

**RULES OF PROCEDURE  
SUPERVISORY BOARD OF DE VOLKSBANK N.V.**

1 December 2022

*The mission of de Volksbank is: 'Banking with a human touch'. To live up to this mission, de Volksbank pursues Shared Value. Shared Value optimizes the aggregate value for all stakeholders.*

**ARTICLE 1 *The composition and independence of the Supervisory Board***

- 1.1 The Supervisory Board has such number of members as is sufficient for the proper performance of its duties as well as those of its Committees. The Supervisory Board has at least three (3) members. The Supervisory Board draws up a profile of its scope and composition. The Supervisory Board shall evaluate the profile periodically. The current collective profile is set out in Annex III. In addition, the Supervisory Board shall prepare an individual profile in case of a vacancy in the Supervisory Board which specifically addresses the requirements to be met in filling that particular vacancy [which is in keeping with the collective profile set out in Annex III].
- 1.2 The requirements that apply to the members of the Supervisory Board and which, by way of addition to the profile, must be taken into account when determining the composition of the Supervisory Board are:
  - 1.2.1 each member of the Supervisory Board must satisfy the individual profile drawn up when the vacancy arises;
  - 1.2.2 each of the members of the Supervisory Board must be capable of assessing de Volksbank's general policy in broad outline and making a balanced and independent assessment of the basic risks entailed by the policy and should have thorough knowledge and be aware of the social functions and role of de Volksbank and the interests of all parties involved in de Volksbank. Each of the members of the Supervisory Board should be sufficiently critical in performing their duties;
  - 1.2.3 one-third of the members of the Supervisory Board shall be nominated for the Supervisory Board upon recommendation of the Works Council in the manner provided for in the Articles of Association.
- 1.3 A member of the Supervisory Board is not independent if they or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:
  - 1.3.1 has been an employee or a member of the Executive Board of de Volksbank (including associated companies as referred to in article 5:48 of the Dutch Financial Supervision Act) in the five years prior to his/her appointment as a member of the Supervisory Board;
  - 1.3.2 receives personal financial compensation from de Volksbank, or a company associated with it, other than the compensation received for work performed as a member of the Supervisory Board, and in so far as this is not in keeping with normal course of business;
  - 1.3.3 has had an important business relationship with de Volksbank or an associated company in the year prior to his/her appointment as a member of the Supervisory Board. This includes in any event cases in which a member of the Supervisory Board, or an office in respect of which he is a shareholder, partner, employee or

- adviser, has acted as adviser (consultant, external auditor, civil law notary or attorney-at-law) to de Volksbank any or an associated company, and cases in which the member of the Supervisory Board is a member of the managing board or an employee of an institution with which de Volksbank or an associated company has a sustainable and significant relationship;
- 1.3.4 is a member of the managing board of a company in which a member of the Executive Board supervises the member of the Supervisory Board;
  - 1.3.5 has temporarily performed management duties during the previous twelve (12) months in the absence or incapacity of members of the Executive Board;
  - 1.3.6 has a shareholding of at least ten (10%) percent in de Volksbank (including shares held by natural or legal entities that cooperate with him/her under the terms of an express legal or implicit oral or written agreement);
  - 1.3.7 is a member of the managing board or supervisory board of or otherwise represents a legal entity which holds at least ten percent (10%) of the shares in de Volksbank.
- 1.4 Each member of the Supervisory Board should be capable of acting independently critically vis-à-vis one another, the Executive Board, Executive Committee and any particular interest involved. Each member of the Supervisory Board should also avoid doing anything which could give rise to the impression of a conflict of interest. The formal independence of the Supervisory Board as a whole, should be guaranteed.
- 1.5 In order to safeguard its independence, the Supervisory Board is composed in accordance with the following criteria:
- 1.5.1 any one of the criteria referred to in article 1.3.1 through 1.3.7 of these Rules of Procedure should be applicable to at most one member of the Supervisory Board;
  - 1.5.2 the total number of Supervisory Board members to whom the criteria referred to in 1.3 of these Rules of Procedure are applicable should account for less than half of the total number of Supervisory Board members.
- 1.6 The Supervisory Board will declare in the report of the Supervisory Board whether, in its view, the requirement of independence as referred to in article 1.3, 1.5, 3.1 has been fulfilled and, where applicable, indicate which member of the Supervisory Board is not considered to be independent.
- 1.7 The Supervisory Board may appoint one or more of its members as 'delegate' members. A delegate member is a member of the Supervisory Board with a special task. The delegation may not extend beyond the duties of a member of the Supervisory Board and may not involve management of de Volksbank; its purpose is to achieve more intensive supervision and advice and more regular consultation with the Executive Board and/or the Executive Committee. The role of delegate member is of a temporary nature. The delegation cannot detract from the duties and powers of the Supervisory Board. A delegate member remains a member of the Supervisory Board.
- 1.8 Each member of the Supervisory Board is required to submit to the chair of the Supervisory Board such information as is necessary to record (including the report of the Supervisory Board) and, where applicable, update his/her:

- (i) gender;
- (ii) age;
- (iii) nationality;
- (iv) principal position;
- (v) (other) positions (*nevenfuncties*), in so far as they are relevant to the performance of the duties of the member of the Supervisory Board;
- (vi) date of initial appointment;
- (vii) current term of office.

1.9 The chair of the Supervisory Board observes that the information referred to in articles 1.8 and 15.2 is published in the report of the Supervisory Board and is assisted in this matter by the Company Secretary.

## **ARTICLE 2 Appointment, reappointment, term of office and resignation**

- 2.1 As soon as a vacancy arises on the Supervisory Board, an individual profile will be drawn up as referred to in article 1.1. The members of the Supervisory Board are appointed and reappointed by the General Meeting, upon the nomination of the Supervisory Board, in the manner provided for in the Articles of Association.
- 2.2 A member of the Supervisory Board is appointed for a period ending at the close of the first general meeting held after four (4) years have passed since their last appointment, unless a shorter period was set at the time of (re)appointment and may then be reappointed once for another maximum four-year period, taking into account the rotation scheme. The member of the Supervisory Board may then subsequently be reappointed again for a maximum period of two (2) years, which appointment may be extended by at most two (2) years. In the event of a reappointment after an eight-year period, reasons shall be given in the report of the Supervisory Board. In any appointment or reappointment, the profile referred to in article 1.1 shall be observed.
- 2.3 Reappointment of a member of the Supervisory Board takes place only after careful consideration and with a statement of reasons, due consideration being given to the profile referred to in article 1.1. As provided for in the Articles of Association, account is taken in the reappointment decision of the manner in which the candidate has discharged his duties as member of the Supervisory Board.
- 2.4 The members of the Supervisory Board resign in the event of inadequate functioning, structural incompatibility of interests, if they no longer meet the suitability requirements and this cannot be addressed timely by taking appropriate corrective measures or in any other instances where resignation is deemed necessary by the Supervisory Board. In the event of the such an early resignation of a member of the Supervisory Board, de Volksbank issues a press release mentioning the reasons for resignation.
- 2.5 The members of the Supervisory Board may also resign at their own request.
- 2.6 Members of the Supervisory Board who conduct the management of de Volksbank on an interim basis when members of the Executive Board are absent or unable to act, cease (temporarily) to be members of the Supervisory Board in order to assume the management role.

