

## Supervisory Board Charter

Approved on: 24 March 2017

### Introduction

This document defines the charter for the Supervisory Board of Triodos Bank N.V.

This charter ('Charter') was adopted and lastly amended by the Supervisory Board (the 'Supervisory Board') of Triodos Bank N.V. (the 'Company' or 'Triodos Bank') on 24 March 2017.

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## Article 1. Status and contents of the Charter

1.1 In this Charter the division of duties within the Supervisory Board and the procedure of the Supervisory Board are laid down. This Charter is complementary to the rules and regulations applicable to the Supervisory Board under European and Dutch law and/or the Company's Articles of Association and are based on Triodos Bank's application of the Dutch Corporate Governance Code and the Dutch Banking Code.

1.2 If one or more provisions of this Charter are or become invalid, this shall not affect the validity of the remaining provisions. The Supervisory Board shall replace the invalid provisions by those which are valid and the effect of which, given the contents and purpose of this Charter is, to the greatest extent possible, similar to that of the invalid provisions.

1.3 These following annexes are attached to, and form an integral part of, this Charter:

Annex A: Profile of the membership and composition of the Supervisory Board.

Annex B: Charter of the Supervisory Board's Audit and Risk Committee.

Annex C: Charter of the Supervisory Board's Nomination and Compensation Committee.

1.4 The external auditor of the Company has taken notice of this Charter and will comply with this Charter to the extent applicable.

1.5 This Charter is published on the Company's website [www.triodos.com](http://www.triodos.com).

1.6 The English version of this Charter is the official version.

## Article 2. Responsibilities of the Supervisory Board

2.1 The Supervisory Board shall be responsible for supervising the Company's management and the Company's general affairs and the business connected with it, and for advising the Executive Board members. In discharging its duties, the Supervisory Board shall be guided by the interests of the Company and its business; it shall take into account the relevant interests of all those involved in the Company, including the Company's stakeholders. The Supervisory Board is responsible for the quality of its own performance.

2.2 The responsibilities of the Supervisory Board shall include:

2.2.1 supervising and monitoring, and advising the Executive Board periodically on:

a. the Company's strategy for long term value creation and its implementation, the Company's performance and the achievement of the Company's objectives and its mission (as described in article 2 (2) of the Articles of Association of the Company);

b. the risk policy pursued by the Executive Board, its commercial activities and risk profile in the context of the adopted risk appetite, and whether capital allocation and liquidity impact in the general sense are in line with the approved risk appetite;

c. the effectiveness of the design and operation of the internal risk management and control systems;

d. the organizational structure of the Company, in particular monitoring its robustness, transparency and the presence of effective communication and reporting channels;

e. the financial reporting process and the integrity and quality of the financial reporting;

f. compliance with legislation, the Articles of Association and other regulations;

g. the relationship with the shareholder of the Company;

h. corporate social responsibility issues that are relevant to the enterprise.

i. the activities of the Executive Board in relation to creating a culture aimed at long-term value creation and supporting the mission;

j. the establishment and implementation of internal procedures which safeguard that all relevant information is known to the Executive Board and Supervisory Board in a timely fashion;

2.2.2 each year upon a proposal of the Executive Board, approving the strategy for long term value creation.

2.2.3 once per year, upon the advice of the Audit and Risk Committee, approving the risk appetite as proposed by the Executive Board;

2.2.4 upon the advice of the Audit and Risk Committee approving the disclosure of financial information by the Company;

2.2.5 disclosing, complying with and enforcing the Company's corporate governance structure;

2.2.6 reviewing and approving any specific corporate actions as required by the Articles of Association of the Company;

2.2.7 upon advice of the Executive Board and the Audit and Risk Committee, selecting and recommending to the general meeting the appointment of the Company's external auditor and resolving upon the engagement letter;

2.2.8 supervising the external auditor's functioning;

2.2.9 ensuring that a formal and transparent procedure is in place is for the appointment and dismissal of Executive Board members and the appointment and reappointment of Supervisory Board members and ensuring that there is a sound succession plan for the Executive Board and Supervisory Board;

2.2.10 adopting a diversity policy for the composition of the Executive Board and Supervisory Board;

- 2.2.11** upon advice of the Nomination and Compensation Committee appointing the Executive Board members;
- 2.2.12** upon advice of the Nomination and Compensation Committee:
- a.** approving the general principles of the remuneration policy;
  - b.** periodically testing the general principles of the remuneration policy;
  - c.** supervising the implementation of the remuneration policy;
  - d.** ensuring that a central and independent internal assessment takes place at least once per year in order to test the implementation of the remuneration policy for compliance with the remuneration policies and procedures as approved by the Supervisory Board;
  - e.** proposing the remuneration policy for Executive Board members (such policy to be adopted by the general meeting of Triodos Bank) and fixing the remuneration (in accordance with the said remuneration policy) and contractual terms and conditions of employment of Executive Board members.
- 2.2.13** upon advice of the Nomination and Compensation Committee, selecting and recommending the appointment of the members of the Supervisory Board and proposing the remuneration of its members;
- 2.2.14** evaluating and assessing the functioning of the Executive Board, the Supervisory Board and its committees, and their individual members;
- 2.2.15** handling, and deciding on, reported conflicts of interests within the meaning of article 11;
- 2.2.16** seeing to it that appropriate internal alert procedures are adopted that allow staff to draw attention to misconduct or irregularities (Whistleblower Procedure), supervising that appropriate and independent investigations are performed into signs of misconduct or irregularities and that there is an adequate follow-up of possible recommendations for remedial actions in case misconduct or irregularities are discovered;
- 2.2.17** handling, and deciding on, reported alleged irregularities that relate to the functioning of Executive Board members, whereby the Supervisory Board has the possibility of initiating its own investigation and to coordinate this investigation; and
- 2.2.18** overseeing the internal audit function, maintaining regular contact with the head of the internal audit function, approving the appointment and dismissal of the head of the internal audit function, and approving the internal audit plan.

**2.3** The Supervisory Board shall prepare and publish a report on its functioning and activities during the preceding financial year.

**2.4** The members of the Supervisory Board shall perform their tasks in a meticulous, expert and fair manner, taking into account the applicable laws, internal regulations and codes of conduct (and thereby taking into account the deviations from the codes of conduct as explained in the most recently published “Triodos-Comply-or-Explain-matrices”).

