

## **MINUTES**

**of the General Meeting of Triodos Bank N.V., held in Beurs van Berlage in Amsterdam on 19 May 2017**

***Adopted on 20 November 2017***

### 1. Opening

Mr De Geus, Chair, opened the meeting and welcomed those present. He subsequently introduced the members of the Supervisory Board: Mr Carrington, Mr Van den Hoogenband, Ms Van der Weerd and Mr Phillip. Mr Boers was slightly delayed, due to his train being late. On behalf of the Foundation for Administration Triodos Bank Share [*Stichting Administratiekantoor Aandelen Triodos Bank*, "SAAT"], Ms De Zwaan, Mr Nawas, Mr De Clerck, Ms Van Boeschoten and Mr Lageweg were among those present. Mr Blom, Mr Aeby and Ms Banga attended the meeting on behalf of the bank's Executive Board. The Chair then welcomed the bank's auditor, Mr Heuvelink of PricewaterhouseCoopers, and civil-law notary, Mr Bossenbroek of NautaDutilh. Both gentlemen were present to answer any questions, where needed. In addition, Mr Heuvelink would give a presentation about the audit of the annual accounts.

In accordance with Article 12, paragraph 11, of the Articles of Association, the Chair appointed a minutes secretary, Ms Verheul. The draft minutes will be posted on the website before the end of August and be adopted in line with the Articles of Association, and signed by the Chair and a representative of the shareholder.

The Chair subsequently noted that the meeting had been convened in accordance with Article 12, paragraphs 4 and 5, of Triodos Bank's Articles of Association. The depository receipt holders and the shareholder had received written invitations, which had been issued on time. The documents for the meeting had been available for inspection at the company's offices, had been posted on the bank's website and had been obtainable, and had been sent to those attending this meeting. This meant that the meeting could take legally valid decisions. On account of SAAT's presence, all of the votes to be cast were present. Voting on a specific item on the agenda would at all times take place as explained in the notes to the relevant item.

There would be opportunity to ask questions about each item on the agenda, with each depository receipt holder being allowed, in the first instance, to ask one question at a time. If a depository receipt holder wished to speak, he/she should go to a microphone. Questions could be asked through the microphone or the live webcast only. Depository receipt holders were asked to clearly state their name and place of residence before taking the floor, to ensure correct and complete minutes.

The Chair then proceeded to item 2 on the agenda.

### 2. Annual report and annual accounts for 2016

The Chair handed the floor to the members of the Executive Board, each of whom would present some details on the past year. Mr Blom would first briefly reflect on matters in general.

#### 2a. Report by Executive Board 2016

On behalf of the Executive Board, Mr Blom cordially welcomed those present. This was an important moment, because so many people had come to attend the annual meeting. In the countries in which Triodos Bank has branches, informal meetings are held with depository receipt holders, at which important themes come to the fore. The year 2016 would be considered from three different angles. In addition, an outlook would be presented for 2017. Ms Banga would discuss the activities carried out by the different branches of the bank and the bank's impact, with Mr Aeby explaining the financial results. Subsequently, Mr Blom would

conclude the elaborations, indicating what are key themes for Triodos Bank for the upcoming period and what is expected.

In his preliminary comments, Mr Blom addressed three important trends in society that have a major impact on Triodos Bank. First, trends in the financial markets: the low interest rates have a significant effect on Triodos Bank, which operates on the basis of a business model that is highly dependent on interest margins. The second trend involves the rise of the sustainable economy, or the new economy – the economy of the future. The Paris Agreement of 2015 and the Sustainable Development Goals (SDGs) of 2015 have defined the framework for the sustainable development of the economy and of society on a global level. This trend largely corresponds to Triodos Bank's strategy. As a result, Triodos Bank is able to respond to this trend and capitalise on it. Third, many people crave a positive agenda. How does Triodos Bank go about that positive agenda? How do we involve the people in these trends?

Mr Blom then handed the floor to Ms Banga.

Ms Banga said that she would address the development of and the challenges faced by the each of the branches of Triodos Bank and Triodos Investment Management in 2016. She set out describing the activities in the Netherlands. Triodos Bank has been active in the Netherlands since 1980. It now has approximately 300,000 customers and its total assets amount to EUR 3.7 billion. The year 2016 was characterised by the challenge to continue to strike a sound balance between loans and savings. The bank has not entirely succeeded in doing so. High amounts in savings were received – higher than expected – with which the growth in lending failed to keep up. The sustainable mortgages portfolio showed handsome growth. In March 2017, it was announced that it had been decided to cut the interest rate on savings to 0%, in order to keep interest margins at acceptable levels and discourage any further growth.

Triodos Bank has now been active in Belgium for 25 years and is well-embedded in Belgian society. There was a change in management in 2016. The position in question could be filled from the branch's own ranks. The Belgian branch performed well. There is a healthy balance between savings and loans. Sustainable lending showed a 9% growth. Triodos Bank wishes to help new initiatives evolve. That is going well in Belgium. By way of example, Ms Banga mentioned a customer in Brussels who brings together different parties in the food chain in a sustainable way.

The United Kingdom also saw a management change. An important new factor is Brexit, which will impact Triodos Bank in different ways. A project has been started up to closely monitor developments in relation to Brexit and its consequences for Triodos Bank. The British branch saw a 14% growth in sustainable lending. Social housing and sustainable social housing construction are important market sectors in the United Kingdom, as well as representing a large commitment to the community. In April of this year, a customer meeting – attended by over 700 customers – was organised in London, at which the current account for private customers was launched for the British market. With this account, Triodos Bank has become a fully fledged alternative for customers, who can now also do their day-to-day banking with Triodos Bank. The initial response is very encouraging.

Triodos Bank has also been active in Spain since 2003, in in a slightly different manner than in the other countries. The 22 small local offices throughout the country enable Triodos Bank to be close to its Spanish customers and maintain relationships with them, which suits Spanish society. Business is shifting from issuing more substantial loans to financing aimed at small and medium-sized businesses, and Triodos Bank's local offices make it possible to effectively do so. In addition, refinancing is abundant and loans are repaid early, on the back of low market

interest rates. This means that significant gross growth has to be ensured, to facilitate the same net growth as in preceding years. That trend, combined with a somewhat lower loans/savings ratio, puts results in the Spanish market under pressure. In late 2016, a pension product was launched in Spain, enabling Spanish private customers to invest in their pensions in a sustainable and tax-efficient manner.