**ARTICLE 3 Chair, vice-chair and Company Secretary**

- 3.1 The General Meeting appoints one of the members of the Supervisory Board as chair. The chair of the Supervisory Board ensures that the General Meeting also appoints one of the members of the Supervisory Board as vice-chair. The vice-chair deputizes for the chair in the event the position of the chair is vacant (*ontstentenis*), if the chair is unable to act (*belet*), or if the chair is absent, and is the point of contact for individual members of the Supervisory Board and members of the Executive Board and the Executive Committee in matters pertaining to the functioning of the chair of the Supervisory Board.
- 3.2 The chair sets the agenda and presides over the meetings of the Supervisory Board. The chair also observes the proper functioning of the Supervisory Board and its Committees. The chair is also the first point of contact on behalf of the Supervisory Board for the Executive Committee and the Executive Board. In addition, the chair is the main point of contact for the Executive Committee, the Executive Board, the Supervisory Board, and the Shareholder in matters relating to the functioning of members of the Executive Board, Executive Committee and members of the Supervisory Board. The chair of the Supervisory Board also:
- 3.2.1 ensures that the Supervisory Board has proper contact with the Executive Board, the Executive Committee, the Works Council and the General Meeting;
  - 3.2.2 ensures that the General Meeting elects a vice-chair;
  - 3.2.3 ensures that there is sufficient time for deliberation and decision-making by the Supervisory Board;
  - 3.2.4 ensures that the members of the Supervisory Board receive all information that is necessary for the proper performance of their duties in a timely fashion;
  - 3.2.5 ensures that the Supervisory Board and its Committees function properly;
  - 3.2.6 ensures that the performance of members of the Executive Board and Executive Committee is assessed at least annually;
  - 3.2.7 ensures that the Executive Board performs activities in respect of culture;
  - 3.2.8 ensures that the Supervisory Board recognizes signs from de Volksbank and ensures that any (suspicion of) material misconduct and irregularities are reported to the Supervisory Board without delay;
  - 3.2.9 ensures that the General Meeting proceeds in an orderly and efficient manner;
  - 3.2.10 ensures that effective communication with the Shareholder is assured;
  - 3.2.11 ensures that the Supervisory Board is involved closely, and at an early stage, in any merger or takeover processes;
  - 3.2.12 ensures that he/she consults regularly with the CEO;
  - 3.2.13 presides over the meetings of the Supervisory Board, in which connection he/she encourages and promotes in meetings of the Supervisory Board a frank and critical exchange of views in which divergent opinions can be expressed and discussed in the decision-making process, and observes that decisions of the Supervisory Board are made on a sound and informed basis;
  - 3.2.14 ensures and promotes an open dialogue between the Executive Board, the Executive Committee and the Supervisory Board;
  - 3.2.15 ensures that strategic issues are discussed with priority.

- 3.3 The Supervisory Board is assisted by the Company Secretary. With regards to the Supervisory Board, the Company Secretary has responsibility for:
- 3.3.1 following the correct procedures and acting in accordance with all obligations imposed by applicable law and regulations, including Dutch law, and the Articles of Association (including the obligations under these Rules of Procedure);
  - 3.3.2 facilitating the provision of information of the Executive Board, the Supervisory Board and the Executive Committee;
  - 3.3.3 assisting the chair of the Supervisory Board and assisting the chair of a Supervisory Board committee with the actual organization of the Supervisory Board and its committees (information, agenda, minutes, evaluation, lifelong learning program, etc.).
- 3.4 The Company Secretary may entrust some or all of his/her duties under these Rules of Procedure, or part of these Rules of Procedure, to one or more deputies.
- 3.5 If the Company Secretary notes that the interests of the Executive Committee or Executive Board and the Supervisory Board diverge, as a result of which it is unclear which interests the Company Secretary should represent, the Company Secretary shall report this to the chair of the Supervisory Board.

#### **ARTICLE 4 *Supervisory Board Committees***

- 4.1 The Supervisory Board may set up one or more Committees to assist the Supervisory Board in the performance of its duties and is responsible for the appointment of its members to those Committees to which the Supervisory Board has delegated the power to prepare decisions on certain matters as specified in the rules of procedure of the Committees. At the time of adoption of these Rules of Procedure, the Supervisory Board has the following Committees:
- (i) the Audit Committee;
  - (ii) the People and Organisation Committee (MOC<sub>o</sub>);
  - (iii) the Risk & Compliance Committee.
- 4.2 The (entire) Supervisory Board remains responsible for decisions, including those prepared by one of its Committees. Furthermore, the Supervisory Board as a whole and the individual members of the Supervisory Board remain responsible for obtaining information and forming an independent opinion.
- 4.3 The Supervisory Board draws up rules of procedure for each Committee, setting out, among other things, the role and responsibilities of the Committee concerned, its composition and the manner in which it discharges its duties.
- 4.4 The Supervisory Board receives from each Committee a report of its deliberations and findings after each committee meeting.
- 4.5 In addition to the various types of expertise and qualities required for members of the Supervisory Board, the members of the Committees must fulfil specific competence and experience requirements set for the Committee concerned [in accordance with the profile included in Annex III].

- 4.6 The chair of the Supervisory Board may not also chair the Audit Committee, the MOCo or the Risk & Compliance Committee.
- 4.7 Each member of the Supervisory Board has a standing invitation to attend the meetings of the Committees of which he/she is not a member. To promote a coherent approach to the operation of the Committees and to avoid gaps in the supervision, some members of the Supervisory Board are member of more than one Committee.
- 4.8 Upon request the Executive Board shall attend the meetings of the Supervisory Board or its committees. The chair of the Supervisory Board in consultation with the CEO shall decide which member(s) of the Executive Committee will attend (a part of) an upcoming meeting of the Supervisory Board or any of the Supervisory Board Committees, with a view to their specific expertise and responsibilities and the agenda of that meeting.

#### **ARTICLE 5 *Duties of the Supervisory Board***

- 5.1 The Supervisory Board supervises the policies and the general course of affairs of de Volksbank and the business enterprise connected with it and assists the Executive Board and Executive Committee by providing advice. In fulfilling its tasks the Supervisory Board shall be guided by the interests of de Volksbank and the business enterprise connected with it.
- 5.2 In addition, the Supervisory Board supervises, advises, challenges and supports the Executive Board and Executive Committee in the exercise of their powers and duties, taking into account the dynamics and the relationship between the Executive Committee and the Executive Board and its members and while preserving the statutory tasks and responsibilities of the Supervisory Board and the Executive Board in compliance with applicable law and regulations, including Dutch law, Articles of Association and the applicable rules of procedure.
- 5.3 The Supervisory Board also has due regard for the social aspects of doing business relevant to de Volksbank. The Supervisory Board is responsible for the quality of its own performance. The members of the Supervisory Board are collectively responsible for the Supervisory Board's performance of its duties.
- 5.4 The Supervisory Board, with due regard for its duties and powers, is responsible for developing, disseminating and upholding standards of integrity, morality and leadership for ensuring an effective system of checks and balances and for maintaining a good IT infrastructure, which is essential to the functioning of de Volksbank.
- 5.5 The Supervisory Board supervises the Executive Board and the Executive Committee in establishing core values, the code of conduct, the business principles adopted on the basis of these values and in emphasizing to all employees of de Volksbank the importance of complying with them. The Supervisory Board supervises the Executive Board and Executive Committee in ensuring that all employees of de Volksbank are and remain familiar with all applicable rules (of conduct), values and standards and comply with the formal laws and regulations and self-regulation requirements applicable to them. The Supervisory Board observes that the banker's oath or affirmation is taken by all employees of de Volksbank who have such an obligation and by the members of the Executive Board and the members of the Executive Committee.