### **Article 3. Composition, expertise and independence of the Supervisory Board**

**3.1** The Supervisory Board consists of such number of members as fixed in accordance with the Articles of Association of the Company. The Supervisory Board shall prepare a profile of its scope and composition, taking into account the nature of the business, its activities, and the desired expertise, experience and independence of its members. The profile shall deal with the aspects of diversity in the composition of the Supervisory Board that are relevant to the Company and shall state what specific objective is pursued by the Supervisory Board in relation to diversity. The Supervisory Board shall evaluate the profile annually. The present profile of the Supervisory Board is attached as Annex A. The Audit and Risk Committee shall be subject to specific requirements as regards competency and experience. This is addressed in Annex B.

**3.2** The composition of the Supervisory Board shall be such that the combined experience, expertise and independence of its members meet the profile attached as Annex A and enables the Supervisory Board to best carry out the variety of its responsibilities and duties to the Company and all others involved in the Company consistent with applicable law and regulation. The division of duties with respect to board committees among the members of the Supervisory Board follows from the rules of the respective committees, as laid down in Annexes B and C.

**3.3** In composing the Supervisory Board, the following requirements must be observed:

- a.** all of its members must be capable of assessing the broad outline of the overall policy of the Company and its business;
- b.** all of its members must match the profile attached as Annex A and, by way of their respective participation in the Supervisory Board (upon (re)appointment and thereafter), the Supervisory Board as a whole must be composed in accordance with article 3.2.;
- c.** considering the international character of the Company, the appointment of a number of non-Dutch nationals to the Supervisory Board is desirable, preferably from a country or countries where the Company has an office or is developing activities;

- d. at least one of the members of the Supervisory Board must have relevant expertise in financial administration and accounting for middle sized or large companies;
- e. all of its members, with the exception of no more than one person, must be independent within the meaning of article 3.4;
- f. no member shall hold office for more than twelve years, unless the general meeting decides otherwise due to exceptional circumstances; and
- g. the number of supervisory boards of Large Companies (as defined in the Bill on Management and Supervision) of which an individual may be a member shall be limited to such an extent that the proper performance of his/her duties is assured; the maximum number is five, for which purpose the chairmanship of a supervisory board counts double;
- h. none of its members may be a member of the Board of Stichting Administratiekantoor Aandelen Triodos Bank.

**3.4** A member of the Supervisory Board will not be considered independent within the meaning of article 3.3 (and will accordingly be considered independent if none of the below apply to him/her) if he/she or his/her wife/husband, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law:

- a. has been an employee or Executive Board member of the Company (including associated companies as referred to in section 5:48 of the Financial Supervision Act (Wet op het financieel toezicht) in the five years prior to his/her appointment;
- b. receives personal financial compensation from the Company, or a company associated with it, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not in keeping with the normal course of business;
- c. has had an important business relationship with the Company or a company associated with it in the year prior to his/her appointment. This will in any event include the situation where a Supervisory Board member, or the firm of which he/she is a shareholder, partner, associate or advisor, has acted as advisor to the Company (consultant, external auditor, civil notary and lawyer) and the situation where a Supervisory Board member is a management board member or an employee of any bank with which the Company has a lasting and significant relationship;
- d. is a member of the management board of a company in which an Executive Board member (that he/she supervises) is a Supervisory Board member (cross-ties);
- e. holds at least 10 percent of the shares/depository receipts in the Company (including the shares/depository receipts held by natural persons or legal entities which cooperate with him/her under an express or tacit, oral or written agreement);
- f. is a member of the managing or supervisory board—or is a representative in some other way—of a legal entity that holds at least 10 percent of the shares/depository receipts in the Company, unless such entity

is a member of the same group as the Company; and

- g. has temporarily managed the Company during the previous twelve months where Executive Board members have been absent or unable to discharge their duties.

**3.5** Executive Board and Supervisory Board members shall report any Other Positions to the Supervisory Board in advance. The Supervisory Board shall discuss such Other Positions at least annually. The acceptance of a membership of a supervisory board by a member of the Executive Board requires the approval of the Supervisory Board. In case a Supervisory Board member intends to accept an Other Position:

- a. the respective Supervisory Board member shall inform the Chairman in writing of his/her intention, providing all relevant details on the envisaged new Other Position. A copy is sent to the chairman of the Executive Board.
  - b. the Supervisory Board, having heard the chairs of the Executive Board and the Nomination and Compensation Committee, will issue a binding advice to the Supervisory Board member on the compatibility of the new Other Position with the membership of the Supervisory Board of Triodos Bank.
  - c. The advice will take into account:
    - i. potential incompatibility with the values and mission of Triodos Bank, leading to possible reputational damage;
    - ii. potential structural incompatibility of interests, resulting in potential structural conflicts of interest and commercial damage;
    - iii. potential incompatibility in terms of the availability of the Supervisory Board member, which could hinder a proper performance of the SB member in the Supervisory Board of Triodos Bank; and
    - iv. any other related issue, which could negatively impact the integrity of the Supervisory Board.
- For the purpose of this Charter, the term Other Position refers to i) any positions in the governance of a legal entity or business, and ii) consultancy activities that might give rise to a conflict of interest with Triodos Bank

**3.6** Each member of the Supervisory Board shall provide the Company with the following information and shall ensure that such information is accurate and complete:

- a. gender;
- b. age;
- c. profession;
- d. principal position;
- e. nationality;
- f. Other Positions; as far as relevant to the duties as a member of the Supervisory Board;
- g. date of initial appointment;
- h. current term in office;
- i. number of shares/depository receipts in the Company's capital

#### Article 4. Chairman, Vice-chairman and secretary

4.1 The Supervisory Board shall appoint from among its members a chairman (the 'Chairman') and a Vice-chairman who shall replace the Chairman in his/her absence.

The Chairman chairs the meetings of the Supervisory Board, acts on behalf of the Supervisory Board as main contact for the Executive Board and ensures, as chairman, the orderly and efficient conduct of the general meeting.

