

## PRINCIPLES AND BEST PRACTICE PROVISIONS

### I. Compliance with and enforcement of the Corporate Governance Code (the “Code”)

#### Principle

The management board and the supervisory board are responsible for the corporate governance structure of the company and for compliance with this Code. They are accountable for this to the general meeting and should provide sound reasons for any non-application of the provisions.

Shareholders take careful note and make a thorough assessment of the reasons given by the company for any non-application of best practice provisions of this Code. They should avoid adopting a ‘box-ticking approach’ when assessing the corporate governance structure of the company and should be prepared to engage in a dialogue if they do not accept the company’s explanation. There should be a basic recognition that corporate governance must be tailored to the company-specific situation and that non-application of individual provisions by a company may be justified.

*NIBC Holding N.V. (“NIBC”) established in December 2005, is privately owned by several shareholders (the “Shareholders”) and does not have a listing on a stock exchange. For some provisions this leads to non-compliance with the Code, which is explained there were it occurs. The supervisory board of NIBC Holding N.V. (and NIBC Bank N.V.) (the “Supervisory Board”) consists partly of representatives coming from the Shareholders.*

#### Best practice provisions

<p>I.1 The broad outline of the corporate governance structure of the company shall be explained in a separate chapter of the annual report, partly by reference to the principles mentioned in this Code. In this chapter the company shall indicate expressly to what extent it applies the best practice provisions in this Code and, if it does not do so, why and to what extent it does not apply them.</p>	<p>NIBC applies this provision. Article 15.4 of the charter of the Supervisory Board (the “<b>Charter SB</b>”) states that the required chapter shall be included in the annual report.</p>
<p>I.2 Each substantial change in the corporate governance structure of the company and in the compliance of the company with the Code shall be submitted to the general meeting for discussion under a separate agenda item.</p>	<p>NIBC applies this provision. In article 15.6 of the Charter SB it is stated that substantial changes in its governance structure and compliance thereto shall be submitted to the general meeting of Shareholders (the “<b>GMS</b>”) for discussion under a separate agenda item.</p>

## II. Management board

### II.1 Role and procedure

#### Principle

The role of the management board is to manage the company, which means, among other things, that it is responsible for achieving the company's aims, the strategy and associated risk profile, the development of results and corporate social responsibility issues that are relevant to the enterprise. The management board is accountable for this to the supervisory board and to the general meeting. In discharging its role, the management board shall be guided by the interests of the company and its affiliated enterprise, taking into consideration the interests of the company's stakeholders. The management board shall provide the supervisory board in good time with all information necessary for the exercise of the duties of the supervisory board. The management board is responsible for complying with all relevant legislation and regulations, for managing the risks associated with the company activities and for financing the company. The management board shall report related developments to and shall discuss the internal risk management and control systems with the supervisory board and the audit committee.

#### Best practice provisions

<p>II.1.1 A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time.</p>	<p>NIBC applies this provision.</p>
<p>II.1.2 The management board shall submit to the supervisory board for approval:</p> <ul style="list-style-type: none"> <li>a) the operational and financial objectives of the company;</li> <li>b) the strategy designed to achieve the objectives;</li> <li>c) the parameters to be applied in relation to the strategy, for example in respect of the financial ratios; and</li> <li>d) corporate social responsibility issues that are relevant to the enterprise.</li> </ul> <p>The main elements shall be mentioned in the annual report.</p>	<p>NIBC applies this provision. It is good practice within NIBC that objectives, strategy, relevant parameters and corporate social responsibility issues are submitted for approval to the Supervisory Board and that the main elements are mentioned in the annual report. This requirement is mentioned in article 2.3 of the Charter SB.</p>
<p>II.1.3 The company shall have an internal risk management and control system that is suitable for the company. It shall, in any event, employ as instruments of the internal risk management and control system: (a) risk analyses of the operational and financial objectives of the company; (b) a code of conduct which should be published on the company's website; (c) guides for the layout of the financial reports and the procedures to be followed in drawing up the reports; and (d) a system of monitoring and reporting.</p>	<p>NIBC applies this provision. The code of conduct of NIBC (the "<b>Code of Conduct</b>") is published on NIBC's website.</p>
<p>II.1.4 In the annual report the management board shall provide:</p>	<p>NIBC applies this provision. The managing board of NIBC (the "<b>Managing Board</b>") has provided such</p>