- 5.6 The Supervisory Board ensures that de Volksbank has a formal and transparent procedure for the appointment and reappointment of Executive Board members, Executive Committee members and Supervisory Board members as well as a sound plan in place for the succession of members of the Executive Board, the Executive Committee and the Supervisory Board that is aimed at retaining the balance in expertise, experience, and diversity. Due regard should be given to the profile referred to in article 1.1 in drawing up the plan for members of the Supervisory Board. The Supervisory Board also draws up a rotation scheme in order to avoid, as much as possible, members of the Supervisory Board retiring simultaneously. The rotation scheme is published on de Volksbank's website.
- 5.7 The Supervisory Board also supervises compliance with the provisions of applicable law and regulations, including Dutch law, applicable laws and regulation on the prevention of money laundering and terrorism financing, the Articles of Association, the Memorandum of Understanding and the applicable rules of procedure.
- 5.8 The Supervisory Board may enlist the assistance of an internal or external adviser, including independent legal advisers or advisers on the technicalities of compliance, for the performance of its duties. De Volksbank provides the required financial resources to pay the invoices of the advisers it has engaged.
- 5.9 The specific duties of the Supervisory Board are set out in Annex II.

#### **ARTICLE 6 Remuneration**

- 6.1 When necessary, and at least every four years, the Supervisory Board submits a proposal to the General Meeting for adoption of the remuneration policy applicable to the Supervisory Board and of the remuneration policy applicable to the Executive Board. The remuneration policy is set in accordance with applicable law and regulations, including Dutch law, the Banking Code and any guidelines on state holdings applicable to de Volksbank.
- 6.2 If necessary, the Supervisory Board submits a proposal to the General Meeting in respect of the remuneration to be paid to the chair and other members of the Supervisory Board and the Committees. The remuneration of Supervisory Board members and any other agreed conditions is set by the General Meeting in accordance with the aforementioned remuneration policy.
- 6.3 The remuneration of the members of the Supervisory Board must reflect the mission and values of de Volksbank, the time spent and the responsibilities of their role.
- 6.4 Members of the Supervisory Board and the Committees are reimbursed for all reasonable expenses incurred in connection with their attendance at meetings. All other expenses are reimbursed, either in whole or in part, only if incurred with the prior consent of the chair. The chair informs the Supervisory Board about this annually.
- 6.5 The Supervisory Board safeguards that it will perform its duties in relation to the remuneration policy and its implementation in accordance with national and international laws and regulations and the principles of the Banking Code and, in so far as applicable, any guidelines for state

holdings. When performing its duties, the Supervisory Board observes, above all, that the remuneration policy and its implementation:

- 6.5.1 are diligent, controlled and sustainable;
  - 6.5.2 are unambiguous and transparent;
  - 6.5.3 are primarily aimed at the long term;
  - 6.5.4 are in keeping with de Volksbank's risk policy;
  - 6.5.5 are characterized by balanced relationships, both internal and external, with due account being taken of the expectations of the different Stakeholders and the degree of support in society.
- 6.6 The Supervisory Board observes that a description of the remuneration policy is included annually in the management report and on de Volksbank's website.

#### **ARTICLE 7 *Supervisory Board meetings***

- 7.1 The Supervisory Board shall meet as often as one or more members of the Supervisory Board deem necessary, but at least six (6) times a year. Meetings are convened by or on behalf of the chair of the Supervisory Board.
- 7.2 The agenda of the meetings is drawn up by the chair of the Supervisory Board. The head of Compliance and the head of Audit may stipulate items for the agenda of a meeting of the Supervisory Board. The agenda of a meeting is supplied to the members of the Supervisory Board and, if invited to the meeting, to the members of the Executive Board and the Executive Committee at the same time as the notice calling the meeting or as soon as possible thereafter.
- 7.3 As a rule, the meetings are held at the offices of de Volksbank, but they may also take place elsewhere. Unless a member of the Supervisory Board objects meetings may also be held by telephone or videoconferencing or by comparable means of communication, provided that all participants are simultaneously linked.
- 7.4 Each member of the Supervisory Board has one vote. Only a member of the Supervisory Board can represent another member of the Supervisory Board for the purpose of decision making by the Supervisory Board.
- 7.5 The meeting is presided over by the chair of the Supervisory Board, or in his/her absence by the vice-chair. If the vice-chair is also absent, the meeting appoints a chair of the meeting.
- 7.6 Minutes of the meeting are prepared by the Company Secretary. Generally these minutes are adopted in the next meeting. The Company Secretary may, on request, circulate extracts of the adopted minutes.
- 7.7 Members of the Supervisory Board should attend Supervisory Board meetings and the meetings of the Committees of which they are a part. If members of the Supervisory Board are frequently absent from these meetings, they should be held to account on this by the chair of the Supervisory Board. The report of the Supervisory Board states the absenteeism rate from members of the Supervisory Board and Committee meetings for each member of the Supervisory Board.

- 7.8 Prejudice to article 7.10, upon request the Executive Board shall attend the meetings of the Supervisory Board. The chair of the Supervisory Board in consultation with the CEO shall decide which member(s) of the Executive Committee will attend (a part of) an upcoming meeting of the Supervisory Board with a view to their specific expertise and responsibilities and the agenda of that meeting.
- 7.9 De Volksbank's internal and external auditors take part in each meeting of the Supervisory Board in which the report of the auditors on the audit of the financial statements, including the (draft) joint management letter, is discussed. The external auditor receives the financial information that is necessary for the performance of his/her work in a timely fashion and that the external auditor shall be given the opportunity to respond to the information that has been provided.
- 7.10 The Supervisory Board shall at least once each calendar year:
- 7.10.1 together with the Executive Board and Executive Committee evaluate the cooperation between the Supervisory Board, the Executive Board and the Executive Committee;
  - 7.10.2 outside the presence of the Executive Board and Executive Committee, evaluate the functioning of the Supervisory Board, its Committees and its individual members, as well as the conclusions to be drawn from this. In doing so, attention should be paid to:
    - (i) substantive aspects, the mutual interaction and the interaction with the Executive Board and the Executive Committee; and
    - (ii) events that occurred in practice from which lessons may be learned; and
    - (iii) the desired profile, composition, competencies and expertise of the Supervisory Board. The involvement of the members of the Supervisory Board and the culture of openness within the Supervisory Board and towards the Executive Board and the Executive Committee shall also form part of this evaluation. Once every three years the evaluation shall take place under independent supervision;
  - 7.10.3 outside the presence of the Executive Board and Executive Committee, evaluate the functioning of the Executive Board, the Executive Committee and their individual members, as well as the conclusions to be drawn from this, such also in light of the succession of the members of the Executive Board and the Executive Committee. The way the members of the Executive Board and Executive Committee fulfil their exemplary function and promote a healthy corporate culture throughout the organization shall also form part of this evaluation;
  - 7.10.4 outside the presence of the Executive Board and Executive Committee, evaluate the profile and the required composition and competences of the Supervisory Board, the Executive Board and the Executive Committee;
  - 7.10.5 perform the annual suitability re-assessments in accordance with the suitability requirements;
  - 7.10.6 conduct a review to identify any aspects with regard to which the Supervisory Board members require training or education;
  - 7.10.7 discuss the long term value creation strategy, the implementation of the long term value creation strategy, the principal risks associated with it, the risk profile, including the principal risks attendant on the activities of de Volksbank (including the measures

taken to mitigate the risks) and the outcomes of the assessment of the design and effectiveness of the internal risk management and control systems and the structure of the organization, as well as any significant changes made to them. The design and effectiveness of the internal risk management and control systems will be discussed by the Executive Board with the Audit Committee and account will be rendered of this to the Supervisory Board. The Supervisory Board assesses in this connection the actual outcome of the strategy and objectives formulated in the preceding period(s);

7.10.8 evaluate the effectiveness of the compliance function;

7.10.9 discuss the Whistleblowing Policy and its functioning.

