

## **Explanatory Note accompanying the Remuneration Policies for the Executive Board and Supervisory Board**

Under item 5, it is proposed to adopt a 2025 Remuneration Policy for the Executive Board ("EB") and the Supervisory Board ("SB"). This explanatory note describes the process followed and how Triodos Bank engaged with stakeholders, as well as the main changes to the Executive Board Remuneration Policy and the Supervisory Board Remuneration Policy (the "Policies") following from the proposals. These explanations are incorporated by reference into the proposed 2025 Policies, which have been published on our website, and constitute an integral part of the proposals.

Subject to its adoption by the Annual General Meeting of Shareholders ("AGM"), the 2025 Executive Board Remuneration Policy will take effect as of the date of the listing on Euronext Amsterdam ("Listing") and will replace the 2023 policy. If the Listing does not take place, the updated Executive Board Remuneration Policy will not enter into force. The Supervisory Board Remuneration Policy is subject to its adoption by the Annual General Meeting of Shareholders ("AGM") and will take effect as of the date of the AGM. Note, this is the first Supervisory Board Remuneration Policy.

The proposals are made in compliance with the Dutch statutory requirement that a company's remuneration policy be adopted by the company's General Meeting of Shareholders at least once every four years. The proposed Policies have been prepared by the Nomination & Remuneration Committee of the Supervisory Board and have been endorsed by the Supervisory Board following consultation with and a positive recommendation by the Dutch Works Council and proposed to the AGM.

### Process for developing the Policies

Triodos Bank values and appreciates the views that are shared by its stakeholders and is aware of sensitivities within Triodos Bank and in society regarding EB and SB remuneration.

In March and April 2025, the Chair of the Supervisory Board and the Chair of the Nomination & Remuneration Committee of the Supervisory Board engaged with stakeholders to solicit their feedback on, and support for the proposed Policies. Discussions were held with the Board of Stichting Administratiekantoor Aandelen Triodos Bank ("SAAT"), several of Triodos Bank's largest institutional investors, (representatives of) major Depository Receipt holders and representatives of institutional and retail shareholders, which in aggregate represent a sizable percentage of the issued share capital. When drafting the EB Remuneration Policy, the wages and other labour conditions of co-workers (including internal pay ratios) were also considered.

### Benchmarking approach for the Policies

Triodos Bank wishes to be transparent regarding its EB and SB remuneration benchmarking approach. It has several factors: the benchmark is the Euronext Small Cap Index (AScX) within the bandwidth of selected sector peers deemed most comparable with Triodos Bank, recognising the need for contextualisation by a broader social analysis. The peer group composition will be clearly disclosed every year in the remuneration report and any changes in composition will be explained.

The Dutch Banking Code (*Code Banken*) stresses the importance cross-industry remuneration benchmarking. In terms of size parameters, Triodos positions around the median of the AScX in terms of expected market capitalisation and employees. Once listed and trading liquidity is increased, Triodos Bank will likely become part of the AScX. Therefore, the Small Cap is a natural comparator group for Triodos Bank. The current AScX benchmark group is as follows:

	Company	Market Cap (Euro)	Employees	GICS Subindustry	Country of HQ
1	Koninklijke BAM Groep	1,095	13,263	Construction & Engineering	Netherlands
2	Theon International	887	303	Aerospace & Defense	Cyprus
3	TomTom	771	3,499	Application Software	Netherlands
4	PostNL	641	33,488	Air Freight & Logistics	Netherlands
5	Silgro Food Group	613	4,524	Food Distributors	Netherlands
6	Werdhave	602	117	Retail REITs	Netherlands
7	Renewi	594	6,756	Environmental & Facilities Services	United Kingdom
8	Pharming Group	568	415	Biotechnology	Netherlands
9	Brunel International	535	12,539	Human Resource & Employment Services	Netherlands
10	Acomo	520	1,151	Food Distributors	Netherlands
11	Koninklijke Heijmans	512	5,487	Construction & Engineering	Netherlands
12	<b>Triodos Bank</b>	<b>450</b>	<b>1,851</b>	<b>Financial Services</b>	<b>Netherlands</b>
13	Vastned Retail	439	31	Retail REITs	Netherlands
14	Nedap	420	964	Electronic Equipment & Services	Netherlands
15	Fastned	419	222	Automotive Retail	Netherlands
16	B&S Group	409	2,102	Distributors	Luxembourg
17	NSI	383	67	Office REITs	Netherlands
18	Sif Holding	313	762	Heavy Electrical Equipment	Netherlands
19	ForFarmers	237	2,269	Agricultural Products & Services	Netherlands
20	NX Filtration	234	166	Industrial Machinery & Supplies & Components	Netherlands
21	Azerion	208	1,110	Interactive Media & Services	Netherlands
22	Avantium	205	262	Research & Consulting Services	Netherlands
23	Kendrion	201	2,606	Automotive Parts & Equipment	Netherlands
24	CM.com	200	720	Application Software	Netherlands
25	Ebusco Holding	173	834	Construction Machinery & Heavy Transportation Equipment	Netherlands
26	Accsys Technologies	162	245	Forest Products	United Kingdom