Germany is a relatively young activity that is still being built up. The second half of 2016, in particular, saw a healthy dynamic. This means a good step forward, following a few years of growth stagnation. The German branch pursues diversified growth in various different sectors, such as schools, institutions for care for the elderly, but also sustainable real estate. The first transactions in this market segment give confidence for the future. Germany is expected to add to profit in the foreseeable future (one to two years).

France does not yet have an official branch. The results of the French activities are included in the figures for the Belgian branch. The lending portfolio is well-spread and growing. Triodos Bank collaborates with a large social organisation in France that is active in the areas of youth care, care for the elderly and labour-market issues. Triodos Bank is pleased with this collaboration, as it shows that the bank is already gaining a foothold in French society. The ambition is to transform the French activity into a fully fledged branch next year.

Triodos Investment Management is an important core activity of Triodos. The Triodos investment funds enable people to make an impact with their money in an alternative way. The 17 investment funds invest in a highly diverse range of sustainable sectors. Growth in invested assets stood at 5% in 2016, compared to 15% in 2015, one of the reasons being the fact that one of the funds in the UK was hived off in 2016. The Organic Growth Fund, the Microfinance Fund, the Renewables Europe Fund and the Groenfonds (green fund), in particular, benefitted from the growing interest in sustainable investment. Among the strategic priorities are the expansion of the international distribution network and the forging of more partnerships in more countries, so as to be able to offer the funds. In 2016, that was done with new partners in Switzerland, Italy and the UK. Triodos Investment Management also wants to take things to the next level when it comes to how investments are made in listed companies with strong social and sustainable perspectives. In doing so, it will integrate financial-economic and sustainable analyses with engagement and dialogue with businesses. On the basis of this approach, Triodos Investment Management expects to again be a frontrunner in this fast-growing market, which means organisational change. A number of these activities are now contracted out or carried out together with partners, and the plan is to undertake these activities autonomously, so as to make an even greater impact.

In closing, Ms Banga gave a few examples of the impact in the areas of organic agriculture, renewable energy, care for the elderly and sustainable real estate. For more information about these topics, she referred to the online annual report. Triodos Bank's website features several videos and stories about sustainable projects.

Subsequently, Ms Banga handed the floor to Mr Aeby for an elaboration on the financial results for 2016, which he provided on the basis of a number of slides. The slides form part of these minutes and are available on [www.triodos.com/agm](http://www.triodos.com/agm).

Mr Aeby pointed out that two factors had substantially affected the bank's financial results: low market interest rates and rules and regulations. Low interest rates depress income, while the rising number of rules and regulations lead to higher costs. In 2016, a contribution to the deposit guarantee fund was introduced, for instance. Banks are required to pay in advance toward the creation of such a fund. In the past, a contribution only had to be made when a bank failed.

Considerable amounts are payable, significantly impacting profit or loss.

Mr Aeby provided a summary of interest on loans and investments by banks in Europe from 2013 to 2016, which showed a constantly declining trend. The ECB deposit facility rate has been negative since 2015. Subsequently, he discussed the financial results for 2016. The growth in volume came to 9%, a record-low percentage for the past years, although growth is not the primary goal, impact being more important. Growth in lending stood at 14%, slightly less than the 15% to 20% target, but still a good growth rate compared with other banks. Savings increased by 20%. The loans to funds entrusted ratio was 64%. The ambition is to raise this to 70% as quickly as possible, and to 80% to 85% in the longer run. On the back of low interest rates, many loans are refinanced, depressing interest margins. Equity increased by EUR 123 million, which is nearly entirely attributable to the issue of new depository receipts, enabling the bank to maintain a sound capital ratio. Triodos Bank is one of the most highly capitalised banks in Europe, it amply meets the solvency requirements.

Subsequently, Mr Aeby addressed interest margin trends, income, the cost/income ratio, the provisions and net result. Net profit was lower than in 2015. In 2015, the result was somewhat overstated because of an exceptional income item, and because no contribution was as yet required for the deposit guarantee fund. Return on equity decreased. Historically, it ranged between 4% and 5%, with the current percentage being slightly lower. Everything is geared to bringing return back to the envisaged level.

Mr Aeby then addressed the opportunities and challenges he saw. Further growth in sustainable lending is presumed, as well as interest rates remaining low in the euro zone. Political conditions are insecure. Brexit, in particular, is an important cause for concern; its effect on the activities in the United Kingdom is being studied. The year 2017 will see moderate growth. Return on equity is expected to range between 3% and 4% in 2017.

## 2b. Environmental and social annual report for 2016

Mr Aeby briefly addressed the bank's environmental impact, which is also addressed in an interactive video on the website. Triodos Bank is a climate-neutral organisation. The ambition is to reduce the carbon footprint as much as possible and to compensate any remainder on the basis of carbon certificates.

Mr Blom addressed the social annual report. Triodos Bank highly depends on the commitment of its – extremely dedicated– staff. Their devotion is quite evident from the high engagement rating demonstrated by a recently held co-worker survey. Many new roles have to be filled within the framework of rules, regulations and new strategic projects. Triodos Bank is still growing, but, with a view to the future, a number of steps have to be taken to achieve greater efficiency. The gender balance is good, with management featuring 40% women. The absenteeism due to illness rate was 2.8%, which is below the target of 3%. Attrition was rather high in 2015, dropped in 2016. The lowest/highest salary ratio rose somewhat, to 1:9.9, but is still within the 1:10 boundary.

Subsequently, Mr Blom looked briefly ahead. He addressed the Paris Agreement, which shows the intention to cooperate on a serious and broad basis when it comes to reducing emissions. This creates a huge surge of positive energy. Many companies are taking the climate agreement seriously, and he hoped that the new cabinet would pick up on this and address the issue. On the UN's initiative, 17 Sustainable Development Goals (SDGs) have been formulated, which are not without obligation and are highly compatible with Triodos Bank's objectives. An initial attempt has been made in the annual report to use the SDGs as reference points. This is how Triodos Bank wants to show its commitment to the global sustainability agenda. The 17<sup>th</sup>

goal is about partnership and may just be the key SDG needed to sustainably reshape the economy over the next years.