7.11 In addition to the subjects described in article 7.10, the Supervisory Board periodically approves:

7.11.1 de Volksbank's strategy and risk appetite based on the Executive Board's proposal. Any material changes in the strategy and risk appetite over the course of the year are also put to the Supervisory Board for approval. For this purpose, the Supervisory Board discusses de Volksbank's strategy, risk profile and assesses whether the capital allocation and liquidity requirements in general are in accordance with the approved risk appetite. The Supervisory Board also discusses whether the business activities are still consistent with the strategy and risk appetite. In performing the supervisory role described in this article, the Supervisory Board is always assisted by the Risk & Compliance Committee; and

7.11.2 the audit plan as prepared by Audit, involving the Executive Board, the Audit Committee and the external auditor in this process. The audit plan should be submitted to the Executive Board, and then to the Supervisory Board, for approval. In this internal audit plan, attention should be paid to the interaction with the external auditor.

7.12 The report of the Supervisory Board in the management report must mention:

7.12.1 how the evaluation referred to in article 7.10.2 has been carried out;

7.12.2 how the evaluation referred to in article 7.10.3 has been carried out;

7.12.3 what has been or will be done with the conclusions from the evaluations;

7.12.4 the discussions referred to in article 7.10.7 (in particular how the Supervisory Board was involved in the establishment of the strategy and the way in which it monitors the implementation thereof).

## **ARTICLE 8 *Supervisory Board resolutions***

8.1 The Supervisory Board may pass valid resolutions either in a meeting or otherwise by a majority of the votes cast. In the event of a tied vote, the chair has the casting vote. In case only two members of the Supervisory Board are in function and the vote results in a tie, the proposal shall be rejected.

8.2 The Supervisory Board may also pass resolutions other than at a meeting, provided that this is done in writing (or in a manner that can be reproduced in writing) and all members of the Supervisory Board have been consulted and none of them has objected to a resolution being passed in this manner. Resolutions passed in this manner must be recorded in writing and signed by the chair. The fact that a resolution has been passed other than at a meeting must be mentioned in the next meeting of the Supervisory Board.

## **ARTICLE 9 Information and relationship with the Executive Board and Executive Committee**

- 9.1 The exercise of all powers and duties of the Supervisory Board and the cooperation between the Supervisory Board and the Executive Board and Executive Committee shall be focused on ensuring long-term value creation by de Volksbank and to build and maintain the culture as is required for that purpose taking into account Stakeholder interests and all in accordance with applicable law and regulations, including Dutch law. The Supervisory Board and the Executive Board and Executive Committee join efforts to ensure a tone at the top and behaviour that is in keeping with the adopted values and propagating these values through leading by example.
- 9.2 The chair of the Supervisory Board is the main contact on behalf of the Supervisory Board for the Executive Board and Executive Committee.
- 9.3 The Supervisory Board is provided by the Executive Board and the Executive Committee with all the information necessary for the proper performance of the duties of the Supervisory Board and as requested by the Supervisory Board from time to time.
- 9.4 The Supervisory Board, its Committees and its individual members have their own responsibility for obtaining from the Executive Board, the Executive Committee, Audit, Compliance, the external auditor and the Works Council all information that the Supervisory Board requires for the proper performance of its duties as a supervisory body. If the Supervisory Board as a whole deems it necessary, it may obtain information from officers and external advisors of de Volksbank. Individual members of the Supervisory Board may not on behalf of the Supervisory Board request information from external advisors, except for the chair of the Supervisory Board if circumstances so require with a view to the interests of the Supervisory Board and in consultation with the vice-chair of the Supervisory Board. The Executive Committee provides the necessary resources for obtaining information. The Supervisory Board may require certain officers and external advisors of de Volksbank to attend its meetings.
- 9.5 At least once a quarter, the Supervisory Board receives from the Executive Board reports prepared in a format agreed from time to time and setting out relevant information on the affairs of de Volksbank, including detailed information about such matters as the financial results, balance sheet developments, commercial developments, substantial investments, personnel and new material risks.
- 9.6 Any member of the Executive Committee is entitled to discuss with or escalate a matter to the chair of the Supervisory Board, in accordance with article 3.4 rules of Procedure for the Executive Committee. Prior to doing so, the relevant member first notifies the CEO. The CEO may then decide to liaise with the chair of the Supervisory Board and the relevant member of the Executive Committee. The chair of the Supervisory Board, the CEO and the relevant member of the Executive Committee will then discuss the matter with the aim of finding a mutually acceptable solution in the best interest of de Volksbank, and preserving a constructive relationship between the members of the Executive Committee. In the event that the CEO decides not to inform the chair of the Supervisory Board of the contested matter, the relevant member of the Executive Committee may escalate directly to the chair of the

Supervisory Board.

**ARTICLE 10 *Relationship with the Shareholder***

- 10.1 The chair of the Supervisory Board is the main contact on behalf of the Supervisory Board for the General Meeting.
- 10.2 The members of the Supervisory Board must attend the General Meeting, unless they have good reason for being absent. A member of the Supervisory Board who is nominated for appointment must in any event attend the General Meeting in which votes will be cast on his/her nomination.
- 10.3 The Supervisory Board provides the General Meeting with all information it may require in order to exercise its powers, unless overriding interests of de Volksbank or any statutory regulations or legal rules dictate otherwise. If the Supervisory Board invokes such overriding interests, it will explain the reasons for doing so.
- 10.4 Without prejudice to article 5, the Executive Board and the Supervisory Board are responsible for de Volksbank's corporate governance structure and are accountable to the General Meeting for this. The main outlines of the corporate governance structure are set out each year in a separate chapter of the management report. This chapter also indicates the extent to which de Volksbank applies the best practice provisions of the Dutch Corporate Governance Code and the Banking Code, while indicating the extent of and explaining the reasons for any derogations from these codes.

**ARTICLE 11 *Relationship with the Works Council***

- 11.1 The chair of the Supervisory Board is the main contact on behalf of the Supervisory Board for the Works Council. The Supervisory Board will designate one or more of its members to attend the consultative meetings of the Works Council, in so far as members are required by applicable law and regulations, including Dutch law, or pursuant to an agreement with the Works Council to attend such meetings.
- 11.2 The chair of the Supervisory Board has primary responsibility for maintaining and coordinating the contacts with the Works Council, unless the Supervisory Board has decided otherwise in accordance with article 11.1. If a member of the Supervisory Board is invited to attend a meeting with the Works Council, he/she may accept such an invitation only after prior consultation with the chair of the Supervisory Board.
- 11.3 Proposals of the Executive Board or the Executive Committee requiring both prior approval from the Supervisory Board and advice from the Works Council must be put to the Supervisory Board for approval first. If granted, this approval is conditional upon the advice of the Works Council.
- 11.4 A Works Council delegation and the Supervisory Board will meet, at least once annually, to discuss the procedure regarding the appointment/reappointment of members of the Supervisory Board.

- 11.5 The Supervisory Board discusses the profile of the Supervisory Board, as well as any changes made to the profile, with the Works Council.
- 11.6 The Works Council is informed in good time of any vacancy that arises on the Supervisory Board so that it can recommend candidates for the vacancy.

**ARTICLE 12 *Related party transactions***

- 12.1 The Supervisory Board shall prepare a policy regarding the periodic review of transactions entered into in the ordinary course of business and under normal market conditions.
- 12.2 All transactions between a member of the Supervisory Board and de Volksbank and/or its Shareholder will be agreed on terms that are customary in the market. Decisions to enter into transactions with the Shareholder or other such persons that are of material significance to de Volksbank, require the approval of the Supervisory Board. Such transactions will be published in the management report, together with a declaration that this article 12.2 has been complied with.
- 12.3 A member of the Supervisory Board may not be granted personal loans, guarantees or the like by de Volksbank unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board. No remission of loans should be granted.

