

11 Remuneration of Board of Director members and Executive Committee members

This note describes the Ageas Remuneration Policy as applied in 2011. It contains detailed information on the remuneration of individual members of the Board of Directors and of Executive Committee members who were in function during 2011.

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

The Remuneration Policy had been determined earlier by the Board and approved by the shareholders meetings of 2010. The Ageas Remuneration Policy is in line with the new Corporate Governance Law of 6 April 2010.

Paragraph 11.1 describes the remuneration of the non-executive members of the Board of Directors. 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 2011 – Remuneration 2011

In 2011, one member, Ronny Brückner (non-executive) joined the Board. Apart from that, there were no changes in the Board's composition. The Board is therefore currently composed of eleven members: Jozef De Mey (Chairman, Non-executive), Bart De Smet (CEO, executive), Guy de Selliers de Moranville (vice-chairman, Independent), Frank Arts, Bridget McIntyre, Belén Romana, Lionel Perl, Roel Nieuwdorp, Shaoliang Jin and Jan Zegering Hadders (non-executives, Independent) and Ronny Brückner (Non-executive), the new Board member.

Ronny Brückner joined the Board of Directors of Ageas Insurance International N.V., a non-operating company. Jozef De Mey is also member of the Board of Directors of Taiping Life (China). These functions are unpaid.

Guy de Selliers de Moranville (Chairman), Jan Zegering Hadders and Bridget McIntyre remain members of the Board of Directors of Ageas UK, Ltd whereas Jozef De Mey (Chairman), Frank Arts and Lionel Perl continue to be members of the Board of Directors of AG Insurance SA/NV. 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). These functions are remunerated.

Total remuneration of non-executive Board members amounted to EUR 1.19 million in the financial year 2011 (2010:EUR 1.12 million). This remuneration includes the basic remuneration for Board membership and the attendance fees for Board Committee meetings both at the level of Ageas and at its subsidiaries. Notwithstanding the appointment of an additional Board member in 2011 and the fact that the two Board members appointed in 2010 account for a full year in 2011, the total remuneration remained stable compared to previous year. This is mainly due to the lower number of Board meetings and Board Committee meetings.

Remuneration Policy implementation

In April 2010, the General Shareholders meeting of ageas SA/NV and ageas N.V. respectively approved and adopted the Remuneration Policy applicable as of 1 January 2010 of the Ageas non-executive Board members. In April 2011, the General Shareholders meetings of ageas SA/NV and ageas NV reconfirmed the Remuneration Policy.

Please refer to the Report of the Remuneration Committee for further information on the remuneration levels applicable to 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 the members of the Board of Directors in 2011, including the remuneration received in subsidiaries and for various committees, is mentioned in the table below. The number of Ageas shares held by the Board members as at 31 December 2011 is reported in the same table.

	Function	From	Remuneration	Total Remuneration	Total	Ageas
			in 2011 (in EUR) as Board member of Ageas ¹⁾ A	in 2011 (in EUR) as member of the Board of directors of Ageas subsidiaries B	remuneration ⁴⁾ in 2011 (in EUR) A+B	shares directly held at 31 December 2011 by current Board Members
Jozef De Mey	Chairman	1 January 2011	110,000	100,732	210,732	94,276
Guy de Selliers de Moranville	Vice-chairman	1 January 2011	91,500	49,544	141,044	
Frank Arts	Non-executive Board member	1 January 2011	76,000	49,004	125,004	8,334
Shaoliang Jin	Non-executive Board member	1 January 2011	59,500		59,500	
Ronny Brückner	Non-executive Board member	28 April 2011	50,000		50,000	31,000,000
Bridget McIntyre	Non-executive Board member	1 January 2011	73,000	47,852	120,852	
Roel Nieuwdorp ³⁾	Non-executive Board member	1 January 2011	100,500		100,500	2,600
Lionel Perl	Non-executive Board member	1 January 2011	92,500	68,791	161,291	70,000
Belén Romana	Non-executive Board member	1 January 2011	76,000		76,000	
Jan Zegering Hadders	Non-executive Board member	1 January 2011	94,500	50,752	145,252	
Bart De Smet	Chief Executive Officer (CEO)	1 January 2011	See infra ²⁾	See infra ²⁾	See infra ²⁾	36,616 ⁵⁾
Total			823,500	366,675	1,190,175	31,211,826