Mr Blom mentioned the Global Alliance for Banking on Values, a collaborative structure that was set up in 2009, in part on Triodos Bank's initiative, and now has 45 members worldwide. The Sustainable Finance Lab, which intends to broaden, is also a Triodos Bank initiative. He pointed to CSR Netherlands [*MVO Nederland*], an organisation he is involved with in his capacity as Chair of the Supervisory Board. Over 2,300 companies and entities specialising in sustainable development are united in CSR Netherlands, which shows its high potential.

For the upcoming period, trends in interest rates will continue to be a cause for concern, as Mr Aeby explained. Therefore, Triodos will have to take the requisite measures, as well as properly communicating about them.

Looking at Europe, there is no longer a dividing line between left and right. Everyone can add to a positive European agenda. This is also evident from the result of the elections in France. Triodos Bank forms part of that positive agenda, and also has to change and look for new forms of funding, such as crowd funding. The bank can use a lot more of its knowledge and experience in its relations with customers. Technology can help create value in a more interactive way with customers and show the power of money to drive change. It struck Mr Blom that many people realise that they can exert influence and that they have a choice, as consumers. He mentioned the Triodos Bank's Dutch branch's initiative called "Buy the Change". By bringing together conscious consumers and sustainable businesses, they can redirect the economy and drive change. Triodos Bank want to make a contribution to that drive. Mr Blom stated that he was confident that, with the support of the depository receipt holders and customers of Triodos Bank, major steps could be taken to reach that goal.

The Chair thanked the members of the Executive Board for their elaborations and moved on to item 2c on the agenda.

## 2c. Report by Supervisory Board 2016

For the report by the Supervisory Board, the Chair referred to pages 86-94 of the Dutch version of the annual report, listing the key issues that had required the Supervisory Board's attention. He had a number of comments in this regard.

The rate of interest on savings weighed down income; rules and regulations, including the mandatory contribution to be made under the deposit guarantee scheme, increased costs. Coping with the resulting impact presents a professional challenge. The Supervisory Board is proud of how the Executive Board is dealing with this.

Europe is a wonderful ideal, but sometimes political and financial goals are set within the context of the greater whole. In those cases, it is a pity that the Netherlands is a small country. Triodos Bank is a European bank, but it is small. It needs political support. Last year, Europe was alarmed by the outcome of the Brexit referendum, various terrorist attacks and rising populism. People are looking for protection, but are also becoming more and more conscious of the relevance of sustainability – an important movement for Triodos Bank.

Finally, the Chair mentioned the stakeholders. The Supervisory Board oversees and supports the Executive Board. In turn, the Supervisory Board is accountable to the Board of SAAT, a key stakeholder. In addition, communications are maintained with the Dutch Central Bank and, in a broader sense, with society, such as during the meetings with depository receipt holders and

customers, as well as through the annual report and this General Meeting.

Obviously, the bank's staff are also important stakeholders. Despite difficult times, Triodos Bank has experienced surprising growth over the past years. The increase in the number of activities and in impact amounted to 10% to 20%, which is good nowadays.

The Chair thanked the depository receipt holders for their loyalty, as that loyalty helps Triodos Bank move in the direction it has chosen.

The Chair subsequently allowed the depository receipt holders to ask questions.

Mr Van der Meer (The Hague) introduced himself as a "computerless" person. The bank focuses on automation and he fears that the information he needs will no longer reach him.

Mr Verhaar (Leiden) extended his compliments to the Executive Board and to the bank's staff for their performance. Investment companies issue quarterly summaries of the fees charged in respect of the investment funds. He wondered where he could find any relevant amounts remitted to Triodos Bank.

The Chair stated that there would be ample time during the break to ask the Executive Board or the bank's staff questions about payment transactions.

Mr Damen (Enschede) said he concurred with Mr Blom's comments on the power of money to drive change and the technological options to show that power through the Internet. Up until now, trends in investment funds have primarily been displayed on the website in the form of numbers and charts. He would suggest that the information also be visualised in the form of colours or in other ways, so that it will be available not only on the basis of price trends but also on the basis of social impact and the environment.

Mr Douma (Rotterdam) thanked the Executive Board for its elaboration. Many questions had already been answered in it. He had a question about HR policies. One of the bank's strategic goals is to be a learning organisation. He noticed, however, that staff training costs have shown a downward trend for a number of years now.

Mr Muller (Woubrugge) said that last year's General Meeting had addressed the creation of a type of master plan for sustainability by the Confederation of Netherlands Industry and Employers [VNO-NCW], in which Triodos Bank is involved. He could imagine that Triodos Bank customers expressly wanted to be involved that plan. In addition, he would appreciate it if, should it be possible to demonstrate the investments made in sustainability, there could be room for easing in lieu of increasing burdens.

Mr Hakvoort (Zwolle) pointed to a recent Zembra broadcast revealing that biomass is not always sustainable, owing to a rising demand. It is difficult to find out whether biomass is or is not sustainable, so he wondered how Triodos Bank verifies this.

Mr Van den Beugel (Vught) said that, last year, he had asked to what extent Triodos Bank was alert to the individualisation of pension products. He said that he found the initiative in Spain interesting and wondered to what extent a start had been made to launch such a European pension product in other countries, in particular in the Netherlands and Belgium.

Mr Blom said that he wanted to combine the answer to the first question and the answer to the question about the power of money to drive change, as a result of which he handed the floor to

Ms Banga. She stated that automation was inevitable. Triodos Bank's views on automation are that it highly supports the work and the further intensification of relations with customers. However, automation is not a goal in itself. Data processing, in particular, is an important aspect that has to be approached with due care. Explicit policies are in place for that purpose. For example, Triodos Bank is working on a key online interactive programme one of whose themes is how to let the impact of money resonate more with customers.

Mr Van der Meer stated that this did not answer his question about people who do not have or do not want to use a computer. He wanted his question answered properly. Ms Banga proposed that she explain to Mr Van der Meer during the break how the bank deals with customers who are relative strangers to online banking.

As to the question about the funds' remittances to the bank, Mr Aeby proposed that he introduce Mr Verhaar to the head of Accounting and Consolidation during the break for a further explanation.