**ARTICLE 13 *Conflicts of interest***

- 13.1 Members of the Supervisory Board are alert to all conflicts of interest, including but not limited to conflict of interests in connection with:
- 13.1.1 economic interests of a member of the Supervisory Board in other legal entities, for example in relation to shares, loans, or memberships;
  - 13.1.2 a transaction with a legal entity which has a member of the management board or the supervisory board who is related under family law to a member of the Supervisory Board;
  - 13.1.3 professional or personal relationships, including family relationships, of a member of the Supervisory Board with owners of qualifying holdings (as defined in the Dutch Financial Supervision Act (*Wet of het financieel toezicht (Wft)*)) in de Volksbank, or with relevant external stakeholders (such as material suppliers, consultancies or other service providers);
  - 13.1.4 other employment or previous employment of a member of the Supervisory Board;
  - 13.1.5 political influence or political relationships of a member of the Supervisory Board;
  - 13.1.6 various activities and roles of de Volksbank, of different subsidiaries within the scope of prudential consolidation, or of different business lines or units within de Volksbank.
- 13.2 A conflict of interest may exist if de Volksbank intends to enter into a transaction with a legal entity:
- 13.2.1 in which a member of the Supervisory Board personally has a material financial interest;

- 13.2.2 whose management or supervisory board includes a member who is a spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree of that member of the Supervisory Board.
- 13.3 Members of the Supervisory Board should in any case refrain from the following:
- 13.3.1 competing with de Volksbank;
  - 13.3.2 demanding or accepting substantial gifts from de Volksbank for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - 13.3.3 providing unjustified advantages to third parties at de Volksbank's expense;
  - 13.3.4 taking advantage of business opportunities to which de Volksbank is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 13.4 A member of the Supervisory Board promptly reports any conflict of interest or potential conflict of interest in a transaction that is of material significance to de Volksbank and/or to such member of the Supervisory Board to the chair of the Supervisory Board. The member of the Supervisory Board shall provide all relevant information in that regard, including the information pertaining to his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the chair of the Supervisory Board has a conflict of interest or potential conflict of interest, he/she reports this to the vice-chair of the Supervisory Board without delay. The Supervisory Board determines whether a member of the Supervisory Board has a conflict of interest, without the member of the Supervisory Board being present.
- 13.5 All transactions in which there are (potential) conflicts of interest with one or more members of the Supervisory Board shall be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are (potential) conflicts of interest with Supervisory Board members that are of material significance to de Volksbank or to the relevant Supervisory Board members require the approval of the Supervisory Board. Such transactions shall be published in the management report, together with a statement of the conflict of interest and a declaration that articles 13.1, 13.2, 13.4 and 13.5 have been complied with.
- 13.6 A member of the Supervisory Board may, to the extent applicable, not take part in the discussion and decision-making on a subject or transaction in relation to which he/she has a (potential) conflict of interest.
- 13.7 De Volksbank's external auditor has a conflict of interest with de Volksbank in any event:
- 13.7.1 in the situations referred to in articles 23 and 24 of the Audit Firms (Supervision) Act (*Wet toezicht accountantsorganisaties*);
  - 13.7.2 if the external auditor's non-audit services for de Volksbank (including in any event marketing and advice on (management) consultancy or information technology) restrict his/her independence in relation to the financial reporting or the audit thereof, in view of the provisions in the applicable rules of de Volksbank regarding the independence of the external auditor.

- 13.8 The external auditor, as well as each member of the Executive Committee and the Supervisory Board, must immediately report any potential conflict of interest concerning the external auditor to the chair of the Supervisory Board. The external auditor, as well as each member of the Executive Committee and the Supervisory Board must provide all relevant information in this regard to the chair of the Supervisory Board. The Supervisory Board determines whether a reported conflict of interest or potential conflict of interest gives cause to reconsider the engagement of the external auditor or to take other measures to resolve the conflict of interest. The chair of the Supervisory Board ensures that such transactions are disclosed in the management report, together with a statement of the conflict of interest and a declaration that the provisions of article 13.8 have been complied with.
- 13.9 Where a conflict of interest or potential conflict of interest concerns one or more members of the Executive Board, the Supervisory Board fulfils the tasks set out in article 13 of the Rules of Procedure for the Executive Board and the Executive Committee of de Volksbank.
- 13.10 If a member of the Supervisory Board or a member of the Executive Board or of the Executive Committee fails to comply with the policy on conflicts of interest, the Supervisory Board determines to what extent the conflict of interest may have influenced earlier decisions.
- 13.11 The chair of the Supervisory Board ensures that any transactions involving a conflict of interest are published in the management report, including a description of the conflict of interest and a statement that articles 13.4, 13.6 and 13.7 have not been complied with. In addition, the Supervisory Board may, if necessary, suspend the relevant member of the Supervisory Board or Executive Board in accordance with the provisions of the Articles of Association or approve the suspension by the Executive Board of the relevant Senior Executive of the Executive Committee.

#### **ARTICLE 14 *Complaints/Whistleblowing Policy***

- 14.1 The Supervisory Board monitors that the Executive Committee establishes a procedure for reporting of actual or suspicion of misconduct or irregularities and takes appropriate follow-up action on the basis of these reports.
- 14.2 Furthermore, the Supervisory Board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the Executive Committee is involved, the Supervisory Board has the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation. The Supervisory Board may delegate certain authorities as described in de Volksbank's Whistleblowing Policy.
- 14.3 The Executive Board and de Volksbank's external auditor inform the chair of the Supervisory Board without delay of any signs of actual or suspected material misconduct or irregularities within de Volksbank. If the actual or suspected misconduct or irregularity pertains to the functioning of a member of the Executive Committee, employees can report this directly to the chair of the Supervisory Board.

14.4 The Whistleblowing Policy is published on de Volksbank's website.

#### **ARTICLE 15 Suitability and permanent education**

- 15.1 Each member of the Supervisory Board must individually and collectively be assessed as being suitable for their position and able to fulfil his/her duties, and found by the competent regulator to meet the fit and proper requirements. Further requirements and procedures in connection with diversity objectives have been laid down in the Diversity Policy, which apply to the Supervisory Board and its members in addition to these Rules of Procedure.
- 15.2 Each member of the Supervisory Board must inform the chair of the Supervisory Board and Company Secretary in good time of any aspects of his/her past, present and future if foreseen, which may be important in the context of the suitability requirements applicable to members of the Supervisory Board. The chair of the Supervisory Board informs the vice-chair of the Supervisory Board of any such aspects.
- 15.3 Members of the Supervisory Board must fulfil the statutory requirements relating to other positions (*nevenfuncties*) and must inform the chair of the Supervisory Board and the Company Secretary in advance of any other positions. In exceptional cases, de Volksbank may request the relevant regulatory authority to grant an exemption for not more than one other position.
- 15.4 Each of the members of the Supervisory Board, particularly the chair, should be able to make sufficient time available, be sufficiently available and reachable to properly perform his/her duties within the Supervisory Board and the Committees on which he/she sits and display commitment and involvement.
- 15.5 The chair of the Supervisory Board ensures that an induction and lifelong learning program is available for the members of the Supervisory Board in accordance with the suitability requirements. Each member of the Supervisory Board must take part in the program to ensure their suitability when taking up their new position and during their terms.

#### **ARTICLE 16 Final provisions**

- 16.1 Each member of the Supervisory Board must treat all information and documentation obtained in connection with his/her position as member of the Supervisory Board with the necessary discretion, integrity and confidentiality.
- 16.2 Notwithstanding the provisions set out in these Rules of Procedure and the Articles of Association the members of the SB are required to adhere to the provisions of the MoU that is governing the relationship between de Volksbank and NLF1.
- 16.3 Members and former members of the Supervisory Board will not disclose confidential information outside the Supervisory Board, the Executive Board, the Executive Committee or designated persons within de Volksbank, or make such information public or otherwise available to third parties, unless de Volksbank has made this information public or it has been otherwise established that the information is already in the public domain or disclosure is required pursuant to the law, or an applicable instruction from a supervisory authority, or pursuant to a court order issued by a competent court.