Please note that the market capitalisation values in the table above are based on 3-month average April 5, 2024, to July 5, 2024. These market capitalisations may have slightly changed in 2025.

In addition to the robust ASxX benchmark, selected peers deemed most comparable with Triodos Bank can provide an additional bandwidth to align with. These are primarily Dutch financial services peers: Volksbank, NIBC, Van Lanschot Kempen, BNG, FMO, NWB Bank.

Furthermore, Triodos Bank also looked at a societal benchmark and the composition of this benchmark constituting of not-for-profit organisations (insofar data publicly available).

#### Outcomes of the Policies and Consideration of Future Developments

##### *Executive Board Remuneration Policy*

Most of the changes needing to be incorporated into the EB Remuneration Policy were legalistic to ensure provisions are in accordance with the Dutch Civil Code for listed companies. In addition, there was a desire to provide more clarity on the benchmark and reference group to be used for Executive Board remuneration. Please note that as a bank listed on Euronext, over time it may be deemed desirable that the members of the Executive Board have personal financial alignment with the performance of Triodos Bank's Depository Receipts that are listed on Euronext. The Supervisory Board will consider if and when implementation of such alignment is desirable, taking into account Triodos Bank's mission and values, and the perspectives of long-term value creation for all of Triodos Bank's stakeholders, including society at large. If the Supervisory Board concludes that changes to the current stance on performance-based Executive Board remuneration are called for, prior approval of the General Meeting of Shareholders shall be obtained. Until then, no share or depository receipt scheme is offered for Executive Board members at Triodos Bank.

Compared to the benchmark, remuneration at Triodos Bank pay is very modest. The current pay of the Executive Board members is around the 25<sup>th</sup> percentile of the benchmark. Also, when enriching the analysis by social benchmark comparisons Triodos remuneration appears on the low end. Therefore, we note that there is a substantial gap in the remuneration of the Executive Board members compared to peers. Despite this, the Supervisory Board does not consider this to be the right time to make significant changes to the Executive Board salary structure but might look into a gradual path to reduce the gap when appropriate in the future.

##### *Supervisory Board Remuneration Policy*

Having a Supervisory Board Remuneration Policy is a requirement for listed companies. Other objectives such as making changes to the Supervisory Board fees or fee structure are currently not the main priority of the Supervisory Board. Therefore, even though we observe a substantial gap between Supervisory Board fees at Triodos Bank compared to peers, the Supervisory Board does not consider it to be the right time to

make significant changes to the fees or fee structure. The changes to the fees and fee structure currently proposed have been kept to a minimum, aimed at future inflation-indexation and the creation of consistency in the fee structure across Supervisory Board members. As explained in the specific notes below, for some non-Dutch Supervisory Board members the proposed Policy means that their total remuneration will decrease, as in the proposed Policy there no longer will be a compensation for international travel days.

The Supervisory Board will continue to monitor market developments on Supervisory Board fees and fee structures. If the Supervisory Board considers making future changes to fees and/or the fee structure, it will once again reach out to stakeholders for feedback and alignment. For any changes, prior approval by the General Meeting of Shareholders shall be obtained.

#### Specific notes regarding Executive Board Remuneration Policy

**Chapter 1:** The stakeholder soundings, including those with the Works Council, are mentioned. It is mentioned that changes are made further to Triodos Bank's envisaged listing of its Depository Receipts on Euronext, which comes with certain requirements. A notable requirement is that members of the Executive Board will not have employment contracts but service agreements (chapter 5). The effective date of the EB Remuneration Policy will be the date of listing. In case there is no listing event, then this EB Remuneration Policy will not be applicable.

**Chapter 3:** This section reflects the view that the EB Remuneration Policy contributes to the company's business strategy, long-term interests, its pursuit of positive impact and the sustainability of the company, as required per Article 2:135 (6) (a) of the Dutch Civil Code.