Subsequently, Mr Blom addressed the question about HR policies. He considered it a good point, and stated that in-house training was not reflected in the training costs. It could be considered to break those costs down in more detail. The bank is not currently saving on training costs, but it is providing more in-house than external training. Triodos Bank wants to be a learning organisation, not only for its staff, but also in terms of how the bank can learn as an organisation, which is a comprehensive issue.

As to the question about the master plan, Mr Blom stated that Triodos Bank had not worked together with the Confederation of Netherlands Industry and Employers [VNO-NCW], but was positive about the plan. He saw that, step by step, the momentum was toward a sustainable community. The Paris Agreement has a positive effect. The business community is becoming increasingly convinced that something has to be done.

As to the question about biomass, Mr Blom stated that this was a very good point. Past experiences are that things have not always worked out well with biomass and that the matter has to be addressed with due care. Triodos Bank tends to take a slightly conservative stance in matters such as the one at hand. If the circle does not close properly from the perspective of sustainability, the bank should not get involved. This is a point requiring attention, in particular in respect of biomass.

The pension product Triodos Bank is introducing in Spain is not yet ready for launching in other countries. As yet, it has not been placed on the agenda in the short term either, but the matter does have the bank's full attention.

Subsequently, Mr Pauw (Groet) asked a question about the Global Alliance for Banking on Values. Mr Blom said earlier that 45 sustainable banks had already become members worldwide. He wondered whether it would perhaps be possible to autonomously set up a sustainable exchange for sustainable companies.

Mr Delhaize (Zeist) had a question about local money. A lot is being written about bitcoins; he would like to hear Triodos Bank's views on the matter.

Mr Tse (Amsterdam) commented that the cost/income ratio has risen to 79%, in part due to statutory levies. However, even if that factor were to be disregarded, the ratio has risen throughout the years, which worried him. He wondered whether the bank could specify a percentage with which it would be content. Furthermore, he had a question about Spain: he sees

that more work had to be done there, compared with other countries, to achieve return. The cost/income ratio has risen to 94% and net profit is marginal. He wondered about the chances of improving this.

Ms Van der Kraan (Amsterdam) wanted to learn more about the difference between the highest and lowest salaries. She was pleased with the bank's remuneration policy, which bars exorbitant bonuses, but wondered how the factor of 1:9.9 had come about. She wondered what the relevant highest and lowest salaries were and would like to hear a bit more about this.

Mr Blom liked the idea of a "sustainable bank exchange". It is most certainly compatible with Triodos Bank's views, but the question is whether, considering all the relevant rules and regulations, it would be possible to set up a globally operating exchange.

Subsequently, Mr Blom addressed the question about local money. He said that bitcoins do not constitute local money but money generated by the computer, which is a totally different world. Triodos Bank is actually involved in local initiatives in which people create a new monetary form. In fact, Triodos Bank Nederland is very much involved in this. Although the project is still in the pilot stage, payments have already been made with the "United". He proposed to discuss this issue with the management of Triodos Bank Nederland during the break.

Mr Aeby answered the question about the cost/income ratio. He agreed with Mr Tse that it was too high. The bank aims to not exceed 70%. The ratio is higher at present because of a faster increase of costs than income as a consequence of rules and regulations, and their implementation. The bank aims to reduce the ratio, but that will take some time. A drop to 75% will be achieved relatively quickly, but it is hard to say when the target of 70% will be reached again. The Chair added that the Supervisory Board regularly compared notes with the Executive Board about the question of how the ratio can be reduced, although the bank cannot control all the costs.

Mr Blom stated that the comment on Triodos Bank Spain's very modest result was correct. In previous years, the Spanish branch benefitted from a wave of investments in renewable energy. On that basis, a network has been built up to provide funding in other fields as well. Shifting the attention to other sectors in Spain, in combination with the low interest rates, led to lower than expected results. A rising trend is expected for the future. Triodos Bank occupies a solid position in Spain and can do a lot more to leverage its existing network. Therefore, Mr Blom was positive about developments in Spain.

As to the question about the highest and lowest salaries, the Chair stated that, because no bonuses are paid, there are no "polluting" elements. Mr Blom said that the salaries of all staff were included in the benchmark. He could not tell exactly what role commanded the lowest salary.

There being no further questions, the Chair proceeded to item 2d on the agenda.

## 2d. Implementation of remuneration policy in 2016

The Chair explained that, prior to discussing the annual accounts, account had to be rendered at the General Meeting with respect to the implementation of the remuneration policy during the past financial year, specifically as to the remuneration paid to the members of the Executive Board and of the Supervisory Board in 2016. The summary in question can be found on pages 52-53 of the Annual Accounts (pages 122-123 of the Annual Report). In addition, the report also summarises the principles underlying Triodos Bank's remuneration policy, on pages 50-51 of the Annual Accounts (pages 120-121 of the Annual Report).



The Chair addressed the key principles underlying the bank's remuneration policy. The bank's income is generated on the basis of the efforts of all staff collectively. The Executive Board is entitled to a fair remuneration. The salary increase for the Executive Board members keeps pace with that for staff, and relates to their efforts and responsibilities. In addition, the bank does not offer Board members or staff any bonuses or stock option schemes. A last element is the factor by which the maximum salaries in the lowest and highest scales differ. This ratio is carefully monitored in each country, in order to ensure that any differences remain proportionate. As already mentioned, the highest/lowest salary ratio was 1:9.9 in 2016. In addition, the key figures have included the highest/median salary ratio since 2015. This factor has been determined in accordance with Global Reporting Initiative criteria and is regarded as a best practice, reflecting a better ratio between full-time salaries. At 5:7, the ratio is the same as that in 2015.

There being no questions about the implementation of the remuneration policy, the Chair moved on to item 2e on the agenda.

## 2e. Adoption of Annual Accounts 2016

As stated at the start of the meeting, the Annual Report 2016 (i.e. the English-language annual report) is leading again this year. The non-financial report has been translated into Dutch. The financial part – the Annual Accounts – is available in English only. The English-language version, including the annual accounts, will be submitted to the meeting for adoption.