<p>a) a description of main risks related to the strategy of the company;</p> <p>b) a description of the design and effectiveness of the internal risk management and control systems for the main risks during the financial year; and</p> <p>c) a description of any major failings in the internal risk management and control systems which have been discovered in the financial year, any significant changes made to these systems and any major improvements planned, and a confirmation that these issues have been discussed with the audit committee and the supervisory board.</p>	<p>descriptions and a confirmation that these issues have been discussed with the Audit and Compliance Committee and the Supervisory Board.</p>
<p>II. 1.5 As regards financial reporting risks the management board states in the annual report that the internal risk management and control systems provide a reasonable assurance that the financial reporting does not contain any errors of material importance and that the risk management and control systems worked properly in the year under review. The management board shall provide clear substantiation of this.</p>	<p>NIBC applies this provision. The Managing Board has stated in its control statement included in the annual report that the risk management and control systems provide reasonable assurance that the financial reporting does not contain any errors of material importance and that the risk management and control systems worked properly in the year under review. However, there is always the possibility that additional steps are required to further improve internal controls in the future. This may lead to operational risks in relation to any such improvements in internal controls.</p>
<p>II.1.6 In the annual report, the management board shall describe the sensitivity of the results of the company to external factors and variables.</p>	<p>NIBC applies this provision. The chapter on 'Managing Risk' in the annual report provides extensive information regarding the risk profile and the attendant sensitivity of the results.</p>
<p>II.1.7 The management board shall ensure that employees have the possibility of reporting alleged irregularities of a general, operational and financial nature within the company to the chairman of the management board or to an official designated by him, without jeopardizing their legal position. Alleged irregularities concerning the functioning of management board members shall be reported to the chairman of the supervisory board. The arrangements for whistleblowers shall in any event be posted on the company's website.</p>	<p>NIBC applies this provision. In 2004 an employee whistle blowing policy has been introduced towards securing a culture of openness in which staff can report alleged irregularities of a general, operational and financial nature within the organization. The policy document is published on NIBC's website. The relevant requirements are included in article 13 of the Charter SB.</p>
<p>II.1.8 A management board member may not be a member of the supervisory board of more than two listed companies. Nor may a management board member be the chairman of the supervisory board of a listed company. Membership of the supervisory board of other companies within the group to which the company belongs does not count for this purpose. The acceptance by a management board member of membership of the supervisory board of a listed company requires the approval of the supervisory board. Other important positions held by a management board member shall be notified to the supervisory board.</p>	<p>NIBC applies this provision. No members of the Managing Board hold more than two Supervisory Board memberships in listed companies. Moreover, all external functions of members of the Managing Board require the prior written approval of the Supervisory Board. This is stated in article 5.7 of the charter of the Managing Board (the "<b>Charter MB</b>").</p>

<p>II. 1.9 If the management board invokes a response time within the meaning of best practice provision IV.4.4, such period may not exceed 180 days from the moment the management board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The management board shall use the response time for further deliberation and constructive consultation. This shall be monitored by the supervisory board. The response time may be invoked only once for any given general meeting and may not apply to an item in respect of which the response time has been previously invoked or meetings where a shareholder holds at least three quarters of the issued capital as a consequence of a successful public bid.</p>	<p>NIBC shall apply this provision.</p>
<p>II. 1.10 If a takeover bid for the company's shares or for the depositary receipts for the company's shares is being prepared, the management board shall ensure that the supervisory board is closely involved in the takeover process in good time.</p>	<p>NIBC shall apply this provision.</p>
<p>II. 1.11 If the management board of a company for which a takeover bid has been announced or made receives a request from a competing bidder to inspect the company's records, the management board shall discuss this request with the supervisory board without delay.</p>	<p>NIBC shall apply this provision.</p>

## II.2 Remuneration

### *Amount and composition of the remuneration*

#### Principle

The amount and structure of the remuneration which the management board members receive from the company for their work shall be such that qualified and expert managers can be recruited and retained. When the overall remuneration is fixed, its impact on pay differentials within the enterprise shall be taken into account. If the remuneration consists of a fixed part and a variable part, the variable part shall be linked to predetermined, assessable and influenceable targets, which are predominantly of long term nature. The variable part of the remuneration must be appropriate in relation to the fixed component. The remuneration structure, including severance pay, shall be simple and transparent. It shall promote the interests of the company in the medium and long term, may not encourage management board members to act in their own interests or take risks that are not in keeping with the adopted strategy, and may not 'reward' failing board members upon termination of their employment. The supervisory board is responsible for this. The level and structure of remuneration shall be determined in the light of, among other things, the results, the share price performance and non-financial indicators that are relevant to the company's long-term value creation. The shares held by a management board member in the company on whose board he sits are long-term investments. The amount of compensation which a management board member may receive on termination of his employment may not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances.