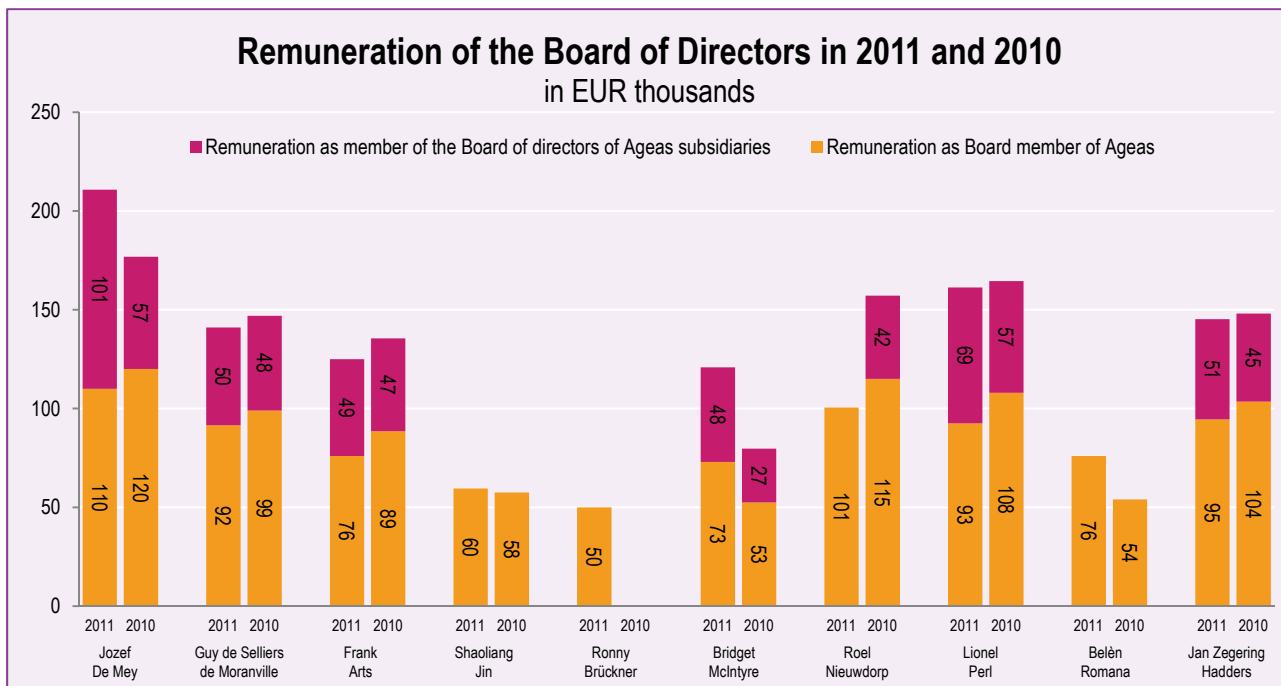
1) Board members also receive an attendance fee for committee meetings they attended as invitee.

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 a company, where the Board member holds a position.

4) Excluding reimbursement of expenses.

5) Including 29,758 and 2,770 restricted shares from respectively previous years and the 2011 grant.



11.2 Remuneration of Ageas Executive Committee Members

Since 5 September 2011, 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.

Bruno Colmant (Deputy CEO) has left the Company on 30 September 2011. A consulting agreement has been signed between Ageas and Bruno Colmant Academic SPRL (represented by Bruno Colmant) whereby the latter will give independent advice to Ageas on financial and economic matters as well as on ongoing financial legacy issues. This agreement starts in October 2011 and lasts for 2 years with a monthly consulting fee of EUR 27,500.