**Chapter 4:** The EB Remuneration Policy takes into account the salary and working conditions of the company's co-workers and Executive Board Members, the remuneration relationships (*beloningsverhoudingen*) within the company and the social support (*maatschappelijk draagvlak*).

**Chapter 4:** Language has been added to reflect that the EB Remuneration Policy does not encourage the Executive Board to take ESG risks.

**Chapter 4:** The terms re 'new hire working conditions' has been replaced with language regarding a sign on bonus, which in specific circumstances can be awarded to secure hiring of a new board member. Such awards will be kept to a minimum.

**Chapter 4:** The benchmark is updated to the Euronext Small Cap Index and within the bandwidth of selected sector peers deemed most comparable with Triodos Bank. Furthermore, increases in remuneration will be contextualised by a broader social analysis.

**Chapter 4:** A paragraph on Triodos Bank Products is included.

**Chapter 4:** The remuneration elements applicable to the service agreements are set out, including consistency across Executive Board members on severance arrangements. The reference to other benefits has been limited and they will be reported on in annual reports.

**Chapter 5:** Other contractual arrangements are specified.

**Chapter 7:** The deviation clause on the basis of Article 2:135a (4) of the Dutch Civil Code is set out. The deviation clause has been updated to reflect current market practices. Any deviation and its rationale for applying it will be disclosed in the subsequent remuneration report in the year it is used, if and where applied.

**Chapter 8:** The document ownership and review period has been added.

## Specific notes regarding Supervisory Board Remuneration Policy

This is the first formalised SB Remuneration Policy, being voted on by shareholders. The Policy articulates its aims to continue enabling attraction and retention of a diverse set of suitably qualified and experienced Supervisory Board members, as appropriate for a regulated bank, who fully support Triodos Bank's mission and values in the interest of all stakeholders, including the Depository Receipt Holder community as it is and will evolve during the Policy period 2025-2029. SB remuneration is not dependent on the results of Triodos Bank and shall promote an adequate performance of Supervisory Board's role and shall reflect the responsibilities and time spent.

The most notable items are:

**Indexation of Fees:** in the SB Remuneration Policy, future fee increases will be made by indexation equally to and at the same time as the collective labour agreement applicable to the co-workers of Triodos Bank in the Netherlands (*CAO Banken*). Indexation does not close the gap between Supervisory Board fees at Triodos Bank and the relevant benchmark and reference group. Nonetheless, at any time during the Policy period, future fees will only increase beyond indexation, after these being put to a specific binding shareholder vote requiring a 50% approval.

**International Travel Allowance:** Previously Triodos Bank provided an allowance for Supervisory Board members travelling abroad for the performance of their duties of €1,000 per occasion, with a maximum of €12,000 cumulatively per year. This allowance stems from a time when online meetings were less prevalent, and it has led to inconsistent fees across Supervisory Board members. The Supervisory Board proposes to cancel this allowance.

**Deviation Clause:** This has been adjusted to reflect current market practices. Any deviation and its rationale for applying it will be disclosed in the subsequent remuneration report in the year it is used, if and where applied.

### **Fee Schedule:**

- The sizeable gap between current remuneration and the market was in part caused by the Triodos Supervisory Board refraining from indexation since the 2019 AGM. In that same time period, the *CLA Banks* wage indexation has amounted to 20% cumulatively.
- Based on *CLA Banks*, in the coming year, the fees will be increased by 4.535%. This figure has been determined in accordance with the *CLA Banks* wage increases of 1% per 1-7-2025 and 3.5% per 1-1-2026, cumulatively adding to 4.535%.
- Therefore, the current fee structure is, and proposed fee structure will be:

	<b>Current Fees</b>	<b>Fees per 2025 AGM</b>	<b>Fees per 1-7-2025</b>	<b>Fees 1-1-2026</b>
<b>Membership Fees</b>				
Chair	€30,000	€30,000	€30,300	€31,361
Vice Chair	€20,000	€20,000	€20,200	€20,907
Member	€20,000	€20,000	€20,200	€20,907
<b>Committee Fees</b>				
ARC Chair	€6,000	€6,000	€6,060	€6,272
ARC Member	€5,000	€5,000	€5,050	€5,227
NRC Chair	€5,000	€5,000	€5,050	€5,227
NRC Member	€4,000	€4,000	€4,040	€4,181
<b>International Travel Allowance</b>	€1,000 per occasion up to €12,000 per annum	No longer applicable	No longer applicable	No longer applicable