*In 2005, a new share-based compensation plan called NIBC Choice was introduced in close co-operation with the Shareholders. This plan allows employees of the NIBC group (the "Employees") and members of the Managing Board to convert the proceeds of their rights under the deferred compensation arrangements into common depositary receipts of shares and restricted depositary receipts of shares (together the "Depositary Receipts"). As incentive for all those who chose to participate in NIBC Choice,*

*NIBC offered matching options for Depository Receipts acquired.*

### Best practice provisions

<p>II.2.1 Before drawing up the remuneration policy and determining the remuneration of individual management board members, the supervisory board shall analyse the possible outcomes of the variable remuneration components and how they may affect the remuneration of the management board members.</p>	<p>NIBC applies this provision with regard to the remuneration to be awarded to members of the Managing Board from the financial year 2009.</p>
<p>II.2.2 The supervisory board shall determine the level and structure of the remuneration of the management board members by reference to the scenario analyses carried out and with due regard for the pay differentials within the enterprise.</p>	<p>NIBC applies this provision with regard to the remuneration to be awarded to members of the Managing Board from the financial year 2009.</p>
<p>II.2.3 In determining the level and structure of the remuneration of management board members, the supervisory board shall take into account, among other things, the results, the share price performance and non-financial indicators relevant to the long term objectives of the company, with due regard for the risks to which variable remuneration may expose the enterprise.</p>	<p>NIBC applies this provision with regard to the remuneration to be awarded to the Management Board from the financial year 2009.</p>
<p>II.2.4 If options are granted, they shall, in any event, not be exercised in the first three years after the date of granting. The number of options to be granted shall be dependent on the achievement of challenging targets specified beforehand.</p>	<p>NIBC applies this provision.</p>
<p>II.2.5 Shares granted to management board members without financial consideration shall be retained for a period of at least five years or until at least the end of the employment, if this period is shorter. The number of shares to be granted shall be dependent on the achievement of challenging targets specified beforehand.</p>	<p>NIBC applies this provision.</p>
<p>II.2.6 The option exercise price shall not be fixed at a level lower than a verifiable price or a verifiable price average in accordance with the trading in a regulated market on one or more predetermined days during a period of not more than five trading days prior to and including the day on which the option is granted.</p>	<p>Not applicable to the employee benefit plan as NIBC is not a listed company. The Option prices are fixed in accordance with a formula approved by the Supervisory Board and agreed with the tax authorities in the Netherlands. This formula is laid down in the relevant Employee Option Plan.</p>
<p>II.2.7 Neither the exercise price nor the other conditions regarding the granted options may be modified during the term of the options, except in so far as prompted by structural changes relating to the shares or the company in accordance with established market practice.</p>	<p>NIBC applies this provision going forward with respect to grants issued as of the financial year 2009. The price of the options is published quarterly, following verification and approval by the external auditor and the Supervisory Board respectively.</p>
<p>II.2.8 The remuneration in the event of dismissal may not exceed one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for severance pay not exceeding twice the annual salary.</p>	<p>The contracts of all members of the Managing Board contain such provision and are therefore in accordance with this best practice provision.</p>
<p>II.2.9 The company shall not grant its management</p>	<p>NIBC applies this provision. The same arrangements</p>



board members any personal loans, guarantees or the like 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 shall be granted.	apply to members of the Managing Board as are applicable to all other Employees.
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***Determination and disclosure of remuneration***

**Principle**

**The supervisory board shall determine the remuneration of the individual members of the management board, on a proposal by the remuneration committee, within the scope of the remuneration policy adopted by the general meeting.**

**The report of the supervisory board shall include the principal points of the remuneration report concerning the remuneration policy of the company. This shall describe transparently and in clear and understandable terms the remuneration policy that has been pursued and give an overview of the remuneration policy to be pursued. The full remuneration of the individual management board members, broken down into its various components, shall be presented in the remuneration report in clear and understandable terms.**

