In October 2014, the Dutch bankers' association published the revised Banking Code (the 'Banking Code'), part of a package of new developments for the banking industry called 'Future Oriented Banking'. The Banking Code contains a number of bank-specific best practices which aim to promote the best possible functioning of the financial sector and restore the consumer's faith in banking. The new Banking Code came into effect on 1 January 2015. Triodos Bank N.V. ('Triodos Bank') is of the opinion that the principles of this Banking Code fit in well with its vision and objectives. The following is an overview of all principles in the Banking Code and the manner in which Triodos Bank applies them.

### Sound and ethical operation

To build and maintain its position as a stable and reliable partner, a bank must formulate its mission, strategy and objectives. These focus on the long term and are expressed in part in the bank's risk policy and the policy for sustainability and corporate social responsibility. A bank chooses its positioning such that its commercial interests and social role are extensions of each other. This is also expressed in the bank's governance structure and guides the implementation of its policy based on its mission, strategy and objectives.

**Triodos Bank complies with this principle.** Triodos Bank's strategy is aligned with the mission statement of the bank. According to its mission statement, Triodos Bank aims to help create a society that protects and promotes quality of life and considers human dignity to be of paramount importance. It also strives to enable individuals, institutions and businesses to use money more consciously in ways that benefit people and environment, and promote sustainable development. In its operations, the needs of society and the role that Triodos Bank can play in that respect are constantly weighed. This has been elaborated in the business principles, a copy of which is available on www.triodos.com/governance.

The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for setting up a sound governance structure and compliance with the governance principles.

**Triodos Bank complies with this principle.** The Executive Board, supervised by the Supervisory Board, has set a governance framework that fits the size of the bank. The ‘exemplary behavior’ of the Executive Board members is taken into account in the yearly evaluation of the individual Executive Board members by the Supervisory Board.

The executive board and supervisory board are – with due regard for each other’s duties and powers – responsible for developing, communicating and enforcing standards on integrity, morals and leadership in the bank. In addition, they ensure there are proper checks and balances and they safeguard a solid IT infrastructure that is vital for the functioning of the bank. Among other things, thorough checks and balances mean that the compliance function is also safeguarded within the executive board and supervisory board.

**Triodos Bank complies with this principle.** This has been elaborated in the business principles, the Supervisory Board Charter and the risk governance framework of the bank. The business principles and the Supervisory Board Charter are available on www.triodos.com/governance.
The executive board will promote responsible behaviour and a healthy culture both at the top of the bank and throughout its organisation. In this, it will consider the interests of the bank’s customers and other stakeholders. The supervisory board supervises this.

A bank’s culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank’s organisation and the bank will include them in its contact with its stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Charter.

All employees will comply with the formal regulations and self-regulation that apply to them. The executive board and supervisory board are— with due regard for each other’s duties and powers — responsible for this. The executive board is responsible for employees being and remaining familiar with all rules, values and standards applicable to the bank and will continue to pay attention to this. The supervisory board supervises this.

Supervisory board
The supervisory board will be composed in such a way that it is able to perform its tasks properly. It will form a risk committee and an audit committee. The members of the supervisory board will be prepared and able to make sufficient time available for their duties and exhibit effort and commitment. They will at the same time be critical and independent.

Each member of the supervisory board will be aware of the social role of a bank and of the interests of the various stakeholders.

There are specific competence and experience requirements for members of the supervisory board’s risk and audit committees. Members of the risk committee must have thorough knowledge of the financial aspects of risk management or the necessary experience to permit a thorough assessment of risks. Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to permit thorough supervision of these subjects.

Triodos Bank complies with this principle. Similar assumptions have been included in Triodos Bank’s business principles that are aligned with our core values.

Triodos Bank complies with this principle. The business principles of Triodos Bank are an important framework for the way in which it does business, and serve as the guiding principles for co-workers in their day-to-day decision-making processes. The business principles are part of the employment contract of each co-worker. In addition the Triodos Inhouse Regulations (‘TIR’) apply to all co-workers. The TIR describes the internal rules and regulations that apply to the different business activities, roles and bodies of Triodos Bank.

Triodos Bank complies with this principle. The members of the Supervisory Board are all committed to the mission statement of Triodos Bank. The knowledge and experience that is relevant to Triodos Bank is represented in the Supervisory Board. Triodos Bank has one integrated Audit and Risk Committee, considering the size of Triodos Bank. The chairman of the Supervisory Board ensures that the Supervisory Board members are sufficiently available in order to meet their responsibilities. A critical and independent position of members of the Supervisory Board is ensured by the Supervisory Board Charter. A copy of this Charter is available on www.triodos.com/governance.

Triodos Bank complies with this principle. The selection of members takes into account an even spread of knowledge and skills that is relevant to Triodos Bank. In the fulfillment of its tasks, the Supervisory Board carefully considers the interests of all stakeholders of Triodos Bank.