The Chair subsequently went through the Annual Accounts chapter by chapter, discussing the consolidated figures, the notes to the balance sheet and the profit and loss account, including the segment report, solvency, risk management, the company balance sheet and the other information, including the auditor's report.

Mr Douma (Rotterdam) wanted to know the reason for the very sharp increase in liquidity (page 4). Mr Aeby explained that this was due to investments with the European Central Bank (ECB) for lack of any alternatives yielding higher returns. Last year, a number of short-term loans were issued to various local authorities. Previously investment in government bonds took place however these government bonds currently have an even lower yield than the ECB. That is why the bank has had reasonably large increase in cash for the past years. However, it aims to continue to generate at least some return while incurring the least possible risk.

There being no further questions, the Chair handed the floor to Mr Heuvelink of PwC for an elaboration on the auditor's report and the audit. Mr Heuvelink stated that this was the first year of PwC being the bank's auditor. It had been an insightful and interesting first year. On the basis of a number of slides (forming part of these minutes and available on [www.triodos.com/agm](http://www.triodos.com/agm)), Mr Heuvelink subsequently elaborated on the transition plan, the engagement and the audit approach, the review of the sustainability information and the other procedures that have led to an unqualified auditor's report.

The Chair thanked Mr Heuvelink for his explanation and allowed those present to ask questions about the audit.

Mr Verhaar (Leiden) said that he was pleased to read, on page 55, that the audit fee was lower than last year's, and he wondered whether PwC was, in fact, less expensive than the previous auditor. Mr Heuvelink stated that the audit fee had been determined on the basis of the requirements of Dutch rules and regulations. Mr Wingelaar, Director Finance & Control of Triodos Bank, added that the final settlement with KPMG had been included in the fee for 2016 and that the fee for the audit of the Annual Accounts for 2016 still had to be settled with PwC.

Mr Noordhoff (Haarlem) wondered why Triodos Bank had switched to PwC. Mr Blom explained that Dutch law has recently introduced mandatory auditor rotation on a regular basis. Rotation is a good thing. KPMG had been Triodos Bank's external auditor since the bank's inception. PwC was selected following a careful selection process and appointed by the General Meeting in 2015 as Triodos Bank's auditor with effect from the financial year 2016.

There being no further questions, the Chair briefly explained SAAT's role. SAAT is the bank's formal shareholder, voting at this meeting on behalf of the depository receipt holders. When setting up the bank, this governance model was decided on in order to safeguard the bank's independence and special objectives. He stated that, had this safety mechanism not existed, parties interested in a possible acquisition of the bank would have knocked on the bank's door a long time ago.

The Chair then invited Ms De Zwaan, chair of the Board of SAAT, to cast her vote, on behalf of SAAT, on the Annual Accounts for 2016, in accordance with Article 14, subsection b., of the Articles of Association. Ms De Zwaan said that her answer was short and sweet: SAAT, as the bank's shareholder, would pass the motion to adopt the Annual Accounts for 2016. She briefly explained her affirmative vote, commenting that she would go into it more specifically later that afternoon during the meeting of depository receipt holders, when they would also be invited to ask questions about her vote.

The Chair established that the Annual Accounts for 2016 had been adopted. He thanked the chair of the Board of SAAT for her vote and explanation. The Supervisory Board appreciates the collaboration with SAAT, which comes with a high level of integrity, as well as being closely tied in with the bank's mission.

### 3. Dividend

#### 3a. Dividend policy

The Chair handed the floor to Mr Aeby for an explanation of the dividend policy. Mr Aeby referred to pages 39-40 of the Annual Accounts (pages 109-110 of the Annual Report). A dividend of EUR 1.95 per share (depository receipt for a share) is proposed. The pay-out ratio of 69% is in line with the policy to distribute 50% to 70% of the profit. He referred to last year's in-depth discussion, when the pay-out ratio was below 50%. This was so decided, because it was clear that any increase in dividend could not be continued.

#### 3b. Dividend for 2016

The Chair reported that the final amount to be distributed in dividend was EUR 22,440,138. The final amount to be added to the reserves was EUR 6,884,305. There are two options in respect of the distribution of the dividend. For each 41.536 depository receipts for shares, one new depository receipt can be acquired. The new depository receipts are charged to the share premium reserve. The dividend can also be distributed in cash (EUR 1.95). The ex-dividend date is 23 May 2017.

The Chair invited questions about the dividend proposal.

Mr Van den Beukel (Vught) enquired as to the difference between the net asset value of a depository receipt as stated in the Annual Report and on the website (EUR 82 and EUR 83). Mr Aeby said that the net asset value was EUR 82 as at 31 December 2016. The net asset value of EUR 83 stated on the website is the net asset value as at the end of the year, plus the profit generated up until today.

Mr Noordhoff (Haarlem) asked whether it was correct that, where depository receipt holders kept silent, a stock dividend would automatically be distributed. Mr Aeby stated that depository receipt holders could indicate their preference. If they do not, the bank will assume that they have a preference for stock dividend over cash dividend, but this is an utterly free choice.

There being no further questions, the Chair requested Ms De Zwaan to cast a vote, on behalf of SAAT, on the dividend for 2016, in accordance with Article 16, paragraph 1, of Triodos Bank's Articles of Association. Ms De Zwaan stated that SAAT agreed with the dividend proposed, in part considering that it was in line with the policy and suited the context sketched by the bank.

The Chair noted that the General Meeting had declared the dividend for 2016 and moved on to item 4 on the agenda.

#### 4. Discharge

##### 4a. Discharge of members of the Executive Board

The Chair requested Ms De Zwaan to cast her vote, on behalf of the shareholder, and in accordance with Article 14, subsection c., of Triodos Bank's Articles of Association, on discharging the members of the Executive Board for their management during the past financial year, as evident from the Annual Report for 2016 and the statements made during this meeting.

Ms De Zwaan stated that SAAT, as requested, wholeheartedly discharged the members of the Executive Board for their management. She thanked the Executive Board not only for its commitment throughout the year, but also for the highly constructive way in which it works together with the shareholder.

The Chair established that the General Meeting had discharged the members of the Executive Board and then proceeded to item 4b on the agenda.