### Best practice provisions

<p>II.2.10 If a variable remuneration component conditionally awarded in a previous financial year would, in the opinion of the supervisory board, produce an unfair result due to extra ordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the supervisory board has the power to adjust the value downwards or upwards.</p>	<p>NIBC applies this provision with regard to the remuneration to be awarded to members of the Managing Board from the financial year 2009. NIBC will ensure that this power of the Supervisory Board will be provided for in all future contracts between NIBC and members of the Managing Board</p>
<p>II. 2.11 The supervisory board may recover from the management board members any variable remuneration awarded on the basis of incorrect financial or other data (clawback clause).</p>	<p>NIBC applies this provision with regard to the remuneration to be awarded to members of the Managing Board from the financial year 2009. NIBC will ensure that this power of the Supervisory Board will be provided for in all future contracts between NIBC and members of the Managing Board</p>
<p>II.2.12 The remuneration report of the supervisory board shall contain an account of the manner in which the remuneration policy has been implemented in the past financial year, as well as an overview of the remuneration policy planned by the supervisory board for the next financial year and subsequent years. The report shall explain how the chosen remuneration policy contributes to the achievement of the long-term objectives of the company and its affiliated enterprise in keeping with the risk profile. The report shall be posted on the company's website.</p>	<p>NIBC applies this provision.</p> <p>As part of the annual report NIBC publishes the remuneration report of the Supervisory Board on the NIBC website.</p>
<p>II.2.13 The overview referred to in best practice provision II.2.12 shall, in any event, contain the following information:</p> <p>a) an overview of the costs incurred by the company in the financial year in relation to management board remuneration; this overview shall provide a breakdown showing fixed salary, annual cash bonus, shares, options and pension rights that have been awarded and other emoluments, shares, options and pension rights must be recognized in accordance with the accounting standards;</p> <p>b) a statement that the scenario analyses referred to in best practice provision II.2.1 have been carried out;</p> <p>c) for each management board member the maximum and minimum numbers of shares conditionally granted in the financial year or other share-based remuneration components that the management board may acquire if the specified performance criteria are achieved;</p> <p>d) a table showing the following information for incumbent management board members at year-end for each year in which shares, options and/or other share-based remuneration components have been</p>	<p>NIBC applies this provision by including the required information in the Supervisory Board's remuneration report to the extent that disclosure does not reflect commercially sensitive information.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p>

<p>awarded over which the management board member did not yet have unrestricted control at the start of the financial year:</p> <p>(i) the value and number of shares, options and/or other share-based remuneration components on the date of granting;</p> <p>(ii) the present status of shares, options and/or other share-based remuneration components awarded: whether they are conditional or unconditional and the year in which vesting period and/or lock-up period ends;</p> <p>(iii) the value and number of shares, options and/or other share-based remuneration components conditionally awarded under (i) at the time when the management board member obtains ownership of them (end of vesting period), and</p> <p>(iv) the value and number of shares, options and/or other share-based remuneration components awarded under (i) at the time when the management board member obtains unrestricted control over them (end of lock-up period);</p> <p>e) if applicable, the composition of the group of companies whose remuneration policy determines in part the level and composition of the remuneration of the management board members (<i>peer group</i>);</p> <p>f) a description of the performance criteria on which the performance-related component of the variable remuneration is dependent in so far as disclosure would not be undesirable because the information is competition sensitive, and of the discretionary component of the variable remuneration that can be fixed by the supervisory board as it sees fit;</p> <p>g) a summary and account of the methods that will be applied in order to determine whether the performance criteria have been fulfilled ;</p> <p>h) an ex-ante and ex-post account of the relationship between the chosen performance criteria an the strategic objectives applied, and of the relationship between remuneration and performance;</p> <p>i) current pension schemes and the related financing costs;</p> <p>j) agreed arrangements for the early retirement of management board members.</p>	<p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision. The peer group has been modified in the context of the remuneration over the financial year 2009.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>NIBC applies this provision.</p> <p>No such provisions are contained in the employment contracts of Managing Board members.</p>
<p>II.2.14 The main elements of the contract of a management board member with the company shall be made public after it has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the management board member will be proposed. These elements shall in any event include the amount of the</p>	<p>The main components of the employment contracts of Managing Board members are published in the annual report. As part of the annual report NIBC publishes the remuneration report of the Managing Board on the NIBC website.</p>