4.2 The Chairman of the Supervisory Board shall see to it that:

4.2.1 there is a permanent education programme, with the aim of maintaining and or improving the expertise of the Supervisory Board members, and that the Supervisory Board members follow their introduction and permanent education or training programme;

4.2.2 the Supervisory Board members shall timely receive all information which is necessary for the proper performance of their duties;

4.2.3 there is sufficient time for consultation and decision-making by the Supervisory Board and the co-ordination of the Supervisory Board's decision-taking process;

4.2.4 discussions are open and critical, and dissenting views can be expressed and discussed within the decision-making process;

4.2.5 the Supervisory Board and the committees of the Supervisory Board function properly;

4.2.6 the performance of the Executive Board and Supervisory Board members is assessed at least once a year;

4.2.7 the Supervisory Board elects a Vice-chairman;

4.2.8 the Supervisory Board has proper contact with the Executive Board members and the works council (or central works council) and that the results thereof are timely and prudently communicated to the other members of the Supervisory Board;

4.2.9 the Supervisory Board receives, and decides on, reported potential conflicts of interests within the meaning of article 11;

4.2.10 the Supervisory Board receives, and decides on, reported alleged irregularities relating to the functioning of the Executive Board members with regard to the Whistleblower procedure;

4.2.11 the Executive Board performs its activities in respect of culture and mission;

4.2.12 the Supervisory Board recognises signs from the enterprise affiliated with the Company and ensures that any (suspicion of) material misconduct is reported to the Supervisory Board without delay;

4.2.13 effective communication with the Company's shareholder is assured; and

4.2.14 that the Supervisory Board is involved closely, and at an early stage, in any merger or takeover process.

4.3 The Chairman of the Supervisory Board shall not be a former Executive Board member.

4.4 As part of the process to fill the vacancy of Chairman of the Supervisory Board, an individual profile shall be drawn up that also focuses on the Company's requirements in terms of expertise and experience in relation to the financial sector and familiarity with the socio-economic and political culture and the social environment of the Company's main markets.

4.5 The Vice-chairman of the Supervisory Board shall replace the Chairman when the occasion arises. By way of addition to article 10.4, the Vice-chairman shall act as contact for individual Supervisory Board members and the Executive Board members concerning the functioning of the Chairman of the Supervisory Board.

4.6 The Supervisory Board shall be assisted by a secretary to be appointed and dismissed by the Executive Board after approval by the Supervisory Board. The Executive Board members themselves can act as the secretary. The secretary shall be primarily responsible for:

- a. compliance of the Supervisory Board's functioning with Dutch law, the Company's Articles of Association and the rules and regulations issued pursuant thereto;
- b. ensuring that correct procedures are followed;
- c. facilitating the provision of information of the Executive Board and Supervisory Board;
- d. assisting the Chairman of the Supervisory Board in the logistics of the Supervisory Board (information, agenda, evaluation, etc.); and
- e. the introduction, permanent education and training programme.

#### Article 5. Supervisory Board committees

5.1 The Supervisory Board shall have two standing committees, the Audit and Risk Committee and the Nomination and Compensation Committee, to be appointed by the Supervisory Board from its own members. The (entire) Supervisory Board remains responsible for its decisions even if they were prepared by one of the Board's committees.

5.2 The Supervisory Board shall draw up a set of regulations for each committee. The regulations shall indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The present charters of the respective committees are attached as Annexes B and C.

5.3 The composition of the committees, the number of committee meetings and the main items discussed shall be recorded in the Supervisory Board's report.



5.4 The committees of the Supervisory Board may address any other matters delegated to it by the Supervisory Board, in line with the Rolling Garden Calendars that are drawn up on an annual basis for the Supervisory Board and the respective committees.

5.5 The Supervisory Board shall receive from each of the committees on a regular basis a report of its deliberations and findings.

#### **Article 6. (Re)appointment, term and resignation**

6.1 The members of the Supervisory Board shall be appointed in the manner as provided in the Company's Articles of Association on the nomination of the Supervisory Board. The nomination for appointment shall state the reasons for it. On re-appointment, the manner in which the candidate fulfilled his/her duties as member of the Supervisory Board shall be taken into account. Members of the Supervisory Board shall hold office for a maximum period of four years and shall thereafter be eligible for re-appointment, provided that no member shall hold office for more than twelve years, unless the general meeting decides otherwise due to exceptional circumstances.

6.2 The Supervisory Board shall prepare a resignation rota to prevent, to the greatest extent possible, re-appointments occurring simultaneously. Subject to article 6.3., members of the Supervisory Board shall resign in accordance with the resignation rota.

6.3 Members of the Supervisory Board shall resign in the event of a failure to adequately exercise their duties, structural differences of opinion, conflicting interests, other important circumstances, which hamper the requirements of team spirit and/or mutual trust and other instances where resignation is deemed necessary by the Supervisory Board. A member of the Supervisory Board shall also resign if he or she loses the confidence of the general meeting. If necessary the Chairman shall remind the member of his or her responsibilities in this respect.

6.4 Whenever a vacancy arises on the Supervisory Board, an individual profile shall be drawn up for the new member of the Board.

6.5 Members of the Supervisory Board who take on the management of the Company temporarily, where the Executive Board members are absent or unable to discharge their duties, shall (temporarily) resign from the Supervisory Board in order to do so.

#### **Article 7. Remuneration**

7.1 The Supervisory Board shall from time to time submit proposals to the general meeting in respect of the remuneration to be paid to the Chairman and other members of the Supervisory Board. The remuneration of a Supervisory Board member may not be made dependent on the Company's results, should promote an adequate performance of their role and shall reflect the responsibilities of the Supervisory Board and the time spent.

7.2 A Supervisory Board member shall not be granted any shares/depository receipts and/or rights to shares/depository receipts by way of remuneration.

7.3 Any shares/depository receipts held by a Supervisory Board member in the Company are meant to be long-term investments and are expected to be held at least until the end of his or her tenure on the Board.

7.4 The Company shall not grant its Supervisory Board members any personal loans, guarantees or the like unless in the normal course of business and after approval of the Supervisory Board. No remission of loans shall be granted.

7.5 The members of the Supervisory Board shall not take part in any (staff) bonus schemes and shall not enjoy more favorable conditions governing the products and services offered by the Company and its subsidiaries than other customers.