##### 4b. Discharge of members of Supervisory Board

The Chair requested Ms De Zwaan to cast her vote, on behalf of the shareholder, and in accordance with Article 14, subsection d., of Triodos Bank's Articles of Association, on discharging the members of the Supervisory Board for their supervision during the past financial year, as evident from the Annual Report for 2016 and the statements made during this meeting.

Ms De Zwaan stated that SAAT voted in favour of discharging the members of the Supervisory Board for their supervision, thanking the Supervisory Board for its commitment in respect of the bank, for the constructive way of working together and for the transparency observed within the context of that collaboration.

The Chair established that the General Meeting had discharged the members of the Supervisory Board. The Chair suspended the meeting for lunch.

The Chair reopened the meeting and proceeded to item 5 on the agenda.

#### 5. Composition of Supervisory Board

As per the Supervisory Board's rotation schedule, Mr Carrington and Mr Van den Hoogenband will retire at the end of this General Meeting. Both gentlemen have refrained from putting themselves up for re-election. Their formal farewell has been planned for the end of the meeting.

To fill the vacancies that have arisen, the Supervisory Board suggests that Ms van der Lecq and

Mr Page be appointed as new members for a term of four years with effect from the end of this Annual General Meeting. The Chair stated that the Dutch Central Bank had consented to the intended appointments. In addition, SAAT has been involved in the selection process regarding the candidates. The Works Council had also been allowed to determine its position, indicating that it agrees with the two nominations.

## 5a. Appointment of Ms S.G. van der Lecq

The Chair addressed the nomination to appoint Ms S.G. van der Lecq. In the past year, talks were held with Ms Van der Lecq on various occasions. She is currently a part-time Professor of Pension Markets at VU University Amsterdam while also holding several supervisory posts in the financial sector. An abridged CV of Ms Van der Lecq has been included in the notes to the agenda. The Chair handed the floor to Ms Van der Lecq for a brief elaboration on her candidacy.

Ms Van der Lecq stated that she was honoured to be at the meeting. Early on, she had learned about sustainable entrepreneurship and the triangular relationship (three rings) forming part of Triodos Bank's name and logo, as well as being a "central thread" in her life. After having earned a PhD, she applied for a job with Triodos Bank, but the bank was still very small at that time, and unable to offer any room for theories about how money could – and should – be used in a different and better way. She was active as an supervisor in the financial sector working for the competition authority, and then retrained to work in the pension sector. She volunteered in the "*Baas in eigen beurs*" (master of your money) campaign, the aim of which was to promote financial literacy.

There being no questions, the Chair requested Ms De Zwaan to appoint Ms Van der Lecq as a member of the Supervisory Board, in accordance with Article 9, paragraph 6, of the Articles of Association.

Ms De Zwaan said that the shareholder was pleased to consent to Ms Van der Lecq's appointment. The Board of SAAT has been involved in the selection process. The interviews with this candidate have revealed her commitment to Triodos Bank's mission. The Board of SAAT very much looks forward to Ms Van der Lecq's input in the Supervisory Board and congratulates the bank on her appointment. It hopes that Ms Van der Lecq will enjoy performing her role.

The Chair noted that the General Meeting had appointed Ms Van der Lecq as a member of the Supervisory Board for a period of four years with effect from the end of this General Meeting.

The Chair proceeded to item 5b on the agenda.

## 5b Appointment of Mr G.E. Page

The Supervisory Board had several meetings with Mr G.E. Page in the past year. An abridged CV of Mr Page has been included in the notes to the agenda. Mr Page currently serves as a non-executive director and has been Chair of the Norfolk and Suffolk NHS Foundation Trust since 2013. Mr Page has ample experience in the banking sector, as well as bringing to the table managerial experience in the areas of healthcare, education and public-sector institutions. The Chair handed the floor to Mr Page.

Mr Page stated that he had been active in the banking sector for over 20 years, for instance in different roles at ABN AMRO Bank. Stakeholders are a much-discussed subject, but the financial world's impact on communities never comes up for discussion. In addition, he is active in the public sector. He very much wishes to use his broad experience in the banking sector to contribute to Triodos Bank's further development. He finds it an honour that he has been nominated for this position.

There being no questions, the Chair requested Ms De Zwaan to appoint Mr Page as a member of the Supervisory Board, in accordance with Article 9, paragraph 6, of Triodos Bank's Articles of Association.

Ms De Zwaan stated that the Board of SAAT was pleased to vote in favour of Mr Page's appointment and welcomed Mr Page as a member of the Supervisory Board. The Board of SAAT appreciates Mr Page's reasons for accepting the role and looks forward to working with him.

The Chair noted that the General Meeting had appointed Mr Page as a member of the Supervisory Board for a period of four years with effect from the end of this General Meeting.

The Chair then proceeded to item 6 on the agenda.

## 6. Proposal to amend the Articles of Association

The Chair said that the proposal to amend the Articles had been available for inspection and been posted on the bank's website, accompanied by concise notes to each proposed amendment. One of the goals of the amendment of the Articles is to simplify the procedure for convening general meetings, to authorise the Executive Board for an indefinite period to have a registration date set, to revise the rules on the bank's representation, to include rules on the Supervisory Board's absence or inability to act, and to clarify a number of provisions of the Articles. The proposal also pertains to a power of attorney being granted to the entire staff of NautaDutilh N.V. to execute the deed of amendment of the Articles as per the proposal to amend those Articles.

The Chair invited questions.

Ms Anröchte (Zaandijk) asked whether the amendment of the Articles also meant that depository receipt holders would no longer be invited to the General Meeting by letter, as she objected to that.

Mr Douma (Rotterdam) said that he had two questions and one comment. His first question pertained to the representation rules (Article 7). They stipulate that the bank is represented by two members of the Executive Board. However, one member of the Executive Board and a proxy holder can also represent the bank. Looking at the arguments used, the in-house authorisation schedule apparently stipulates separately that the members of the Executive Board are temporarily authorised to represent the bank. However, that is no argument, because they are already so authorised under the Articles. So why also have an in-house authorisation schedule?

His second question pertained to Article 9, paragraph 10. According to that paragraph, if all supervisory directors are absent or unable to act, the Supervisory Board's duties will vest in a person so designated by the Supervisory Board. His question was when the Supervisory Board would designate that person and who would be eligible to be so designated.