<p>fixed salary, the structure and amount of the variable remuneration component, any agreed redundancy scheme and/or severance pay, any conditions of a change-of-control clause in the contract with a management board member, pension arrangements and performance criteria to be applied.</p>	
<p>II.2.15 If a management board member or former management board member is paid severance pay or other special remuneration during a given financial year, an account and an explanation of this remuneration shall be included in the remuneration report.</p>	<p>NIBC applies this provision.</p>

### II.3 Conflicts of interest

#### Principle

**Any conflict of interest or apparent conflict of interest between the company and management board members shall be avoided. Decisions to enter into transactions under which management board members would have conflicts of interest that are of material significance to the company and/or to the relevant management board member require the approval of the supervisory board.**

#### Best practice provisions

<p>II.3.1 A management board member shall:</p> <ul style="list-style-type: none"> <li>(a) not enter into competition with the company;</li> <li>(b) not demand or accept (substantial) gifts from the company for himself or for his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;</li> <li>(c) not provide unjustified advantages to third parties to the detriment of the company; and</li> <li>(d) not take advantage of business opportunities to which the company is entitled for himself or for his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.</li> </ul>	<p>NIBC applies this provision. Strict provisions regarding these issues are laid down in NIBC's compliance manual (the Code of Conduct and the regulation on gifts and entertainment) for all Employees. Specific arrangements for members of the Managing Board are provided in article 8.4 of the Charter MB.</p>
<p>II.3.2 A management 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, to the chairman of the supervisory board and to the other members of the management board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The supervisory board shall decide, without</p>	<p>NIBC applies this provision. In NIBC's Code of Conduct and the regulation concerning Chinese Walls, strict conditions in this respect are set for all Employees including the members of the Managing Board. Moreover, in article 12.4 of the Charter SB and in article 8.4 of the Charter MB it is stated that any conflict of interest or potential conflict of interest shall be reported to the chairman of the Supervisory Board.</p>

<p>the management board member concerned being present, whether there is a conflict of interest. A conflict of interests exists, in any event, if the company intends to enter into a transaction with a legal entity (i) in which a management board member personally has a material financial interest; (ii) which has a management board member who has a relationship under family law with a management board member of the company; or (iii) in which a management board member of the company has a management or supervisory position.</p>	
<p>II.3.3 A management board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the company.</p>	<p>NIBC applies this provision. Clear guidelines are set out in article 8.1 of the Charter MB.</p>
<p>II.3.4 All transactions in which there are conflicts of interest with management 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 management board members that are of material significance to the company and/or to the relevant 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 best practice provisions II.3.2 to II.3.4 inclusive have been complied with.</p>	<p>NIBC applies this provision. Clear guidelines are set out in article 12.4 of the Charter SB. NIBC will report on any such transactions and it will make a statement concerning the conflict of interest (if any) and a declaration that best practice provisions II.3.2, 3.3 and 3.4 have been complied with in the annual report.</p>

### III. Supervisory Board

#### III.1 Role and procedure

##### Principle

**The role of the supervisory board is to supervise the policies of the management board and the general affairs of the company and its affiliated enterprise, as well as to assist the management board by providing advice. In discharging its role, the supervisory board shall be guided by the interests of the company and its affiliated enterprise, and shall take into account the relevant interests of the company's stakeholders. The supervisory board shall also have due regard for corporate social responsibility issues that are relevant to the enterprise. The supervisory board is responsible for the quality of its own performance.**