Triodos Bank has one integrated Audit and Risk Committee, considering the size of Triodos Bank. When appointing members to the Audit and Risk Committee, specific competences that are required for the adequate performance of the tasks of the Audit and Risk Committee are taken into account.
The chairman of the supervisory board will organise a programme of lifelong learning for all members of the supervisory board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, IT infrastructure, risk management, financial reporting and audit. Every member of the supervisory board will take part in the programme and meet the requirements for lifelong learning.

The assessment of the effectiveness of the programme of lifelong learning will be part of the annual evaluation performed by the supervisory board.

In addition to the supervisory board’s annual self-evaluation, the functioning of the supervisory board will be evaluated under independent supervision once every three years. The involvement of each member of the supervisory board, the culture within the supervisory board and the relationship between the supervisory board and the executive board will be part of this evaluation.

Each member of the supervisory board will receive appropriate compensation for the amount of time that he or she spends on supervisory board activities. This compensation will not depend on the bank’s results.

Executive board
The executive board will be composed in such a way that it is able to perform its tasks properly. Each member of the executive board will be aware of the social role of a bank and of the interests of the various stakeholders.

One member of the executive board will have the duty of preparing decision-making by the executive board on risk management. This member will be involved in good time in the preparation of decisions that are of material significance for the bank’s risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board. This member may combine his or her function with other responsibilities, provided that he or she does not bear any individual commercial responsibility and operates independently from commercial areas.

Risk management will also include a focus on the impact that systemic risk could have on the bank’s risk profile.
The chairman of the executive board will organise a programme of lifelong learning for all members of the executive board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, risk management, financial reporting and audit. Every member of the executive board will take part in the programme and meet the requirements for lifelong learning.

**Risk policy**

A bank's risk policy is characterized by a comprehensive approach, is transparent and has both a short- and long-term focus. The risk policy also takes reputational risks and non-financial risks into account.

A bank’s executive board will be responsible for its risk policy and ensure proper risk management. The executive board will propose the risk appetite to the supervisory board for approval at least once a year. Any material changes to the risk appetite in the interim will also require the supervisory board’s approval.

The supervisory board will supervise the risk policy pursued by the executive board. As part of its supervision, the supervisory board will discuss the bank’s risk profile and assess at a strategic level whether capital allocation and liquidity requirements are generally in line with the approved risk appetite and whether operations in general are in line with the bank’s risk appetite. In the performance of this supervisory role, the supervisory board will be advised by its risk committee.

**Audit**

A bank’s executive board will ensure that a systematic audit is conducted of the management of the risks related to the bank’s operations.

The internal audit department will take the initiative in arranging talks with DNB (the Dutch central bank) and the external auditor at least once a year to discuss each other’s risk analyses, findings and audit plans at an early stage. A52:B59 bank’s executive board and internal audit department will encourage these tripartite talks, aiming for a clear delineation of each other’s duties and responsibilities.

Triodos Bank complies with this principle. The Executive Board organizes meetings with external experts, keeping up to date with developments in society and the sectors that have an impact on the operations of Triodos Bank. Members of the Supervisory Board may also take part in these meetings. The issues addressed focus on current developments and relate to the aspects mentioned.
Remuneration policy

The bank will implement a detailed, restrained and long-term remuneration policy that is unambiguous and transparent and in line with national and international regulations.

The remuneration policy will have a primarily long-term focus and be in line with the bank’s risk policy. It will incorporate an internal and external balance of interests, taking into account the expectations of the various stakeholders and social acceptance. It will also take the relevant international context into account.

The total income of a member of a bank’s executive board will at the time it is set be below the median for comparable positions inside and outside the financial industry, taking into account the relevant international context. The variable remuneration of a member of the executive board will be set in accordance with national and international regulations.

Triodos Bank complies with this principle. The fixed salary levels are at the median of the financial services sector. Variable Remuneration within Triodos Bank is below sector practice and limited to the following instruments (“Tokens of Appreciation”):

i) individuals may be granted a discretionary retrospective Token of Appreciation.

ii) if at the end of the year Triodos Bank as a collective has achieved good results, an identical, collective end-of-year Token of Appreciation, with a maximum of EUR 500 per co-worker can be granted to all Triodos Bank co-workers. This Token of Appreciation can be paid in cash or Triodos Bank depository receipts.

The total amount of Tokens of Appreciation (individual plus collective) may not exceed one monthly salary with a maximum of EUR 10,000 per co-worker per annum. The Executive Board is excluded from these awards. The ratio between the highest and the lowest salaries paid is closely monitored as well as the GRI ratios on highest to median paid and increase of highest paid to increase of median paid.

Triodos Bank complies with this principle. Triodos Bank aims at remunerating the members of the Executive Board in conformity with the median level of the fixed income in the market. This is well below the median level of the total income in the market, as Triodos Bank awards no variable remuneration to members of the Executive Board.