

11

REMUNERATION OF BOARD OF DIRECTORS MEMBERS AND EXECUTIVE COMMITTEE MEMBERS

This note describes the Ageas Remuneration Policy as applied in 2012. It contains detailed information on the remuneration of individual Board Members and Executive Committee Members who held office during 2012.

The remuneration of Board of Directors Members and Group Executive Committee Members has been determined in accordance with the Remuneration Policy, which was approved by the General Meetings of Shareholders of ageas SA/NV and ageas N.V. on, respectively 28 and 29 April 2010, and which is set forth in the Ageas Corporate Governance Charter as may be amended from time to time (see www.ageas.com/en/Pages/governance.aspx).

Paragraph 11.1 describes the remuneration of the non-executive Board of Directors Members. The remuneration of the executive Board Member (the CEO) and the other members of the Group Executive Committee is clarified in paragraph 11.2 entitled Remuneration of Ageas Executive Committee Members.

11.1 Remuneration of the Board of Directors

Changes in the Board of Directors in 2012 – Remuneration 2012

In November 2012, Belén Romana (non-executive) stepped down as Board Member following her appointment as Chairwoman of SAREB, (Asset Management Company for Assets arising from Bank Restructuring) in Spain. There were no other changes in the Board's composition. The Board is therefore currently composed of ten members: Jozef De Mey (Chairman, non-executive), Bart De Smet (CEO, executive), Guy de Selliers de Moranville (vice-chairman, independent), Frank Arts, Bridget McIntyre, Lionel Perl, Roel Nieuwdorp, Shaoliang Jin and Jan Zegering Hadders (non-executives, independent) and Ronny Brückner (non-executive).

Regarding Ageas UK Ltd, Guy de Selliers de Moranville (Chairman), Jan Zegering Hadders and Bridget McIntyre remain members of the Board of Directors. Regarding AG Insurance SA/NV, Frank Arts and Lionel Perl continue to be members of the Board of Directors and Jozef De Mey Chairman of the Board. Jozef De Mey is also a member of the Board of Directors of AICA (Hong Kong), Muang Thai Group Holding Co. Ltd. and Muang Thai Life (Thailand) and Taiping Life (China). Roel Nieuwdorp is member of the Board of Directors of Ageas France and Belén Romana was a member of the Board of Directors of Millenniumbcp Ageas, she resigned from this position in November 2012. To the extent that these positions are remunerated, the amounts paid out are disclosed in the tables below.

Total remuneration of non-executive Board Members amounted to EUR 1.22 million in the 2012 financial year (2011: EUR 1.19 million). This remuneration includes the basic remuneration for Board membership and the attendance fees for Board meetings and Board Committee meetings both at the level of Ageas and at its subsidiaries.

Implementation of Remuneration Policy

In April 2010, the General Meetings of Shareholders of ageas SA/NV and ageas N.V. approved the Remuneration Policy applicable as of 1 January 2010 in respect of Ageas's non-executive Board Members. In April 2011, the General Meetings of Shareholders of ageas SA/NV and ageas N.V. reconfirmed this Remuneration Policy.

The Ageas Remuneration Policy is in line with the Corporate Governance Act of 6 April 2010.

Please refer to the Report of the Remuneration Committee for further information on the remuneration of non-executive Board Members.

In accordance with the policy, non-executive Board Members did not receive annual incentives or stock options and were not entitled to pension rights. The remuneration of the executive Board Member (the CEO) is related exclusively to his position as CEO and is therefore determined in line with the Remuneration Policy for executive Committee Members (see paragraph 11.2).

Remuneration of the Board of Directors

The remuneration received by Board of Directors Members in 2012, is mentioned in the table below. The number of Ageas shares held by Board Members at 31 December 2012 is reported in the same table. For specific Board mandates we refer to paragraph 3.7 Board of directors.

	Function	From	Remuneration in 2012 (in EUR) as Board Member of Ageas ¹⁾⁴⁾	Ageas shares ⁵⁾ directly held at 31 December 2012 by current Board Members
Jozef De Mey	Chairman	1 January 2012	114,500	9,427
Guy de Selliers de Moranville	Vice-chairman	1 January 2012	94,500	
Frank Arts	Non-executive Board Member	1 January 2012	74,000	833
Shaoliang Jin	Non-executive Board Member	1 January 2012	63,000	
Ronny Brückner	Non-executive Board Member	1 January 2012	71,500	3,100,000
Bridget McIntyre	Non-executive Board Member	1 January 2012	72,500	
Roel Nieuwdorp ³⁾	Non-executive Board Member	1 January 2012	90,500	260
Lionel Perl	Non-executive Board Member	1 January 2012	83,000	7,000
Belén Romana	Non-executive Board Member	1 January 2012	76,000	
Jan Zegeering Hadders	Non-executive Board Member	1 January 2012	90,500	
Bart De Smet	Chief Executive Officer (CEO)	1 January 2012	See infra ²⁾	3,660 ⁶⁾
Total			830,000	3,121,180

1) Board Members also receive an attendance fee for committee meetings they attend as invitee.