7.6 Members of the Supervisory Board shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. Any other expenses shall only be reimbursed, either in whole or in part, if incurred with the prior consent of the Chairman; the Chairman will inform the Supervisory Board on an annual basis.

7.7 The remuneration, reimbursement of expenses and other agreed terms and conditions, including the date as of which such remuneration including all other terms and conditions will be effective, shall be determined by the general meeting and be agreed in writing between the Company and each individual member of the Supervisory Board. The notes to the annual accounts shall contain full and detailed information on the amount and structure of the remuneration of Supervisory Board members.

#### **Article 8. Induction programme, permanent education and training**

8.1 Once appointed, each member of the Supervisory Board shall follow an induction programme, prepared and sponsored by the Company, addressing:

- a. general financial, social and legal affairs;
- b. financial reporting by the Company;
- c. specific aspects unique to the Company and its business activities;
- d. the company culture and mission;
- e. the relationship with the works council; and
- f. responsibilities of members of the Supervisory Board.

8.2 The permanent education programme shall cover relevant developments at the Company and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards the client, integrity, risk management, financial reporting and audits. Every member of the Supervisory Board shall take part in the programme and meet the requirements of permanent education.

**8.3** The Supervisory Board shall regularly evaluate the induction program; it will also evaluate the permanent education programme annually to identify any other specific aspects in respect of which further training and education is required. The Company shall play a facilitating role in this respect.

#### **Article 9. Supervisory Board meetings**

**9.1** The Supervisory Board shall meet at least six times a year in a joint meeting with the Executive Board in accordance with a schedule drawn up during the previous year. Meetings can also be convened whenever two or more of its members, or the Chairman of the Supervisory Board, have requested a meeting. Supervisory Board meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.

**9.2** The ongoing items to be considered and discussed at Supervisory Board meetings include discussing and approving corporate strategy (and changes thereto) with the Executive Board (e.g. long-term strategy, capital expenditures in excess of the Company's budget, long-term capital structures, new lines of business, major acquisitions and divestments), monitoring the implementation of the strategy and the main risks in relation thereto (including the main risks of the business and the (operational) processes, reviewing the Company's budget and financial results, approving major decisions requiring Supervisory Board action, and receiving reports from the Supervisory Board's committees.

**9.3** The Supervisory Board shall discuss at least once a year, if desired with an external adviser:

- a.** the functioning of the Supervisory Board, the functioning of the separate committees and its individual members, and the conclusions that must be drawn on the basis thereof (once every three years the functioning of the Supervisory Board shall be evaluated under independent supervision);
- b.** the desired profile, composition and competence of the Supervisory Board;
- c.** both the functioning of the Executive Board as an organ and the performance of the individual members and the conclusions that must be drawn on the basis thereof;
- d.** the evaluation of the introduction and permanent education and training program as referred to in article 8; and
- e.** the result of the assessment by the Executive Board of the design and effectiveness of the internal risk management and control systems, as well as any significant changes thereto.

Unless the Supervisory Board decides otherwise, the matters referred to in 9.3a through 9.3d shall be discussed without the Executive Board members being present. The Supervisory Board may request to review the performance of the Executive Board members with the chairman of the Executive Board.

**9.4** The agenda of the meetings shall be drawn up in joint consultation between the Chairman of the Supervisory Board and the Chairman of the Executive Board.

**9.5** Members of the Supervisory Board who are frequently absent during meetings of the Supervisory Board shall be asked by the Chairman to explain their absence. Attendance of the meetings of the Supervisory Board is registered and reported.

**9.6** The external accountant of the Company shall attend each Supervisory Board meeting at which the annual accounts are discussed. The Supervisory Board shall be permitted to examine the most important points of discussion between the external auditor and the Executive Board based on the draft management letter or the draft audit report.

**9.7** Meetings shall be convened by the secretary. Where this is practically possible, notices convening a meeting and the agenda of items to be considered and discussed therein shall be dispatched at least 5 working days before the meeting and sent to each member of the Supervisory Board and Executive Board.

**9.8** Minutes of the meeting shall be prepared by the secretary of the meeting. They shall generally be adopted in the next meeting. If all members of the Supervisory Board agree on the contents of the minutes, they may be adopted earlier. The minutes of the meeting shall set out the items on the agenda and clearly state the decisions taken and actions agreed; they shall be signed for adoption by the Chairman and the secretary and shall be dispatched to all members of the Supervisory Board as soon as practically possible.

#### **Article 10. Supervisory Board resolutions**

**10.1** The Supervisory Board can only validly adopt resolutions in a meeting at which at least the majority of its members is present or represented, with the provision that members who have a conflict of interests as referred to in article 11 shall not be taken into account when calculating this quorum. The Supervisory Board may also adopt resolutions outside a meeting, provided that the motion in question has been submitted to all of its members and none of them has objected to this form of decision-taking, and each of them participated in the voting, provided that members who have a conflict of interests as referred to in article 11 shall not participate in the voting. The Chairman shall prepare and sign a report of the resolution adopted in this manner, enclosing any written replies received. The adoption of resolutions outside a meeting must be reported at the next meeting.

**10.2** The Supervisory Board can only adopt resolutions validly in a meeting if the majority of the Supervisory Board members present or represented in the meeting has voted in favor of the resolution.

#### **Article 11. Conflict of interests**

**11.1** A member of the Supervisory Board shall not represent the interest of any particular constituency.

**11.2** A Supervisory Board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the Company and/or to him/her, to the Chairman of the Supervisory Board and shall provide all relevant information, including information concerning his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. If the Chairman of the Supervisory Board has a conflict of interest or potential conflict of interest that is of material significance to the Company and/or to him/her, he/she shall report this immediately to the Vice-chairman of the Supervisory Board and shall provide all relevant information, including information concerning his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. The Supervisory Board member concerned shall not take part in the assessment by the Supervisory Board of whether a conflict of interest exists. A conflict of interest may among others exist if the Company intends to enter into a transaction with a legal entity (i) in which a Supervisory Board member personally has a material financial interest; or (ii) which has a management board member who has a relationship under family law with a member of the Supervisory Board of the Company.

**11.3** A Supervisory Board member shall not take part in a discussion and/or decision-making on a subject or transaction in relation to which he/she has a conflict of interest with the Company.