- 16.4 Without prejudice to the provisions of articles 16.5 and 10.4, the Supervisory Board may resolve not to apply these Rules of Procedure in a particular case. Such a resolution must be mentioned in the minutes or written resolution of the Supervisory Board. The Supervisory Board can decide to mention such a resolution in the report of the Supervisory Board in de Volksbank's management report. The approval of the General Meeting is required if such a resolution relates to a material derogation from one of the following provisions: articles 6.5, 6.6, 13, 15.3 as well as articles 4 and 14 through 18 of Annex II, and Annex III of these Rules of Procedure.
- 16.5 These Rules of Procedure have been drawn up in accordance with applicable law and regulations, including Dutch law, save for any derogations adopted by the Supervisory Board in accordance with the provisions of article 10.4.
- 16.6 Where these Rules of Procedure are in conflict with applicable law and regulations, including Dutch law, or the Articles of Association, the latter will both prevail. Where these Rules of Procedure are compatible with the Articles of Association but in conflict with applicable law and regulations, including Dutch law, the latter will prevail if it is mandatory. If one or more provisions of these Rules of Procedure are or become invalid, this will not affect the validity of the remaining provisions.
- 16.7 Without prejudice to the provisions of articles 16.5 and 10.4, the Supervisory Board may resolve to amend these Rules of Procedure. Such an amendment must be mentioned in the minutes of the Supervisory Board. The Supervisory Board can decide to mention this amendment of the Rules of Procedure in the report of the Supervisory Board in de Volksbank's management report. The amended Rules of Procedure of the Supervisory Board shall be published on the website of de Volksbank. The approval of the General Meeting is required if such an amendment relates to a material derogation from one of the following provisions: articles 6.5, 6.6, 13, 15.3 as well as articles 4 and 14 through 18 of Annex II, and Annex III of these Rules of Procedure.
- 16.8 These Rules of Procedure are governed exclusively by Dutch law.
- 16.9 Any disputes arising out of or in connection with these Rules of Procedure, including disputes concerning their applicability will be resolved by the courts in Amsterdam, the Netherlands.
- 16.10 These Rules of Procedure have been published on, and can be downloaded from, de Volksbank's website at [www.devолksbank.nl](http://www.devолksbank.nl).

**ANNEX I DEFINITIONS**

Articles of Association:	the articles of association of de Volksbank
Audit:	de Volksbank's internal audit function
Audit Committee:	the audit committee of the Supervisory Board
Banking Code:	the Banking Code as adopted by the Dutch Banking Association, which entered into force on 1 January 2015, or as amended from time to time
CEO:	the chief executive officer, member of the Executive Board
CFO:	the chief financial officer, member of the Executive Board
Committees:	Supervisory Board committees established by the Supervisory Board
Company Secretary:	the company secretary of de Volksbank
Compliance:	de Volksbank's internal compliance function
CRO:	the chief risk officer, member of the Executive Board
DCC:	Dutch Civil Code ( <i>Burgerlijk Wetboek</i> )
de Volksbank:	de Volksbank N.V.
Diversity Policy:	de Volksbank's diversity policy
Executive Board:	the executive board of de Volksbank ( <i>statutair bestuur</i> ), consisting of the Executive Board members
Executive Board member:	a member of the Executive Board
Executive Committee:	the executive committee of de Volksbank, consisting of the Executive Board members and Senior Executives
Executive Committee Mandate:	has the meaning as set out in article 4.1 of the Rules of Procedure of the Executive Board and Executive Committee of de Volksbank
General Meeting:	the general meeting of de Volksbank ( <i>algemene vergadering</i> )
Identified Staff:	the category of staff designated as identified staff in accordance with the EBA criteria with regard to identified staff for credit institutions and investment firms (Commission Delegated Regulation (EU) No. 604/2014 of 4 March 2014)
MOC:	the People and Organisation Committee ( <i>Mens en Organisatie Commissie</i> ) of the Supervisory Board
MoU:	the memorandum of understanding between NLF and de Volksbank
Rules of Procedure:	the rules set out in this document
Related Party Transaction:	a transaction as referred to in 2:167 paragraph 3 and 4 jo. 2:170 DCC, not being a transaction mentioned in 2:169 paragraph 5 DCC
Risk & Compliance Committee:	the risk and compliance committee of the Supervisory Board
Senior Executive:	a member of the Executive Committee, not being a member of the Executive Board
Shareholder:	stichting Administratiekantoor Beheer Financiële Instellingen, the sole shareholder of de Volksbank
Stakeholders:	the customers, shareholder, employees and society
Subsidiary:	a subsidiary of de Volksbank within the meaning of article 2:24a DCC
Supervisory Board:	the supervisory board of de Volksbank
Whistleblowing Policy	the Whistleblowing policy as mentioned in the Complaints and Incidents regulations ( <i>Klachten en Incidentenreglement</i> ) of de Volksbank
Works Council:	de Volksbank's works council

## ANNEX II DUTIES SUPERVISORY BOARD

### Rules of Procedure Supervisory Board:

The Supervisory Board supervises the policies and the general course of affairs of de Volksbank and the business enterprise connected with it and assists the Executive Board and Executive Committee by providing advice on this. In fulfilling its tasks the Supervisory Board shall be guided by the interests of de Volksbank and the business enterprise connected with it.

The specific duties of the Supervisory Board include, but are not limited to:

### *Overall oversight and risk management*

- 1) monitoring and assessing the individual and collective performance of the Executive Board and Executive Committee;
- 2) supervising and advising the Executive Board and Executive Committee on:
  - a) de Volksbank's strategy and activities (in line with the pursued culture aimed at long-term value creation), the consistent implementation of de Volksbank's strategy, policies, disclosure framework, corporate culture, corporate social responsibility (CSR), standards and values and achievement of its financial and other targets connected with its business activities, taking into account the de Volksbank's financial interests and solvency in the long term;
  - b) de Volksbank's overall risk strategy and policy lines, including its risk culture and risk tolerance, risk appetite framework and statement;
  - c) the assessment of whether the capital allocation and liquidity requirement are in keeping, in a general sense, with the approved risk appetite or whether the business activities and remuneration structure are, in a general sense, in keeping with de Volksbank's risk appetite;
  - d) whether the amount, composition and distribution of internal capital and own resources are sufficient to cover de Volksbank's risks;
  - e) the organizational structure with effective reporting lines and channels of communication, including a well-documented compliance policy;
  - f) the design, operation and effectiveness of the internal risk management and control systems;
  - g) the financial reporting process and the integrity and quality of the financial reporting;
  - h) the checks and balances, dynamics and relationship between the Executive Board and the Executive Committee and safeguarding the Executive Board's and Executive Committee's expertise and responsibilities in this respect;
  - i) the relationship with Shareholder, as provided for, for example, in the MoU;
- 3) discussing, monitoring and constructively challenging de Volksbank's strategy, including (i) the long-term value creation strategy, (ii) the values that contribute to a culture focused on long-term value creation and (iii) climate-related and environmental risks in the overall business strategy and risk management framework, with the Executive Board and the Executive Committee;
- 4) notwithstanding the duties and responsibilities of the Executive Board and the Executive Committee in this respect, complying with and enforcing de Volksbank's corporate governance structure, ensuring that the Dutch Corporate Governance Code and the Banking Code are applied, save for derogations determined in accordance with article 10.4 of the Rules of Procedure of the Supervisory Board;
- 5) ensuring that heads of de Volksbank's Risk Management function, Compliance function and Audit are able to act independently and can raise concerns and warn the Supervisory Board directly;
- 6) approving the appointment, suspension and dismissal of the head of Compliance and the Corporate Secretary upon advice of the MOCO. Prior to dismissal or suspension the head of Compliance respectively the Company Secretary shall be heard by the Supervisory Board;

