



Remuneration Report VIVAT NV 2017

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VIVAT

Remuneration Report 2017

Remuneration

Remuneration Policy VIVAT

VIVAT's remuneration policy applies to all employees of VIVAT NV. The remuneration policy consists of several remuneration policies for different groups within VIVAT, such as CLA employees, above-CLA employees and employees within ACTIAM. For information regarding the remuneration policies of ACTIAM we refer to the annual report of ACTIAM NV.

Principles

The different remuneration policies:

- reflect the interests of all the company's stakeholders: customers, employees, shareholders and society at large;
- are in line with, and contribute to, robust and effective risk management whilst not encouraging the taking of inappropriate risks than acceptable for the company's risk appetite;
- support the ability to attract and retain qualified people.

Governance

The Supervisory Board is responsible for approving the remuneration policy for above-CLA employees and also approves the principles of the remuneration policy for other employees. The general meeting is responsible for adopting the remuneration policy for the members of the Executive Board after consultation with the Supervisory Board. The remuneration policies are based on and in line with the Regulation on sound remuneration policies Wft 2014 (Regeling beheerst beloningsbeleid Wft 2014) and the Act on Remuneration Policies of Financial Enterprises (wet Beloningsbeleid Financiële Ondernemingen, WBFO) as included in the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht, Wft).

The Supervisory Board's Remuneration and Nomination Committee (ReNomCo) prepares decisions on remuneration regarding Identified Staff and employees in control functions as mentioned hereafter. This includes decisions that may have consequences for the risks and risk control of the company which the Supervisory Board takes, as proposed by the Working Group Identified Staff. The Working Group Identified Staff (WGIS) comprises three members of the Executive Board, the heads of Financial Risk, Non Financial Risk/Compliance, Audit, Human Resources and Legal. Where necessary, the ReNomCo is assisted by independent remuneration experts. The Executive Board is responsible for the implementation of the remuneration policies.

Identified Staff

Every year, VIVAT designates members of staff who are Identified Staff on the basis of applicable laws, rules and regulations (the open-book-criteria of DNB). VIVAT has implemented the specific rules regarding variable remuneration for such Identified Staff. Employees who are Identified Staff are determined once a year and approved by the Supervisory Board.

Composition of Remuneration

Remuneration of all employees is made up of fixed and variable pay.

Level of Fixed Remuneration

Fixed pay is generally made up of 12 times an employee's fixed monthly salary, plus 8% holiday allowance and a 13th-month payment. The fixed monthly salary depends on the employee's role, knowledge and experience. A decision as to whether to increase the fixed monthly salary is made once a year, on the basis of a competence assessment. The fixed monthly salary is based on applicable salary scales.

Level of Variable Remuneration

The maximum levels of variable compensation as defined by WBFO are applicable for all employees of VIVAT. Pursuant to the WBFO, the variable remuneration of an employee of a financial undertaking may not exceed 20% of the fixed remuneration. This 'bonus cap' does not apply to employees of alternative investment fund managers with a license under the European Alternative Investment Fund Managers Directive (AIFMD), such as ACTIAM NV. ACTIAM met the applicable exemption criteria of an asset manager. VIVAT has offered a number of employees in specific positions at ACTIAM a variable remuneration opportunity of up to 50% in the event of stretched performance.

For all employees, the performance management cycle started with setting the performance targets in the first quarter of 2017. These targets are in line with the company targets and the company's mission and vision. For all employees two general targets were set: One regarding customer satisfaction (the Net Promoter Score) and one financial target. The financial target for the Product lines was: commercial success and, for the Functional lines: cost management. At least 50% of the KPIs set were non-financial related KPIs. For employees in control functions such as Risk, Audit and Compliance departments, no financial KPIs were set.

The extent to which the performance targets have been achieved by an employee is used as the basis for determining if an employee is eligible for variable remuneration and to which level.

A downward adjustment will be made if the employee has not met relevant standards in respect of competence and appropriate conduct, or was responsible for behavior that led to a material deterioration in VIVAT's financial position (Wft Section 1:127, Subsection 2).

In addition to the above, in 2017 two knock out criteria applies for the awarding of variable remuneration: Solvency II ratio and IFRS Result.

For CLA employees, variable remuneration is paid in cash. Variable remuneration for Identified Staff is split in two portions: an immediate/unconditional portion (60%) and a deferred/conditional portion (40%). 50% of the variable remuneration of Identified Staff is paid in cash and 50% in share based instruments.

Number of Employees with Total Remuneration Exceeding € 1 million

In 2017, one VIVAT employee received a total remuneration exceeding € 1 million.