**11.4** All transactions in which there are conflicts of interest with Supervisory Board members shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or to the relevant Supervisory Board members require the approval of the Supervisory Board. Such transactions shall be published in the annual report, together with a statement of the conflict of interest and a declaration that this article 11 has been complied with.

**11.5** All transactions between the Company and legal or natural persons who hold at least 10 percent of the shares/depository receipts in the Company shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with such persons that are of material significance to the Company and/

or to such persons require the approval of the Supervisory Board. Such transactions shall be published in the annual report, together with a declaration that this clause 11.6 has been observed. Decisions to enter into transactions in which there are conflicts of interest between the Company on the one hand or an Executive Board member or a Supervisory Board member on the other hand are the responsibility of the Supervisory Board.

**11.6** A delegated Supervisory Board member is a Supervisory Board member who has a special duty. The delegation may not extend beyond the duties of the Supervisory Board itself and may not include the management of the Company. It may entail more intensive supervision and advice and more regular consultation with the Executive Board. The delegation shall be of a temporary nature only. The delegation may not detract from the role and power of the Supervisory Board. The delegated Supervisory Board member remains a member of the Supervisory Board.

#### **Article 12. Information, relationship with the Executive Board**

**12.1** The Supervisory Board, and its individual members, have their own responsibility for obtaining all information from the Executive Board and the external auditor that the Supervisory Board needs in order to be able to carry out its duties properly as a supervisory organ. If the Supervisory Board considers it necessary, it may obtain information from officers and external advisors of the Company. The Company shall provide the necessary means for this purpose. The Supervisory Board may require that certain officers and external advisors attend its meetings.

**12.2** The Executive Board shall timely provide the Supervisory Board and its committees with information (if possible, in writing) on all facts and developments concerning the Company which the Supervisory Board may need to function as required and to properly carry out its duties.

**12.3** The Executive Board shall inform the Chairman of the Supervisory Board without delay of any signs of actual or suspected material misconduct or irregularities within the Company and its enterprise.

**12.4** The Executive Board shall at least quarterly provide the Supervisory Board with a report prepared in a format as agreed from time to time and setting out detailed information on inter alia the financial results and development of the balance sheet and other relevant details relating to the business of the Company, marketing, investments and staff. This periodic report shall be accompanied by a letter from the Executive Board containing an explanation of, and comments on, the above as well as information concerning its policies.



**12.5** The Executive Board shall discuss in advance the publication of the preliminary annual figures and interim figures and the related press releases with the Supervisory Board.

**12.6** The Executive Board shall submit for approval details of proposed acquisitions and divestments of business activities in excess of EUR 5 million to the Supervisory Board in writing either during or between meetings. The Executive Board shall notify—after consultation with the Chairman of the Supervisory Board—the Supervisory Board of major acquisitions and divestments of business activities, which do not exceed EUR 5 million.

**12.7** If a member of the Supervisory Board should receive information or indications relevant to the Supervisory Board in the proper performance of its supervisory and advisory tasks (from a source other than the managing or Supervisory Board), he/she shall make this information available to the Chairman as soon as possible. The Chairman of the Supervisory Board shall subsequently inform the entire Supervisory Board.

#### **Article 13. Relationship with the shareholder**

**13.1** If a right of approval is granted to the general meeting by law or under the Articles of Association of the Company (e.g. in the case of option schemes, far-reaching decisions as referred to in draft article 2:107a Dutch Civil Code), or the Executive Board or the Supervisory Board request a delegation of powers (e.g. issue of shares/depository receipts or authorization for the repurchase of shares/depository receipts), the Executive Board and the Supervisory Board shall inform the general meeting by means of a ‘shareholders circular’ of all facts and circumstances relevant to the approval, delegation or authorization to be granted. The shareholders circular shall, in any event, be posted on the Company’s web-site.

**13.2** The Executive Board members and the Supervisory Board shall participate in shareholders meetings, unless they are prevented from attending on serious grounds. In conformity with the Articles of Association of the Company, the Chairman shall, as a general rule, chair the general meetings, and shall decide on the contents of resolutions. The ruling pronounced by the Chairman in respect of the outcome of a vote in a general meeting shall be decisive subject to the provisions of article 2:13 Dutch Civil Code.

**13.3** The Supervisory Board shall provide the general meeting with any information it may require concerning an item on the agenda, unless important interests (*zwaarwegende belangen*) of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The Supervisory Board shall specify the reasons for invoking such important interests.

**13.4** Each significant change in the Company’s corporate governance structure shall be addressed in a separate item on the agenda for consideration by the general meeting.

#### **Article 14. Relationship with the works council**

**14.1** The Chairman of the Supervisory Board shall be primarily responsible for matters concerning the Company specifically in relation to the Netherlands. In consultation with the works council it will be decided how often (representatives of the) Supervisory Board will be present at meetings of the works council.

**14.2** During each term of the works council a meeting will be convened with the Chairman of the Supervisory Board as mentioned in article 14.1, the Executive Board and the works council. The agenda for the meeting will be set in joint consultation.

**14.3** The Supervisory Board will inform the works council of the expected vacancies in the Supervisory Board to be filled in the upcoming general meeting.

**14.4** The Supervisory Board will discuss the profile of the membership of the Supervisory Board of the Company with the works council and will only amend such profile after discussion with the works council. In the consultations between the Executive Board, the works council and the Supervisory Board, the conduct and culture in the Company shall also be discussed.

#### **Article 15. Confidentiality**

Members of the Supervisory Board shall treat all information and documentation acquired within the framework of their membership with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Supervisory Board or Executive Board, made public or otherwise made available to third parties, even after resignation from the Supervisory Board, unless it has been made public by the Company or it has been established that the information is already in the public domain.

#### **Article 16. Non-compliance, amendment**

**16.1** Without prejudice to the provisions of articles 1.2 and 13.4, the Supervisory Board may occasionally decide at its sole discretion not to comply with and adhere to this Charter pursuant to a Supervisory Board resolution to that effect. Such resolutions shall be referred to in the Supervisory Board’s report.