The members of the Executive Committee jointly earned in the course of 2011:

- a base remuneration of EUR 1,357,197 (compared to EUR 1,325,000 in 2010);
- a Short Term Incentive (STI) of EUR 335,257 in 2011 compared to EUR 610,375 in 2010. In line with the approved Remuneration Policy, only 50% of the Short Term Incentive earned over 2010 was paid in 2011, the remaining is to be adjusted and paid in the years 2012 and 2013. The STI over the financial year 2011 will be paid partly in 2012, 2013 and 2014;
- a Long Term Incentive of 69,886 shares for an amount of EUR 116,825 (compared to last year where no LTI was earned or paid concerning the year 2010), and;
- pension costs of EUR 491,893 (compared to EUR 331,249 in 2010);
- an amount of EUR 152,819 (compared to EUR 155,313 in 2010) representing other usual benefits;
- no termination compensations were paid in 2011.

The details of the remuneration of each member of the Executive Committee are further detailed hereafter.

Remuneration Policy

The Remuneration Policy of the members of the Executive Management is determined by the Board of Directors, upon proposals by the Remuneration Committee and in April 2010 approved by the General Meeting of Shareholders of respectively 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 providing the main characteristics of the status: the description of the components of the package, the termination clauses and various other clauses such as confidentiality and exclusivity. With effect from 1 December 2009 the contracts provide for a termination indemnity in accordance with the regulations drawn up by the Belgian government or the Dutch Corporate Governance (Frijns) Code. The members of the Executive Committee are self-employed.

Remuneration of the ExCo members in 2011

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 2011 comprised:

- a base remuneration of EUR 500,000 identical to 2010;
- a (short-term) incentive of EUR 142,704 of which:
 - EUR 84,125 is related to the financial year 2011. In line with the Remuneration Policy, only 50% of the EUR 168,250 of STI related to the financial year 2011 will be paid in 2012. The balance of the STI related to the financial year 2011 will be paid in the next two years, subject to – upward or downward – revision as foreseen in the Remuneration Policy approved by the General Assemblies in 2010, and
 - The initial amount related to 25% of the STI over the financial year 2010 was EUR 71,437, this amount was revised downwards taking into account the 2011 result to EUR 58,579. The balance of the STI related to the financial year 2010 will be paid next year, subject to – upward or downward – revision;
- a Long Term Incentive of 33,649 shares (for a counter value of EUR 56,250), based on the Volume Weighted Average Price (VWAP) of February 2012. In line with the Remuneration Policy approved by the General Assemblies in 2010, the shares related to this Long Term incentive will be blocked until 2016 and further adjusted taking into account the evolution over the years 2012, 2013 and 2014;
- the vesting of 2,770 shares in implementation of the restricted-shares plan 2008. This relates to his previous function as CEO of AG Insurance and does not relate to his current position as CEO of Ageas;
- an amount of EUR 196,437 representing the costs of the defined contribution pension plan;
- an amount of EUR 64,234 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 changed in the course of 2011. Bruno Colmant, Deputy CEO, has left and Christophe Boizard, CFO, joined the Company.

In 2011, for the 9 month period until 1 October 2011, the remuneration of Bruno Colmant, Deputy CEO comprised:

- a base remuneration of EUR 318,750;
- a (short-term) incentive of EUR 70,591 of which:
 - EUR 35,222 is related to the financial year 2011. In line with the Remuneration Policy, only 50% of EUR 70,444 of STI related to the financial year 2011 will be paid in 2012. The balance of the STI related to the financial year 2011 will be paid in the next two years, subject to – upward or downward – revision as foreseen in the Remuneration Policy approved by the General Assemblies in 2010, and
 - the initial amount related to 25% of the STI over the financial year 2010 was EUR 46,537, this amount was revised downwards taking into account the 2011 result to EUR 35,369. The balance of the STI related to the financial year 2010 will be paid next year, subject to – upward or downward – revision;
- given the departure of the deputy CEO he was not awarded a long term incentive over the financial year 2011;
- an amount of EUR 118,469 representing the costs of the defined contribution pension plan;
- an amount of EUR 36,549 representing other usual benefits such as health, death and disability cover and company car.