2) Bart De Smet is not remunerated as Board Member but as CEO (see Note 11.2 for details of his remuneration).

3) Total remuneration is paid to the company, where the Board Member holds a position.

4) Excluding reimbursement of expenses.

5) All numbers after reverse stock split.

6) Not including the shares committed to be granted for the LTI.

The remuneration received by Board of Directors Members in 2012 for their mandates in subsidiaries of Ageas is mentioned in the table below.

	Total Remuneration in 2012 (in EUR) as member of the Board of directors of Ageas subsidiaries ³⁾
Jozef De Mey	98,395
Guy de Selliers de Moranville	50,420
Frank Arts	49,000
Shaoliang Jin	
Ronny Brückner	
Bridget McIntyre	50,184
Roel Nieuwdorp ²⁾	29,500
Lionel Perl	62,000
Belén Romana	
Jan Zegeering Hadders	51,660
Bart De Smet	See infra ¹⁾
Total	391,159

1) Bart De Smet is not remunerated as Board Member but as CEO (see Note 11.2 for details of his remuneration).

2) Total remuneration is paid to the company, where the Board Member holds a position.

3) Excluding reimbursement of expenses.

11.2 Remuneration of Ageas Executive Committee Members

The Executive Committee of Ageas is composed of Bart De Smet (CEO), Christophe Boizard (CFO) and Kurt De Schepper (Chief Risk Officer). The CEO is the only executive member of the Board of Directors.

The members of the Executive Committee jointly earned in the course of 2012:

- a base remuneration of EUR 1,325,000 (compared to EUR 1,357,197 in 2011);
- a short-term incentive (STI) of EUR 774,973 in 2012 compared to EUR 335,257 in 2011. In line with the approved Remuneration Policy, only 50% of the short-term incentive earned over 2010 was paid in 2011, 25% of the remainder has been adjusted and paid in 2012, the remainder is to be adjusted and paid in 2013. Additionally only 50% of the short-term incentive earned over 2011 was paid in 2012, the remainder is to be adjusted and paid in 2013 and 2014. The STI for the 2012 financial year will be paid partly in 2013, 2014 and 2015;
- a long-term incentive of 43,927 shares with a value of EUR 1,118,010 (compared to 2011 when 6,989 shares – with a value of EUR 116,825 – were earned), and;
- pension costs of EUR 397,417 (excluding taxes) (compared to EUR 491,893 in 2011);
- an amount of EUR 190,623 (compared to EUR 152,819 in 2011) representing other usual benefits;
- no termination compensation was paid in 2012.

The remuneration of each Executive Committee Member is further detailed below.

Remuneration Policy

The Remuneration Policy for the members of the Executive Management was determined by the Board of Directors, upon proposals by the Remuneration Committee and in April 2010 approved by the General Meetings of Shareholders of ageas SA/NV and ageas N.V. For more detailed information on the remuneration applicable to the Ageas Executive Committee Members, please refer to the Report of the Remuneration Committee.

The remuneration package is part of a contract specifying terms and conditions: a description of the components of the package, termination clauses and various other clauses such as confidentiality and exclusivity. With effect from 1 December 2009 the contracts include a termination indemnity in accordance with the regulations laid down by the Belgian government.

The members of the Executive Committee are self-employed.

Remuneration of the ExCo Members in 2012

CEO

The remuneration of the CEO, who is also a member of the Board of Directors, relates solely to his position as CEO.

The remuneration of Bart De Smet has been determined after consultation with an external firm specialised in executive compensation and benefits, upon recommendation of the Remuneration Committee and in accordance with the Remuneration Policy.

Bart De Smet's remuneration in 2012 comprised:

- a base remuneration of EUR 500,000, unchanged since 2009;
- a short-term incentive of EUR 340,751 of which:
 - EUR 197,125 is related to the 2012 financial year.
In line with the Remuneration Policy, only 50% of the EUR 394,250 of STI related to the 2012 financial year will be paid in 2013. The balance of the STI related to the 2012 financial year will be paid in the next two years, subject to – upward or downward – revision as foreseen in the Remuneration Policy approved by the General Meetings of Shareholders in 2010;
 - the initial amount corresponding to 25% of the STI for the 2011 financial year was EUR 42,063, this amount was revised upward taking into account the 2012 result to EUR 70,502. The balance of the STI related to the 2011 financial year will be paid next year, subject to – upward or downward – revision, and;
 - the initial amount corresponding to 25% of the STI for the 2010 financial year was EUR 71,437, this amount was revised upwards, taking into account the 2011 and 2012 results, to EUR 73,124.
- a long-term incentive of 16,576 shares (with a counter value of EUR 421,875), based on the volume weighted average price (VWAP) of February 2013. In line with the Remuneration Policy approved by the General Meetings of Shareholders in 2010, the shares related to this long-term incentive will be blocked until 2017 and further adjusted taking into account the evolution over the years 2013, 2014 and 2015. For 2011, 3,365 shares were conditionally granted and blocked until 2016, to be further adjusted taking into account the evolution over the years 2012, 2013 and 2014. All numbers mentioned are after the reverse stock split.
- an amount of EUR 160,676 (excluding taxes) representing the costs of the defined contribution pension plan;
- an amount of EUR 71,664 representing other usual benefits such as health, death and disability cover and company car.