**16.2** Without prejudice to the provisions of articles 1.2 and 13.4, this Charter may be amended by a resolution of the Supervisory Board to that effect. Such resolutions shall be referred to in the Supervisory Board’s report.

#### **Article 17. Governing law and jurisdiction**

**17.1** This Charter shall be governed by and construed in accordance with the law of the Netherlands.

**17.2** The courts of Amsterdam, the Netherlands, shall have exclusive jurisdiction to settle any dispute arising from or in connection with this Charter (including any dispute regarding the existence, validity or termination of this Charter).

#### **Article 18. Ownership and maintenance**

This Charter is owned by the Supervisory Board. This document and any changes thereto need to be approved by the Supervisory Board. It will be reviewed at a minimum of every four years. The General Counsel coordinates the maintenance process of the governance documentation.

## Annex A. Profile of the membership and composition of the Supervisory Board

### 1. Preamble

1.1 The purpose of this profile is to provide guiding principles for (i) the composition of the Supervisory Board as a whole and (ii) the (re-)appointment of its individual members.

1.2 In order to ensure that the Supervisory Board is at all times adequately composed, (re)appointments of members of the Supervisory Board are made on the basis of this profile.

1.3 The statutory and regulatory requirements shall be used as a basis for the required duties and responsibilities of the Supervisory Board. Article 2:140 section 2 of the Dutch Civil Code defines these duties as: "The duties of the supervisory board shall be the supervision of the policy of the management and the general course of affairs of the company and the enterprise connected therewith. It shall assist the management with advice. In the performance of their duties the members of the supervisory board shall be guided by the interest of the company and the enterprise connected therewith."

1.4 This profile has been drawn up in close consultation with the Executive Board of Triodos Bank. In accordance with article 9 paragraph 5 of the Articles of Association of Triodos Bank, this profile has been discussed with the general meeting and the Works Council.

### 2. General

2.1 The Supervisory Board is charged with the supervision of the policies of the Executive Board and the general course of affairs of Triodos Bank and the business connected with it as well as with the assistance to the Statutory Directors by providing advice. The Supervisory Board evaluates the main organisational structure and the control mechanisms established under the Executive Board.

2.2 The composition of the Supervisory Board shall be such that the members are able to act critically and independently of one another, the Executive Board and any particular interest.

2.3 In order to properly perform its functions, the Supervisory Board shall consist of at least three natural persons.

2.4 The powers of the Supervisory Board pursuant to the Articles of Association and applicable laws and regulations are vested in the Supervisory Board as a body and are exercised under collective responsibility.

2.5 In view of the aforementioned, the Supervisory Board shall operate as a collegial body and the specific knowledge, experience and background of its individual members shall be considered in the context of the Supervisory Board as a whole. Whenever a vacancy arises on the Supervisory Board, an individual profile shall be drawn up for the new member.

### 3. Profile of the Supervisory Board

#### A. Composition, expertise and competencies in general

3.1 To meet the requirements, the Supervisory Board as a whole must be able to perform competently the following tasks (in no particular order):

- assessment of the functioning of the members of Executive Board;
- assessment of the strategy and general policy of Triodos Bank, in the light of its objectives;
- assessment of the development of Triodos Bank's financial position;
- assessment of Triodos Bank's (risk) management systems;
- assessment of Triodos Bank's organizational structure; and
- assessment of Triodos Bank's social policy.

3.2 Each member of the Supervisory Board shall in any case, as a minimum requirement, have: (i) affinity with the mission, roots and the values of Triodos Bank; (ii) senior management experience; and (iii) international experience.

3.3 Besides the three main attributes as mentioned under clause 3.2, each Supervisory Board member shall be capable of assessing the broad outline of the overall policy of Triodos Bank and of the most important risks incurred. Each member of the Supervisory Board shall also possess the specific expertise needed to perform his or her role in the Supervisory Board. Each Supervisory Board Member shall have sufficient time available for the proper performance of his or her duties. The composition of the Supervisory Board shall be such that it is able to carry out its duties properly.

3.4 In the selection of Supervisory Board members there will be a balance in nationality (preferably of countries in which Triodos Bank has an office), gender, age, experience and active or retired background. In particular, in respect of gender diversity, the Supervisory Board will pursue that at least 30% of the seats be held by men and at least 30% of the seats be held by women.

#### B. Primary areas of expertise and competence

3.5 The Supervisory Board is considered to be adequately composed if among its individual members, there is a proper distribution of knowledge and experience vis-a-vis:

*Business (products, services and markets) of Triodos Bank*

- Broad experience in society, and an eye for the developments relevant to Triodos Bank's goals;
- Understanding of sustainable development;
- Understanding of national and international banking; in particular retail banking;

*Management, organisation and communication of Triodos Bank*

- Reference is made to the requirements mentioned in clause 3.2. of this profile;

*Controlled and sound operations*

- Relevant expertise in financial administration, accounting and internal control for middle sized or large companies;
- Relevant expertise in risk management for financial institutions;

*Balanced and consistent decision-making*

- Understanding of the interests of the specific groups and personal customer groups in the countries in which Triodos Bank has an office (multi stakeholder relations);
- A reflective attitude.

#### **4. Final provisions**

4.1 At the initiative of the Supervisory Board, this profile shall be evaluated on a regular basis.

4.2 This profile shall be published on Triodos Bank's website [www.triodos.com](http://www.triodos.com).

## Annex B: Charter of the Audit and Risk Committee

### Article 1. Appointment, Composition and Qualifications

**1.1** The Audit and Risk Committee consists of at least three members of the Supervisory Board. The members are appointed by the Supervisory Board from among their number. All of its members must be independent within the meaning of article 3.3.e of the Supervisory Board Charter, with the exception of no more than one member not being the chairman of the Audit and Risk Committee.

**1.2** At least one member of the Audit and Risk Committee must have sound knowledge of financial reporting and internal control systems and audits or the experience needed to thoroughly supervise these areas. At least one member of the Audit and Risk Committee must have sound knowledge of the financial aspects of risk management or the experience needed to make a thorough assessment of risks. In any case, the chairman of the Audit and Risk Committee should have specialist knowledge and experience in the application of accounting principles and internal control processes.

**1.3** The Audit and Risk Committee shall not be chaired by the Chairman of the Supervisory Board or by a former Executive Board member. The Supervisory Board shall appoint the chairman of the Audit and Risk Committee.