Variable Remuneration for the Year 2017

In 2017, no variable remuneration is paid for 2017.

In 2017, a total amount of €1.3 million was awarded to ACTIAM employees as a variable remuneration over the year 2016 (€ 0.9 million) and as deferred variable remuneration over the year 2013 (€ 0.2 million) and 2014 (€ 0.2 million) respectively.

Claw Back on Variable Remuneration

VIVAT has the power to claw back all or part of any variable pay awarded (Section 135(8), Book 2 of the Dutch Civil Code in connection with Wft Section 1:127 Subsection 3). Whole or partial claw back will take place if the employee has not met relevant competence standards and standards for appropriate conduct, or was responsible for behavior that led to a material deterioration in the financial position of VIVAT. This claw back may relate to both the immediately payable portion and the deferred portion of the variable remuneration.

Pension

Nearly all employees of VIVAT are members of the same pension scheme. The scheme qualifies as a defined contribution scheme for IAS 19 purposes. The contributions are paid by VIVAT and employees respectively as employer and employee contributions. Due to the changes in the tax law on pension accruals for salaries above the pensionable salary an allowance of 16.35% on an employee's pensionable salary in excess of € 103,317 has been paid.

Other Benefits

The majority of above-CLA employees are eligible for a lease car or a lease car allowance. In 2017, VIVAT NV changed its lease policy which limited leasing of cars to those with less than 106 gram CO2 emissions. In addition, the group eligible for a lease car has diminished. As part of VIVAT's commitment to impact investment principles, certain types of cars and certain brands are no longer included in this policy.

Special Arrangements on Employee Benefits

At VIVAT, special arrangements for employee benefits refer to retention and/or welcome bonuses and material redundancy packages. VIVAT exercises great restraint when agreeing such arrangements. Such arrangements may be agreed only if they are in accordance with legislation and regulations.

Actual Remuneration (former) Members of the Executive Board and the Supervisory Board

The Executive Board

The Executive Board is responsible for the strategy and management of the company. The Executive Board as of 31 December 2017 consists of the following:

Composition, Appointment and Role

Name	Nationality	Position	Date of appointment
J.J.T. (Ron) van Oijen	Dutch	Chief Executive Officer	14 March 2016
Y. (Yinhua) Cao	Chinese	Chief Financial Officer	23 October 2015
L. (Lan) Tang	British	Chief Risk Officer	26 July 2015
W.M.A. (Wendy) de Ruijter-Lörx	Dutch	Chief Commercial Officer	24 May 2016
X.W. (Xiao Wei) Wu	Chinese	Chief Transformation Officer	26 July 2015
J.C.A. (Jeroen) Potjes	Dutch	Chief Operating Officer	24 May 2016
F. (Feng) Zhang ¹	Chinese	Chief of Staff	26 July 2015

¹ Mr Zhang resigned as per 11 April, 2018.

Actual Remuneration (former) Members of the Executive Board

The following table provides an breakdown of the total remuneration of the Executive Board for the year 2016 and 2017, including former and existing key management.

Breakdown of Remuneration (former) Members of the Executive Board

In € thousands	2017	2016
Short-term employee benefits	4,691	4,419
Post-employment benefits	150	125
Termination benefits	-	695
Total	4,841	5,239

Loans, Advances and Guarantees

There are no loans, advances and guarantees outstanding on 31 December 2017 (and 2016) and/or granted to members of the Executive Board during 2017.

The Supervisory Board Composition, Appointment and Role

Name	Nationality	Position	Date of appointment
M.W. (Maarten) Dijkshoorn	Dutch	Chairman	23 December 2016
M.R. (Miriam) van Dongen	Dutch	Member	26 July 2015
M. (Ming) He	American	Member	26 July 2015
K.C.K. (Kevin) Shum	British	Member	26 July 2015
P.P.J.L.M.G. (Pierre) Lefèvre	Belgian	Member	26 July 2015

Actual Remuneration (former) Members of the Supervisory Board

The following table provides an overview of the total remuneration of the Supervisory Board members in 2016 and 2017 (excluding 21% VAT).

Breakdown of Remuneration (former) Members of the Supervisory Board

In € thousands	2017	2016
Total fixed actual remuneration for Supervisory Board members	610	543
Total remuneration for delegated Supervisory Board members	-	188
Total remuneration for the members of the Supervisory Board's Committees	25	25
Total	635	756

Loans, Advances and Guarantees

There are no loans, advances and guarantees outstanding on 31 December 2017 (and 2016) and/or granted to members of the Supervisory Board during 2017.