Finally, he had a comment. This morning, at the meeting's opening, it was said that the minutes of the meeting would be signed by the Chair and a representative of the shareholder. This matter was discussed extensively during the General Meeting of 2015. At the time, he asked why the chair of the Board of SAAT or his/her deputy did not co-sign. He now saw in the Articles that the minutes will be adopted by the Chair of the meeting and the Secretary appointed by the Chair, with the shareholder or a representative of the shareholder not being mentioned.

Mr Van der Beek (Haarlem) concurred with the statements made by earlier speakers; he does not want to receive everything in soft copy all the time either. People who so preferred should always be able to receive information in hard copy.

A depository receipt holder added that he had attended the Triodos funds' meeting last week. He had asked for a hard-copy version of the motion to amend the Articles, the reply being that it was not available. However, it says in the notice of convocation that such information should be available at the head office.

Mr Van der Meer (The Hague) concurred with the speakers who pointed out that it was desirable and useful to issue hard-copy invitations as well, because otherwise people who do not use a computer would be discriminated against.

The Chair requested the civil-law notary, Mr Bossenbroek, to answer the questions relating to technical aspects of the proposed amendment of the Articles.

First, Mr Bossenbroek stated that he had heard a number of depository receipt holders saying that they would appreciate it if they were convened by letter. This is, however, a matter of policy, which is for the bank to decide.

He then addressed Mr Douma's questions. As to Article 7, Mr Bossenbroek said that the motion proposed that either two directors jointly or one director together with an attorney in fact would be entitled to act on the bank's behalf. The current Articles do not provide for such powers. Each time an Executive Board member acts together with an attorney in fact, a written power of attorney is required, which is not very efficient. This matter can be solved by providing for it in the Articles. The idea is not to amend the rules on representation as currently in effect at the bank.

Mr Bossenbroek went on to say that different versions of the rules on absence and inability to act were conceivable. However, it is up to the Supervisory Board to decide on this matter. In practice, a recently retired supervisory director, for instance, could be designated. However, he believed hardly any Articles existed that provide who is eligible for this.

Mr Douma stated that the Articles constituted the legal framework, but that he wanted to know how things would be fleshed out in practice. He wondered whether the Supervisory Board had the intention to take a decision on the matter within the foreseeable future. The Chair stated that, should the bank lose all of its supervisory directors at the same time, e.g. in case of an accident, this would be the type of calamity the Supervisory Board did not wish to prepare for. Should this scenario materialise, it will be up to the other stakeholders to reach a decision.

Mr Bossenbroek then addressed the comment regarding adopting and signing the minutes. The Dutch Corporate Governance Code stipulates that a procedure be adopted and included in the Articles, which has been done. From a legal perspective, the Chair and the Secretary of the meeting suffice for adoption. The Chair brought to mind the discussion held during the General Meeting of 2015. It is true that the motion was then tabled to have the minutes signed by the Chair, the Secretary and the chair of the Board of SAAT. That was agreed at the time and that is how it is done in practice. When asked by Mr Douma why, if that motion were to be passed, this was not included as such in the Articles, Mr Bossenbroek stated that, unfortunately, this matter could no longer be included in this amendment of the Articles, because the amendment had been available for inspection without this revision.

The Chair stated that the question of soft-copy versus hard-copy notices of convocation still remained unanswered. Mr Blom commented that we should not forget that a meeting's notice of convocation is also published in a national newspaper. However, he did believe that options should actively be sought to also send letters to depository receipt holders who so preferred. This will mean an extra burden on the organisation, but he wanted to look into the matter for the sake of people who

do not want to go digital as a matter of principle but do want to maintain their ties with Triodos Bank. He promised he would have the matter seriously investigated.

Ms Koiter (Amsterdam) said that Triodos Bank carried out plenty of calculations, including of percentages, and that the dates of birth of all depository receipt holders were available. That is why it should not be too difficult to calculate the percentage of elderly persons who may have some trouble reading soft-copy communications or do not feel like checking the bank's website on a daily basis. People who feel the need for hard-copy communications should be able to so notify the bank.

The Chair said that the provision from the Articles regarding convening notices stated the bare minimum. Mr Blom has indicated that the option of continuing to prepare hard-copy notices of convocation for depository receipt holders who so preferred will be looked into. This will probably be a small group and he therefore does not expect it to be a problem.

Mr Van der Meer would like to see a provision included in the Articles that a way would be sought to contact depository receipt holders who do not have or do not want to use a computer.

The Chair advised against this. He believed that the minutes of the proceedings during this meeting did their job, in addition to the promises made by the bank.

Mr Pruisma (Dronten) said that it would be no problem at all to print hard-copy notices of convocation on A5 sheets of paper so as to limit the use of paper. Depository receipt holders are also sent convening notices, but – strictly formally – not by the bank but by SAAT. This calls for an amendment of the terms of administration. The Chair stated that a parallel motion had been tabled in respect of SAAT. He believed that the Board of SAAT concurred with the promises as discussed and that matters would be properly coordinated.

There being no further questions, the Chair asked Ms De Zwaan whether the shareholder agreed with the motion to amend the Articles, in accordance with Article 9, paragraph 10, of the Articles. Ms De Zwaan stated that SAAT agreed with the motion to amend the Articles, commenting that the Board of SAAT had heard and taken note of the depository receipt holders' input. Furthermore, she stated that SAAT had perceived the motion to simplify the procedure to convene general meetings as the bare minimum, and that the bank was at liberty to look for ways to ensure that all stakeholders would be reached.

The Chair established that the General Meeting had approved the proposal to amend Triodos Bank's Articles of Association.

## 7. Issue and acquisition of shares

### 7a. Authorisation of Executive Board to issue new shares and grant rights to subscribe for shares

Triodos Bank N.V. regularly issues new shares. To be able to continue doing so, the Executive Board requested that it be designated, for a period of 18 months, as the competent body to issue shares and grant rights to subscribe for shares, subject to the approval of the Supervisory Board. Each issue of shares or granting of rights to subscribe for shares will be effected on the customary terms and conditions, as set forth in the prospectus of Triodos Bank N.V. valid as of the date of the General Meeting. The authorisation will pertain to no more than 5,000,000 shares, representing 1/6<sup>th</sup> portion of Triodos Bank's authorised capital on 31 December 2016.