### Article 2. Duties

**2.1** The Audit and Risk Committee is a committee of the Supervisory Board, whose task it is to prepare the decisions of the Supervisory Board on audit issues, risk management and other matters as described below. All discussions in the Supervisory Board about risk management shall be prepared by the Audit and Risk Committee.

**2.2** The Audit and Risk Committee shall in any event focus on supervising the activities of the Executive Board with respect to:

**2.2.1** the effectiveness of the design and operation of the internal risk management and control systems, including supervision of the enforcement of the relevant primary and secondary legislation and supervising the operation of codes of conduct. These subjects cover e.g. the Risk Governance Framework, Internal Audit Framework and Compliance Framework, ICAAP, ILAAP, Risk Appetite Statements and the policy structure.

**2.2.2** provision of financial information by the Company. This item includes: the annual accounts, half year figures, the accounting policies, the financial reporting process, the integrity of the and quality of the financial reporting, application and assessment of the effects of new rules, information about the handling of estimated items in the annual accounts, and the

forecasts and the relationship with and functioning of the internal and external auditors. Special attention will be paid to the report of the external auditor on the (annual) accounts. In addition written representations requested by the external auditor from the Executive Board will be discussed.

**2.2.3** the follow-up given to the recommendations and observations of the internal and external auditors on specific (organisational) issues related e.g. governance, risk management, compliance and internal control. This includes ensuring that deficiencies identified by supervisory authorities related to the internal audit function are remedied within an appropriate time frame. Questions related to follow-up would in a first instance be addressed to the Executive Board. Special attention in respect of these issues will be paid to the management letter from the external auditor and the reports of the internal audit department.

**2.2.4** supervision of the role and functioning of the internal audit department. This includes:

- a. advising the Supervisory Board on approving the internal audit plan, scope and budget;
- b. reviewing and discussing internal audit reports;
- c. ensuring that the internal audit function maintains open communication with the Executive Board, external auditors, the supervisory authority, and the Audit and Risk Committee;
- d. reviewing discoveries of fraud and violations of laws and regulations as raised by the head of the internal audit function;
- e. advising the Supervisory Board on approving the Internal Audit Framework and the code of ethics of the internal audit function;
- f. recommending to the Supervisory Board for its approval, the annual remuneration of the internal audit function as a whole, including any Tokens of Appreciation;
- g. give input for the yearly assessment of the performance of the head of the internal audit function; and,
- h. recommending to the Supervisory Board for its approval, the appointment, re-appointment or removal of the head of the internal audit function.

The Audit and Risk Committee will discuss at least once a year the independence of the internal audit function in the absence of the Executive Board. The Audit and Risk Committee shall provide an escalation mechanism for the head of the internal audit function and for the internal audit co-workers.

**2.2.5** supervision of the relation with the external auditor, its independence, objectivity, remuneration, and the effectiveness of the audit process for Triodos Bank. The Audit and Risk Committee will review, and subsequently advise the Supervisory Board on, the content of the Audit Engagement Letter of the external auditor. Total fees charged for the audit of the financial statements will be integrally evaluated by the committee as part of the independence discussion.



- 2.2.6** risk management in general and supervising the role and functioning of the risk management department in particular, specifically regarding:
- a.** the risk profile of the Company in the context of the adopted risk tolerance and appetite;
  - b.** whether capital allocation and liquidity impact in the general sense are in line with the approved risk appetite;
  - c.** the structure and operation of the internal risk management and control systems;
  - d.** the business strategies and plans of the Company;
  - e.** the implementation of the Company's risk policies;
  - f.** the Company's public disclosures on risk and risk management; and
  - g.** such tasks related to the foregoing as the Supervisory Board may delegate to the Audit and Risk Committee from time to time, including:
    - i.** advising the Supervisory Board on approving the Risk Appetite Framework and Risk Appetite Statement;
    - ii.** reviewing and discussing the Enterprise Risk Management reports;
    - iii.** advising the Supervisory Board on its consultation with regard to the actual risk profile and the Risk Appetite Statement;
    - iv.** giving input for the yearly assessment of the performance of the head of risk function; and
    - v.** recommending to the Supervisory Board for its approval, the appointment, re-appointment or removal of the head of risk function.

The independency of the risk management function is emphasised by having a reporting and escalation line to the Audit & Risk Committee.

**2.2.7** recommending to the Supervisory Board for its approval a set of appropriate objective criteria for selecting the external auditor. In addition, the Audit and Risk Committee will prepare the selection of the external auditor and the proposal of the Supervisory Board to the annual general meeting for the (re-) appointment or dismissal of the external auditor, giving due consideration to the observations of the Executive Board.

**2.2.8** the group's policy related to tax planning.

**2.2.9** the financing of the Company.

**2.2.10** the applications of information and communication technology (ICT), including the risks related to cybercrime.

**2.3** The Audit and Risk Committee shall discuss at least once a year on its own, i.e. without the Executive Board members being present and, if desired, with an external adviser:

- a.** the functioning of the Audit and Risk Committee, its individual members, and the conclusions that must be drawn on the basis thereof;
- b.** the desired profile, composition and competence of the Audit and Risk Committee.

**2.4** The Audit and Risk Committee shall act as the principal contact for the external auditor if he/she discovers irregularities or misconduct in the performance of its duties. If this pertains to the functioning of the Executive Board, the external auditor should directly report to the Chairman of the Supervisory Board.

**2.5** The Audit and Risk Committee addresses any other issues delegated to it by the Supervisory Board, in line with the A&RC Rolling Garden Calendar that is drawn up on an annual basis.

### Article 3. Audit and Risk Committee meetings

**3.1** The Audit and Risk Committee will decide on the items on the agenda of the meetings. The director risk will submit to the chairman of the Audit and Risk Committee a proposed agenda with audit items and risk items at least one month before the meeting. The agenda will contain certain standard items as well as any other items the Audit and Risk Committee deems necessary to discuss for the fulfilment of its task.

**3.2** At least four regular meetings of the Audit and Risk Committee will be held in any one year. The first will take place ideally in February (before the approval of the annual accounts by the Supervisory Board), the second in May, the third in August and the last in November. The meeting documentation shall be sent to the members of the Audit and Risk Committee at least five (5) working days in advance of the meeting.