Other members of the Executive Committee

The composition of the Executive Committee remained unchanged in 2012.

In 2012, the remuneration of Christophe Boizard, CFO comprised:

- a base remuneration of EUR 425,000; unchanged since 2011;
- a short-term incentive of EUR 177,923 representing:
 - 50% of the EUR 319,813 of STI related to the 2012 financial year. This amount will be paid in 2013. The balance of the STI related to the 2012 financial year will be paid in the next two years, subject to – upward or downward – revision as foreseen in the Remuneration Policy;
 - the initial amount corresponding to 25% of the STI for the 2011 financial year was EUR 10,141, this amount was revised upwards taking into account the 2012 result to EUR 18,016. The remaining 25% of the STI related to the 2011 financial year will be paid next year subject to – upward or downward – revision;
- a long-term incentive of 14,090 shares (with a counter value of EUR 358,615) based on the volume weighted average price (VWAP) of February 2013. The shares related to this long-term incentive will be blocked until 2017 and further adjusted taking into account the evolution over the years 2013, 2014 and 2015. For 2011, 932 shares were conditionally granted and blocked until 2016, to be further adjusted taking into account the evolution over the years 2012, 2013 and 2014. All numbers mentioned are after the reverse stock split.
- an amount of EUR 111,321 (excluding taxes) representing the costs of the defined contribution pension plan;
- an amount of EUR 66,952 representing other usual benefits such as health, death and disability cover and company car.

In 2012, the remuneration of Kurt De Schepper, CRO comprised:

- a base remuneration of EUR 400,000 unchanged since 2009;
- a short-term incentive of EUR 256,299 representing:
 - 50% of the EUR 301,600 of STI related to the 2012 financial year. This amount will be paid in 2013. The balance of the STI related to the 2012 financial year will be paid in the next two years, subject to – upward or downward – revision as foreseen in the Remuneration Policy;
 - the initial amount corresponding to 25% of the STI for the 2011 financial year was EUR 30,500, this amount was revised upwards, taking into account the 2012 result, to EUR 53,250. The remaining 25% of the STI related to the 2011 financial year will be paid next year subject to – upward or downward – revision;
 - the initial amount corresponding to the remaining 25% of the STI for the 2010 financial year was EUR 50,850 this amount was revised upwards, taking into account the 2012 result, to EUR 52,249.
- a long-term incentive of 13,261 shares (with a counter value of EUR 337,520) based on the volume weighted average price (VWAP) of February 2013. The shares related to this long-term incentive will be blocked until 2017 and further adjusted taking into account the evolution over the years 2013, 2014 and 2015. For 2011, 2,692 shares were conditionally granted and blocked until 2016, to be further adjusted taking into account the evolution over the years 2012, 2013 and 2014. All numbers mentioned are after the reverse stock split.
- an amount of EUR 125,420 (excluding taxes) representing the costs of the defined contribution pension plan;
- an amount of EUR 52,007 representing other usual benefits such as health, death and disability cover and company car.

Long-term incentive

In 2011, 6,989 shares were committed to be granted to the ExCo. These shares are blocked until 2016 and the number of shares can be adjusted taking into account the evolution over the years 2012, 2013 and 2014.

As mentioned above, in 2012, 43,927 shares were committed to be granted to the ExCo. These shares are blocked until 2017 and the number of shares can be adjusted taking into account the evolution over the years 2013, 2014 and 2015.

There are no restricted shares outstanding from previous years.

	Number of shares committed to be granted in 2011	Number of shares committed to be granted in 2012	Number of shares granted in 2012
Bart De Smet	3,365	16,576	
Christophe Boizard	932	14,090	
Kurt De Schepper	2,692	13,261	
Total	6,989	43,927	

Before appointment

Details of the share options (granted), relating to the options awarded to the CEO and CRO in the past in relation to their previous positions with the Group are as follows.

	Year	Number of options granted	Exercise price	Expiry date	Exercised before 2012	Options exercised in 2012	Outstanding at 31 December 2012
Bart De Smet	2007	12,339	28.62	1-04-2013			12,339
	2008	2,530	16.46	2-04-2014			2,530
Kurt De Schepper	2003	8,959	12.17	27-04-2013			8,959
	2004	8,959	14.78	13-04-2014			8,959
	2005	8,959	18.41	11-04-2015			8,959
	2007	9,771	28.62	1-04-2013			9,771
	2008	2,040	16.46	2-04-2014			2,040

In the table above, the number of options granted and the exercise price relate to the share units prior to the reverse stock split in August 2012. To express them as current shares and at current share prices, the number of options has to be divided by ten and the exercise price multiplied by ten.