There being no questions, the Chair requested Ms De Zwaan to pass, on behalf of the shareholder, the motion to authorise the Executive Board for 18 months as per the motion, in

accordance with Article 4, paragraphs 1 and 2, of the Articles of Association.

Ms De Zwaan stated that the shareholder agreed with the motion.

The Chair established that the General Meeting had granted the authorisation requested for a period of 18 months, subsequently proceeding to the following matter.

**7b. Authorisation of Executive Board to exclude or limit pre-emptive rights**

The Executive Board requested that it be designated, for a period of 18 months, as the competent body to exclude or restrict pre-emptive rights of shareholders in relation to the issue of shares and the granting of rights to subscribe for shares, as referred to in item 7a of the agenda, subject to the approval of the Supervisory Board.

There being no questions, the Chair asked Ms De Zwaan whether the shareholder agreed with the motion (in accordance with Article 4, paragraph 6, of the Articles of Association).

Ms De Zwaan confirmed that the shareholder agreed with the proposal.

The Chair established that the General Meeting had passed the proposal to authorise the Executive Board for 18 months to exclude or restrict pre-emptive rights as per the proposal, subsequently proceeding to the following matter.

**7c. Authorisation of Executive Board to acquire depository receipts for shares in Triodos Bank**

The Executive Board requested that it be authorised, for a period of 18 months, to acquire depository receipts for shares in the capital of Triodos Bank N.V., up to a maximum of 2% of the then outstanding depository receipts for shares in the capital of Triodos Bank N.V., for the prices and in the manner described in the prospectus of Triodos Bank as applying at the time of the General Meeting. This authorisation will increase the marketability of the depository receipts.

There being no questions, the Chair asked Ms De Zwaan whether the shareholder agreed with the motion to authorise the Executive Board to acquire its own depository receipts (Article 4, paragraphs 11 and 12, of the Articles of Association).

Ms De Zwaan stated that the shareholder agreed with the proposal.

The Chair concluded that the General Meeting had passed the proposal to authorise the Executive Board for 18 months to acquire its own depository receipts as per the proposal.

The Chair then proceeded to item 8 on the agenda.

**8. Any other business**

The Chair invited questions.

Mr Delhaize (Zeist) said that, earlier on during the meeting, the structure with SAAT had been discussed, explaining that it was needed to prevent the bank, in all its beauty, from being taken over by wolves. In view of the various hostile actions the newspapers are writing about, his question was how safe that mechanism really was. During lunch, he had noticed that this question was on the minds of many depository receipt holders.

Mr Blom commented that, at the time, it had been decided to implement a structure with a trust office, because of its protective nature. It is important to note that additional restrictions apply to the voting rights. Regardless of the number of depository receipts held by a depository receipt



holder, he/she can cast no more than 1,000 votes. In addition, a depository receipt holder is not at any time allowed to hold over 10% of all depository receipts. The purpose of these rules is to protect small depository receipt holders from being overruled by a single large depository receipt holder. Further protection is provided by SAAT's Articles of Association, which stipulate that not only the bank's return is considered but also its continuity and mission. Theoretically, there is always a danger that such governance will no longer be allowed under the law, but things are not moving in that direction in terms of corporate governance.

Mr Buizer (Langbroek) referred to recent publications in the press with respect to Brunstad Christian Church [*Noorse Broeders*], in which Triodos Bank was also mentioned. His question was whether Triodos Bank was mentioned often in such situations in general. Mr Blom stated that, fortunately, this only happens occasionally. In such cases, in which a customer's strategy no longer corresponds to Triodos Bank's values, the bank will engage in a dialogue with that customer and it will be suggested to sever ties with that customer. It is something the bank does in the strictest of confidence, but Mr Blom could tell the meeting that agreement on ending the ties had been reached with this customer.

Mr Davidse (The Hague) had a question about the increase in the bank's share capital. Neither the representative of the Board of SAAT nor the Executive or Supervisory Board had explained why any such an increase is necessary.

Mr Blom replied that this involved two aspects. It is important that the bank keeps growing and that lending keeps growing. A capital buffer is needed to balance out such growth, for which Triodos Bank also needs a growing capital base, in order to comply with the relevant rules and regulations. Triodos Bank's capital base is fairly robust, but a further shoring up may be needed in the future. At this time, an increase in the bank's share capital is needed only to safeguard growth in lending.

Mr Van Os (Breukelen) praised Triodos Bank for all its initiatives and for everything that was done to lead the way in the area of sustainability. However, after meetings such as this one, at which large buffets are offered, a lot of food is always left over, which then has to be destroyed. He quoted from an issue from 2013 of "*De Kleur van Geld*" (the colour of money), Triodos Bank's magazine, reporting that EUR 0.8 million in food was thrown away each year. In that light, he wanted to ask Triodos Bank, as a sustainable and idealist institution, to question or bend the rules a little, in order to prevent or at least limit this wasting of food.

Further to the debate about the amendment of the Articles of Association, Mr Delhaize (Zeist) had a suggestion to make. He wanted to advise everybody who wishes to be notified personally about the General Meeting to open an account with Triodos Bank, so the bank can notify them of the General Meeting through their bank accounts.

The Chair thanked the last two speakers for their suggestions. Should there be any further suggestions regarding the wasting of food that might deserve a closer look, the bank would be quite willing to consider them.

There being no further questions or any other business, the Chair addressed the two retiring members of the Supervisory Board, Mr Van den Hoogenband and Mr Carrington, to thank them for their valuable contributions to the work of the Supervisory Board and the growth of the bank. Mr Van den Hoogenband thanked the depository receipt holders for the confidence placed in him. He said he would attend next year's meeting as a depository receipt holder. Mr Carrington pointed to the depository receipt holders' confidence in the bank's mission, and said it had been an honour for him to serve Triodos Bank.

Close

The Chair thanked those present for their questions and comments, and closed the meeting.

A.J. de Geus

*Chair of the  
Supervisory Board of  
Triodos Bank N.V.*

J.G.J.M. de Zwaan

*Chair of the Board of  
Stichting Administratiekantoor  
Aandelen Triodos Bank*

E.L. Verheul

*Minutes secretary*