- 7) approving the appointment, suspension and dismissal of the head of internal Audit upon the advice of the Audit Committee. Prior to dismissal or suspension the head of Audit shall be heard by the Supervisory Board;
- 8) assessing yearly, upon the advice of the Audit Committee, the functioning of internal Audit and discussing the items reported on by the Audit Committee in the Audit Committee report;

*Financial reporting and Audit*

- 9) countersigning the financial statements as well as approving the non-consolidated and consolidated annual accounts of de Volksbank and approval of de Volksbank's annual budget and major items of capital expenditure of de Volksbank;
- 10) selecting de Volksbank's external auditor – with due regard to the advice of the Executive Board and the Audit Committee – and nominating the selected external auditor for engagement by the General Meeting as well as approving, on the proposal of the Audit Committee and in consultation with the Executive Board, the remuneration and terms of engagement of de Volksbank's external auditor for the performance of non-audit services. The Supervisory Board shall communicate to the General Meeting its main conclusions regarding the nomination of the external auditor and the outcome of the external auditor selection process;
- 11) maintaining regular contact with the external auditor and informing the external auditor of the content of the reports relating to their functioning to give them a general idea in this respect;
- 12) examining the most important points of discussion arising between the external auditor and the Executive Board on the reports prepared by the external auditor for the Executive Board, Supervisory Board or Audit Committee, including the annual joint management letter with Audit (on among other things: management, organization and internal control), auditor's report (financial statements) and audit opinion;
- 13) monitoring the execution of the audit plan;

*Remuneration*

- 14) approving de Volksbank's remuneration policy for its employees (other than members of the Executive Board and Senior Executives), as amended from time to time, this policy having been adopted and implemented by the Executive Committee, after taking into account the advice of the MOCo;
- 15) approving the proposal of the MOCo for the remuneration policy of the Supervisory Board and the remuneration policy for the Executive Board, before this is adopted by the General Meeting;
- 16) approving the remuneration policy for the Senior Executives adopted by the Executive Board, after taking into account the advice of the MOCo;
- 17) approving the remuneration policy for the Identified Staff and senior management adopted by the Executive Committee, after taking into account the advice of the MOCo;
- 18) assessing and evaluating the remuneration policy adopted in relation to (i) the members of the Supervisory Board, (ii) the members of the Executive Board and (iii) the Senior Executives. The Supervisory Board, on a proposal of the MOCo, determines the amount and structure of the pay of the Executive Board members and the Supervisory Board members in accordance with the applicable remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of remuneration, and the pay ratios within de Volksbank;

*Executive Board, Executive Committee, Supervisory Board*

- 19) upon the advice of the MOCo, approving the appointment, suspension, and dismissal of Senior Executives, appointing the chair and vice-chair of the Executive Committee upon approval of the

- General Meeting, approving the composition profile, size and division of duties of the Executive Committee and, upon the advice of the MOCo, determining the size of the Executive Board;
- 20) selecting, appointing, dismissing and suspending members of the Executive Board upon the advice of the MOCo;
  - 21) selecting and nominating for appointment members of the Supervisory Board upon the advice of the MOCo;
  - 22) regularly evaluating and assessing the functioning and the time commitment of the Executive Board, the Executive Committee, the Supervisory Board, the Committees and individual members of these corporate bodies, evaluating the Supervisory Board's profile and the desired composition and competence of the Supervisory Board, the Executive Board and the Executive Committee and evaluating the effectiveness of the induction and lifelong learning programs;
  - 23) ascertaining that the members of the Supervisory Board and Executive Committee continue to satisfy the suitability and integrity requirements applicable to them;
  - 24) ensuring the adequate internal governance of de Volksbank;
  - 25) reporting annually after the end of each financial year of de Volksbank on the functioning and activities of the Supervisory Board and its Committees in that financial year and the items referred to in best practice provision 2.3.11 of the Dutch Corporate Governance Code and publishing this report in de Volksbank's management report;
  - 26) monitoring relations with the relevant regulatory authorities;
  - 27) stimulating openness and accountability within the Supervisory Board and between the different corporate bodies within de Volksbank and its subsidiaries;
  - 28) determining whether a member of the Executive Board has a conflict of interest, without the member of the Executive Board being present;
  - 29) drawing up a diversity policy for the composition of the Executive Committee and the Supervisory Board. This policy addresses the concrete targets relating to diversity and the diversity aspects relevant to de Volksbank, such as nationality, age, gender, educational and professional background;
  - 30) approving the acceptance of membership of a supervisory board by a member of the Executive Board and Executive Committee and annually discussing other positions of members of the Supervisory Board, Executive Board and Executive Committee;

*Other tasks*

- 31) being alert to signs of any (suspicion of) material misconduct and irregularities within de Volksbank;
- 32) assessing and approving specific acts under company law, as prescribed in the Articles of Association or the Rules of Procedure of the Executive Committee.

## ANNEX III COLLECTIVE PROFILE SUPERVISORY BOARD

*The mission of de Volksbank N.V. (de Volksbank) is set out in de Volksbank's Manifesto: banking with a human touch. This mission matches society's need to give substance to 'helpful' banking. To live up to this mission, de Volksbank has formulated the following ambition: optimising shared value. By this we understand to mean that de Volksbank serves the joint interests of customers, society, employees and the shareholder. With its core activities, de Volksbank creates benefits for customers, takes responsibility for society, provides meaning for its employees and achieves returns for its shareholder. To realise this ambition, de Volksbank has launched the strategic plan 2021-2025 (better for each other – from promise to impact) and has started with the execution. The strategic plan focuses on two differentiating factors: a strong customer relationship and high social impact. It also includes four growth priorities and five necessary transformations. For example, transformations regarding digital & omnichannel dialogue and a uniform (agile) way of working.*

*De Volksbank has four brands: ASN Bank, BLG Wonen, RegioBank and SNS. These brands have a close relationship with their customers and take the customer needs as their starting point. De Volksbank encourages its employees to work customer oriented, to work together in a results oriented way and to continuously improve and renew.*

Taking into account de Volksbank's nature of business, the size and composition of the Supervisory Board of Volksbank N.V. (the Supervisory Board) are as follows:

### Composition

1. The Supervisory Board is composed of five (5) members. The composition of the Supervisory Board is diversified such that it collectively has adequate knowledge, experience and diversity to perform its duties and responsibilities properly, taking into account:
  - age, gender and cultural background of the members of the Supervisory Board; the aim is to have a balanced composition of the Supervisory Board, including a proportionate male-to-female ratio in accordance with a 40% seat distribution on the Supervisory Board for each sex;
  - conduct and reputation; each member of the Supervisory Board is of impeccable conduct and reputation, in accordance with the importance that should be attached thereto in relation to the social functioning of the banking sector and financial services in general;
  - that the Chair of the Supervisory Board has not been a former director of de Volksbank and that the members of the Supervisory Board have not been a director/employee in the five years prior to the appointment; and
  - that one third of the members of the supervisory Board shall be nominated for the Supervisory Board upon the recommendation of the Works Council (Article 2:158, paragraph 6 of the Dutch Civil Code) in the manner provided for in the Articles of Association of de Volksbank N.V.

To ensure continuity in the Supervisory Board, the terms of appointment of the Supervisory Board are based on a rotation scheme.

