ("BinckBank Remuneration Policy") that is based on the Regulation for a Controlled Remuneration Policy in the Wft ('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 remuneration. Variable remuneration is to a large extent allocated subject to conditions. 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 criteria have been met.

In consideration of the above, the following report describes the manner in which the remuneration of the executive board in 2014 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. In October 2014 the supervisory board decided to make no amendments in the calculation of the variable remuneration of the executive directors in 2015 compared to 2014. As a result and in accordance with Article 1: 123 of the Act on Financial Supervision, the bonus cap of 20% will be applied as of January 2016.

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 2014 calendar year.

Remuneration elements

The BinckBank Remuneration Policy comprises the following remuneration components:

- a. Fixed gross annual salary
- b. Variable compensation
- c. Pension scheme and WIA insurance
- d. Car lease scheme and mobile telephone reimbursement.

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 2014 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 basic annual salary was unchanged.

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

* Resigned

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 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 allocated unconditionally are subject to a holding period of 2 years.

Implementation

Financial targets (40%)

The total score on the four financial targets was 100%. The individual scores on the four financial targets may be over or under the target.

The budgeted financial target for 2014 of an adjusted net profit of € 0.60 per share was comfortably achieved. The adjusted net profit came to € 0.82 per share.

The financial target for out-trades (less than 1% of turnover) was 100% achieved.

The cost-income ratio excluding IFRS depreciation and amortisation came to 71.9%, which is higher than the target of a ratio of less than 70%. This target was 50% achieved.

The financial target for 2014 of more than 33% recurring income (interest + asset management fee (excluding performance)) of the total income was not achieved.

Collective qualitative and quantitative targets (20%)

The collective qualitative and quantitative targets for 2014 were realised to an extent of 29.63% overall.

The target for the customer satisfaction score was not achieved (actual average of 7.1 versus a target score of 7.8).

The target for the formulation and/or implementation of various compliance frameworks was partly achieved.

The targets with respect to operational risk were not fully achieved. The strengthening of the first and second lines was almost completed, however not fully. The availability of internal systems of at least 99.9% was not achieved, while the target of two successful contingency tests for both platforms was achieved.

Targets for Retail (20%)

The targets were 50% achieved.

Online brokerage

The successful introduction of the turbos (= commission income from turbos of at least € 1.5 million) was not achieved. The successful launch of Binck Fundcoach (closing deal, migration to top line, customer introduction with sustainable earnings model) was achieved.

Alex Asset Management

The targets for Alex Asset Management (including growth to AuM of € 2.5 billion) were not achieved, apart from the introduction of US Equities.

ICT

The schedule for 2014 was achieved.

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

The quantitative targets in relation to the medium-term development of Retail brokerage transaction volume, assets under administration at Retail brokerage, assets under management at Alex Asset Management, the number of BPO agreements and the development of earnings towards break-even in Italy in 2015 were achieved to an extent of 57.5%, giving a score of 57.5%.

Conclusion:

In view of the above, the overall targets were achieved to a degree of 67.43% ((40% x 100%) + (20% x 29.63%) + (20% x 50%) + (20% x 57.5%)). 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 were 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 2.249% of the insured sum per year. Executive directors participated in this scheme in 2014.

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 2014.

Remuneration of the executive board

Remuneration of the executive board in 2014	Fixed gross annual salary	Pension contribution 20%	Severance payment ***	Performance related rewards 2014	Total remuneration (fixed + variable)	Variable as a % of fixed remuneration	Shares BinckBank held at year-end 2014	of which shares in lock-up period	Shares still to be received in relation to previous financial years****
V.J.J. Germyns *	€ 216,667	€ 43,333		€ 146,087	€ 406,087	67.4%	14,602	11,602	9,815
E.J.M. Kooistra	€ 360,000	€ 72,000		€ 242,730	€ 674,730	67.4%	49,011	19,026	10,350
K.N. Beentjes	€ 400,000	€ 80,000	€ 400,000	€ 269,700	€ 1,149,700	67.4%	53,537	22,708	11,946
P. Aartsen **	€ 108,333	€ 21,667		€ 73,044	€ 203,044	67.4%	16,859	16,859	10,053
Total	€ 1,085,000	€ 217,000	€ 400,000	€ 731,561	€ 2,433,561		134,009	70,195	42,164

* Appointed on 22 April 2014, the fixed and variable remuneration has been round up to whole months.

** Resigned as of 22 April 2014, the fixed and variable remuneration has been round up to whole months.

*** The severance payment has been paid at the beginning of 2015.

**** The still to be received shares in relation to the previous financial years are subject to reevaluation of the performances in the relevant year.

Remuneration of the executive board in 2013	Fixed gross annual salary	Pension contribution 20%	Performance related rewards 2013	Total remuneration (fixed + variable)****	Variable as a % of fixed remuneration	Shares BinckBank held at year-end 2013	of which shares in lock-up period	Shares still to be received in relation to 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
Total	€ 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.

Loans granted to members of the executive board

Executive directors may take out a collateralised lending facility on the conditions applying to all employees. Only Mr K.N. Beentjes made use of this facility in 2014. No other loans were granted to executive directors.

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