In 2011, for the 4 month period from 5 September 2011 until 31 December 2011, the remuneration of Christophe Boizard, CFO comprised:

- a base remuneration of EUR 138,447;
- a (short-term) incentive of EUR 20,282:
 - which represents 50% of the EUR 40,564 of STI related to the financial year 2011. This amount will be paid in 2012. The balance of the STI related to the financial year 2011 will be paid in the next two years, subject to – upward or downward – revision as foreseen in the Remuneration Policy approved by the General Assemblies in 2010;
- a Long Term Incentive of 9,318 shares (for a counter value of EUR 15,575) based on the Volume Weighted Average Price (VWAP) of February 2012. In line with the Remuneration Policy approved by the General Assemblies in 2010, the shares related to this Long Term incentive will be blocked until 2016 and further adjusted taking into account the evolution over the years 2012, 2013 and 2014;
- an amount of EUR 34,612 representing the costs of the defined contribution pension plan;
- an amount of EUR 2,287 representing other usual benefits such as health, death and disability cover and company car.

In 2011, the remuneration of Kurt De Schepper, CRO comprised:

- a base remuneration of EUR 400,000 identical to 2010;
- a (short-term) incentive of EUR 101,680 of which:
 - EUR 61,000 is related to the financial year 2011.
In line with the Remuneration Policy, only 50% of the EUR 122,000 of the STI related to the financial year 2011 will be paid in 2012. The balance of the STI related to the financial year 2011 will be paid in the next two years, subject to – upward or downward – revision as foreseen in the Remuneration Policy approved by the General Assemblies in 2010, and
 - the initial amount related to 25% of the STI over the financial year 2010 was EUR 50,850, this amount was revised downwards taking into account the 2011 result to EUR 40,680. The balance of the STI related to the financial year 2010 will be paid next year subject to – upward or downward – revision;
- a Long Term Incentive of 26,919 shares (for a counter value of EUR 45,000) based on the Volume Weighted Average Price (VWAP) of February 2012. In line with the Remuneration Policy approved by the General Assemblies in 2010, the shares related to this Long Term incentive will be blocked until 2016 and further adjusted taking into account the evolution over the years 2012, 2013 and 2014;
- the vesting of 2,240 shares in implementation of the restricted shares plan 2008. This relates to his previous function at AG Insurance and does not relate to his current position as CRO of Ageas;
- an amount of EUR 142,375 representing the costs of the defined contribution pension plan;
- an amount of EUR 49,749 representing other usual benefits such as health, death and disability cover and company car.

Long Term Incentive

Since appointment as ExCo member in accordance with the terms of the Remuneration Policy approved by the General Assemblies in 2010, the members of the ExCo were granted performance shares as mentioned before.

Before appointment

Details of the share options (granted) relating to the options attributed in the past and related to the function previously held with the group before accepting the function of respectively CEO and CRO.

	Year	Number of options granted	Exercise price	Expiry date	Exercised before 2011	Options exercised in 2011	Outstanding at 31 December 2011
Bart De Smet	1999	5,913	26.58	31-12-2012			5,913
	2005	17,476	18.65	10-04-2011			
	2006	14,227	24.68	2-04-2012			14,227
	2007	12,339	28.62	1-04-2013			12,339
	2008	2,530	16.46	2-04-2014			2,530
Kurt De Schepper	1999	5,913	26.58	31-12-2012			5,913
	2002	8,959	21.08	28-07-2012			8,959
	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
	2006	10,452	24.68	2-04-2012			10,452
	2007	9,771	28.62	1-04-2013			9,771
	2008	2,040	16.46	2-04-2014			2,040

Restricted shares vesting 3 years after granting

In accordance with the rules of the Restricted Shares Plan 2008 and the Remuneration Policy applicable at that time, restricted shares were attributed in 2008 to Bart De Smet and Kurt De Schepper, in their former capacity of executives of AG Insurance, and were now granted to them on 7 September 2011. Following acceptance, Bart De Smet and Kurt De Schepper were allowed to

sell up to 50% of the shares as of that date and during a limited period of 10 days to pay the taxes due on the exercise of the restricted shares. They both accepted the restricted shares. Details of the restricted shares attributed in 2011 are shown below. The fair value of the restricted shares granted was EUR 1.26 per share (2010: EUR 2.05 per share).

	Total number of restricted shares committed to grant in 2008	Number of restricted shares sold or transferred in 2011	Number of restricted shares not sold or transferred in 2011	Number of restricted shares not sold or transferred from previous grants
Bart De Smet	2,770		2,770	29,758
Kurt De Schepper	2,240		2,240	15,385