A member of the Supervisory Board is appointed for a period ending at the close of the first general meeting held after four (4) years have passed since their last appointment, unless a shorter period was set at the time of (re)appointment and may then be reappointed once for another maximum four-year period, taking into account the rotation scheme. The member of the

Supervisory Board may then subsequently be reappointed again for a maximum period of two (2) years, which appointment may be extended by at most two (2) years. In the event of a reappointment after an eight-year period, reasons shall be given in the report of the Supervisory Board.

#### Suitability

2. The composition of the Supervisory Board shall be such that:
  - the combined experience, expertise and background of its members will enable the Supervisory Board to perform its duties and responsibilities in relation to de Volksbank and its stakeholders in the best possible way. Each member of the Supervisory Board shall be able to assess the broad outlines of the overall policy. When composing the Supervisory Board, it is important that the Supervisory Board and its individual members have the confidence of the GMS, the Board of Directors of de Volksbank (the Board) and the Works Council. Individual members of the Supervisory Board are able to work together as a team to serve the interests of de Volksbank;
  - at least one of the members of the Supervisory Board is a Financial Expert, in the sense that the member has competence in accounting and/or auditing; and
  - at least three members of the Supervisory Board must have appropriate knowledge, skills and expertise concerning risk management and control practices.

#### Knowhow, experience and preconditions

3. Regarding specific knowledge of and experience in sub-areas, there should be adequate diversity among the members of the Supervisory Board. In its entirety, the Supervisory Board shall have the following qualities at its disposal:

#### Knowledge and experience

- specific knowledge of and experience in areas that are of importance to the business operations and strategy of de Volksbank, such as experience in the area of retail banking, innovative product development related to the digital domain and balance sheet management;
- experience in managing and supervising the management of (international) companies;
- experience in (European) banking supervision (e.g. with ECB);
- experience in operational control and integrity, including the administrative organisation and internal control, financial reporting, auditing, securing the suitability and professional competencies within de Volksbank, fair treatment of customers, compliance and outsourcing activities;
- knowledge of relevant laws and regulations and corporate governance;
- specific knowledge of and experience in the area of human resources (including employee relations and remuneration);
- specific knowledge of and experience in the area of risk management amongst others ESG-risks in general and climate and environmental related risks in particular (including the financial and technical aspects thereof);
- specific knowledge of and experience in the area of IT;
- analytical skills, a critical attitude and effective communication skills; and
- command of written and spoken English.

#### Preconditions

- the Supervisory Board shall be composed in such a way that its members, in performing their duties and responsibilities, are able to act independently and critically of other members of the Supervisory Board and the Board in order to focus on the interests of the (business operations of) de Volksbank and its stakeholder in performing their duties and responsibilities;
- the Chair shall at least have experience in the financial services sector in general and the banking sector in particular, and be familiar with the social economic and political culture and social environment of the key markets in which de Volksbank operates;
- each member of the Supervisory Board shall be capable of and be available to adequately and timely monitor and promote the policy of the Board and general affairs of de Volksbank, and to provide advice and guidance to the Board in relation to the preparation and execution of this policy;
- each member of the Supervisory Board shall be prepared to serve on a maximum of five supervisory boards (counting the role of chair on a supervisory board as double), on the understanding that stricter legal requirements may apply to individual members;
- each member of the Supervisory Board shall be willing to sit on a number of different committees;
- each member of the Supervisory Board shall be willing to act as an arbitrator in conflicts;
- a member of the Supervisory Board shall not have a conflict of interest at the time of appointment, and shall subsequently - in case of a conflict of interest - conform to the Rules of Procedure of the Supervisory Board;
- the profile of a member of the Supervisory Board shall be in line with with the mission of de Volksbank;
- in performing his or her duties and responsibilities, a member of the Supervisory Board shall weigh the interests of customers, employees, society, the shareholder and other stakeholders alike; and
- each member of the Supervisory Board shall be prepared to take the banker's oath and to submit himself or herself to the disciplinary regulations of the Disciplinary Board.

In composing the Supervisory Board, de Nederlandsche Bank's Suitability Matrix for Supervisory Boards shall explicitly be considered if and insofar as the aforementioned measures do not provide for this. For more information, please refer to:

<https://www.dnb.nl/media/dhddabjo/geschiktheidsmatrix-raad-van-commissarissen.doc>

#### Description of duties and responsibilities

4. The Supervisory Board supervises the policies and the general course of affairs of de Volksbank and the business enterprise connected with it. Specific duties of the Supervisory Board are set out in the Rules of Procedure of the Supervisory Board. The Supervisory Board (i) is collectively responsible for the supervision of the Board, (ii) has an advisory role to the Board, and (iii) fulfils the duties and responsibilities of an employer towards the members of the Board.

The members of the Supervisory Board have thorough knowledge of the social function of de Volksbank and of the interests of all parties involved in de Volksbank. The Supervisory Board shall ensure a balanced consideration of the interests of de Volksbank's stakeholders such as its customers, shareholder, employees and society. Each member of the Supervisory Board is capable of assessing the broad outlines of the overall policy of de Volksbank and to form a balanced and independent opinion about the basic risks involved. Furthermore, all members of

the Supervisory Board have the specific expertise required to fulfil their role within the Supervisory Board.

#### Vacancy

5. As soon as a vacancy occurs in the Supervisory Board, an individual profile for the new member of the Supervisory Board shall be drawn up taking into account the collective profile of the Supervisory Board. When drawing up the individual profiles of vacant positions of members of the Supervisory Board, special attention shall be paid to the expertise and experience required by de Volksbank in relation to the composition of the Supervisory Board at that time. At that time, a maximum of four critical success factors shall also be established. Compliance with these critical success factors is a precondition to the appointment of the new member or the new Chair of the Supervisory Board.

#### Evaluation

6. The Supervisory Board shall, in the absence of the Board, evaluate the collective profile, the composition and the functioning of the Supervisory Board at least once a year, mention of which shall be made in the Report of the Supervisory Board. Once every three years, this evaluation shall take place under independent supervision.

#### Enhanced right of recommendation

7. The Works Council has the right (Article 2:158, paragraph 6 of the Dutch Civil Code) to nominate a third of the number of members of the Supervisory Board.

This collective profile of the Supervisory Board is available on the [website](#) of de Volksbank.

## **ANNEX IV OVERVIEW OF AMENDMENTS TO THESE RULES OF PROCEDURE AS OF 1 JULY 2014:**

These Rules of Procedure were adopted and amended as follows:

1. The Regulations were adopted by the SB as of 1 July 2014 at its meeting of 14 May 2014.
2. The Regulations were amended by the SB as of 30 September 2015 in its SB meeting of 17 September 2015.
3. The Regulations were amended by the SB at its meeting of 23 March 2016.
4. The Regulations were amended by the SB as of 1 January 2017 in its meeting of 18 November 2016.
5. The Regulations were amended by the SB as of 8 March 2017 in its meeting of 8 March 2017.
6. The Regulations were amended by the SB as of 23 August 2017 in its meeting of 23 August 2017.
7. The Regulations were amended by the SB as of 13 December 2018 in its meeting of 13 December 2018.
8. The Regulations were amended by the SB as of 30 March 2019 in its meeting of 6 March 2019.
9. The Regulations were amended by the SB as of 1 January 2020 in its meeting of 12 December 2019.
10. The Regulations were amended by the SB as of 13 February 2020 in its meeting of 13 February 2020.
11. The Regulations were amended by the SB as of 11 February 2021 in its meeting of 11 February 2021.
12. These Rules of Procedure were amended by the SB as of 16 May 2022 in its meeting of 12 August 2021.
13. These Rules of Procedure were amended by the SB as of 1 December 2022 in its meeting of 1 December 2022.