**3.3** The chief financial officer, the internal auditor and the external auditor shall attend the meetings of the Audit and Risk Committee, unless the committee decides otherwise. The Audit and Risk Committee shall decide whether and, if so when, other persons shall attend its meetings, including the chairman of the Executive Board (chief executive officer) the director risk and the director finance. The Audit and Risk Committee shall meet with the external auditor as often as it considers necessary, but at least once a year without the Executive Board members being present.

**3.4** The Audit and Risk Committee shall report to the Supervisory Board on its deliberations and findings. This report must, at least, include the following information:

- a.** the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
- b.** the methods used to assess the effectiveness of the internal and external audit processes;
- c.** material considerations regarding financial reporting; and
- d.** the way material risks and uncertainties within the framework of the in control statement have been analysed and discussed, along with a description of the most important findings of the Audit and Risk Committee.

The Audit and Risk Committee shall furthermore report annually to the Supervisory Board on the functioning of and relationship with the external auditor.

#### **Article 4. Minutes**

Minutes will be made after each meeting containing the deliberations and findings of the Audit and Risk Committee as well as an action list for the following meetings. These minutes will be made under the responsibility of the director risk and will be signed by the chairman of the Audit and Risk Committee. The minutes will be distributed to the Supervisory Board. The chairman of the Audit and Risk Committee will report on the working of the Audit and Risk Committee at the next succeeding meeting of the Supervisory Board.

#### **Article 5. Remuneration**

In addition to the remuneration as mentioned in article 7 of the Supervisory Board Charter members of the Audit and Risk Committee will receive an additional annual compensation and allowance for expenses as determined and reviewed from time to time in accordance with said article 7.

## Annex C. Charter of the Nomination and Compensation Committee

### Article 1. Appointment, Composition and Qualifications

**1.1** The Nomination and Compensation Committee consists of at least two members. The members are appointed by the Supervisory Board from among their number.

**1.2** The Supervisory Board shall appoint the chairman of the Nomination and Compensation Committee from its members.

**1.3** The members collectively have adequate knowledge of and management expertise in selection and compensation of the top levels of management of large companies.

**1.4** Without prejudice to article 3.3 of the Supervisory Board Charter, the following requirements must be observed in composing the Nomination and Compensation Committee:

- i) all of its members must be independent within the meaning of article 3.3.e of the Charter, with the exception of no more than one member;
- ii) the Nomination and Compensation Committee shall not be chaired by the Chairman of the Supervisory Board or by a former Executive Board member.

### Article 2. Duties

**2.1** The Nomination and Compensation Committee shall be responsible for preparing decisions that must be taken by the Supervisory Board on selection, appointment and remuneration. In preparing such decisions the Nomination and Compensation Committee shall take into account the long-term interests of the shareholders, investors and other stakeholders of the Company.

**2.2** The Nomination and Compensation Committee shall in any event have the following duties:

**2.2.1** drafting a proposal to the Supervisory Board for the general principles of the remuneration policy to be pursued;

**2.2.2** preparing a proposal for the Supervisory Board concerning the remuneration policies for the Executive Board to be adopted by the general meeting;

**2.2.3** preparing a proposal concerning the individual remuneration of the Executive Board members, for adoption by the Supervisory Board;

**2.2.4** preparing, on an annual basis, the Supervisory Board's remuneration report on the remuneration policies for the Executive Board to be adopted by the Supervisory Board.

**2.3** The consultation with Executive Board members (or prospective members) about his/her remuneration shall be conducted by the Nomination and Compensation Committee (or its chairman), possibly in the presence of the Chairman of the Supervisory Board

and the remuneration consultant.

**2.4** When drafting the proposal for the remuneration of Executive Board members, the Nomination and Compensation Committee shall take note of the individual Executive Board members' view with regard to the amount and structure of their own remuneration.

**2.5** In respect of selection and appointments, the Nomination and Compensation Committee shall in any event focus on:

- a. drawing up selection criteria and appointment procedures for Supervisory Board and Executive Board members;
- b. periodically assessing the size and composition of the Supervisory Board and the Executive Board, and making a proposal for a composition profile of the Supervisory Board;
- c. periodically assessing the functioning of individual Supervisory Board and Executive Board members, and reporting on this to the Supervisory Board;
- d. drawing up a plan for the succession of Executive Board and Supervisory Board members;
- e. making proposals for appointments and reappointments; and
- f. supervising the policy of the Executive Board on the selection criteria and appointment procedures for senior management.

**2.6** The Nomination and Compensation Committee is consulted on:

- a. the recruitment and dismissal of the International Management Counsel ("IMC") members;
- b. the remuneration of the IMC positions;
- c. the organisational development plan at central level.

**2.7** In case of a member of senior management (being a direct report of the Executive Board) leaving the Company, the Nomination and Compensation Committee can ask the Executive Board to facilitate to invite such member for an exit interview with one or more of the members of the committee.

**2.8** The Nomination and Compensation Committee addresses any other issues delegated to it by the Supervisory Board, in line with the N&CC Rolling Garden Calendar that is drawn up on an annual basis.

**2.9** The Nomination and Compensation Committee shall discuss at least once a year on its own, i.e. without the Executive Board members being present and, if desired, with an external adviser:

- a. the functioning of the Nomination and Compensation Committee, its individual members, and the conclusions that must be drawn on the basis thereof; and
- b. the desired profile, composition and competence of the Nomination and Compensation Committee.

### **Article 3. Meetings**

**3.1** The Nomination and Compensation Committee meets at least three times annually and as and when needed. The chairman will see to it that minutes of the meeting are prepared. The chairman of the Executive Board attends the meetings.

**3.2** As needed, the Nomination and Compensation Committee provides the Supervisory Board with written or verbal reports regarding its duties.

**3.3** The Nomination and Compensation Committee may ask the advice of internal and external experts on matters within the competence of the committee.

### **Article 4. Compensation**

In addition to the remuneration as mentioned in article 7 of the Supervisory Board Charter, members of the Nomination and Compensation Committee will receive an additional annual compensation and allowance for expenses as determined and reviewed from time to time in accordance with said article 7.