##### Best practice provisions

<p>III.1.1 The division of duties within the supervisory board and the procedure of the supervisory board shall be laid down in a set of regulations. The supervisory board shall include in the regulations a</p>	<p>NIBC applies this provision. Clear guidelines are set out in the Charter SB with respect to a division of duties (articles 2,3,4), procedures as well as how it relates to the Managing Board (article 14), the GMS</p>
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<p>paragraph dealing with its relations with the management board, the general meeting of shareholders and the (central) works council, where relevant. The regulations shall be posted on the company's website.</p>	<p>(article 15) and the employees council (the "<b>Employees Council</b>") (article 16). The Charter SB is published on NIBC's website.</p>
<p>III.1.2 The annual financial report of the company shall include a report of the supervisory board. In this report the supervisory board describes its activities in the financial year and includes the specific statements and information required by the provisions of this Code.</p>	<p>NIBC applies this provision. In the annual report NIBC will include the specific statements and information required by the Code.</p>
<p>III.1.3 The following information about each supervisory board member shall be included in the report of the supervisory board:</p> <ul style="list-style-type: none"> <li>(a) gender;</li> <li>(b) age;</li> <li>(c) profession;</li> <li>(d) principal position;</li> <li>(e) nationality;</li> <li>(f) other positions, in so far as they are relevant to the performance of the duties of the supervisory board member;</li> <li>(g) date of initial appointment; and</li> <li>(h) the current term of office.</li> </ul>	<p>NIBC applies this provision as stated in article 3.5 of the Charter SB.</p>
<p>III.1.4 A supervisory board member shall retire early in the event of inadequate performance, structural incompatibility of interests, and in other instances in which this is deemed necessary by the supervisory board.</p>	<p>NIBC applies this provision as stated in article 6.3 of the Charter SB.</p>
<p>III.1.5 Supervisory board members who are frequently absent shall be called to account for this. The report of the supervisory board shall state which supervisory board members have been frequently absent from meetings of the supervisory board.</p>	<p>NIBC applies this provision as stated in article 9.2 of the Charter SB.</p>
<p>III.1.6 The supervision of the management board by the supervisory board shall include:</p> <ul style="list-style-type: none"> <li>(a) achievement of the company's objectives;</li> <li>(b) corporate strategy and the risks inherent in the business activities;</li> <li>(c) the structure and operation of the internal risk management and control systems;</li> <li>(d) the financial reporting process;</li> <li>(e) compliance with the legislation and regulations;</li> <li>(f) the company-shareholder relationship; and</li> <li>(g) corporate social responsibility issues that are relevant to the enterprise.</li> </ul>	<p>NIBC applies this provision as stated in article 2.2 of the Charter SB.</p>
<p>III.1.7 The supervisory board shall discuss at least once a year on its own, i.e. without the management board being present, its own functioning, the functioning of its committees and its individual members, and the conclusions that must be drawn on the basis thereof. The desired profile, composition and</p>	<p>NIBC applies this provision. Articles 9.3 of the Charter SB include arrangements for meetings of the Supervisory Board where members of the Managing Board are not present. In the annual report reference is made to discussions in the meetings of the Supervisory Board and of the subcommittees of the</p>

<p>competence of the supervisory board shall also be discussed. Moreover, the supervisory board shall discuss at least once a year without the management board being present both the functioning of the management board as an organ of the company and the performance of its individual members, and the conclusions that must be drawn on the basis thereof. The report of the supervisory board shall state how the evaluation of the functioning of the supervisory board, the separate committees and the individual supervisory board members has been carried out.</p>	<p>Supervisory Board.</p>
<p>III.1.8 The supervisory board shall discuss at least once a year the corporate strategy and the main risks of the business, the result of the assessment by the management board of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto. Reference to these discussions shall be made in the report of the supervisory board.</p>	<p>NIBC applies this provision. Specific reference to this requirement is made in article 9.3 of the Charter SB. Moreover, it is common practice for the Supervisory Board to discuss these topics more than once a year.</p>
<p>III.1.9 The supervisory board and its individual members each have their own responsibility for obtaining all information from the management 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 advisers of the company. The company shall provide the necessary means for this purpose. The supervisory board may require that certain officers and external advisers attend its meetings.</p>	<p>NIBC applies this provision. Articles 5.2, 12.5 and 14 of the Charter SB provide for obtaining the relevant information.</p>

## III.2 Independence

### Principle

**The composition of the supervisory board shall be such that the members are able to act critically and independently of one another and of the management board and any particular interests.**

### Best practice provisions

<p>III.2.1 All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.</p>	<p>NIBC currently has a Supervisory Board consisting of eleven members, of which four do not meet the independence criteria contained in the Code. These four members are affiliated with one of the Shareholders of NIBC which embodies the commitment of the shareholder and ensures the benefit of its expertise in advising the MB. Although three other members of the Supervisory Board have relationships with the Shareholders, these three members meet the independence criteria mentioned in the Code. The chairman of the Supervisory Board and</p>
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	<p>two other members nominated by the Employees Council as well as one other member, also meet the independence criteria mentioned in the Code. The rules of the Supervisory Board provide that certain important decisions of the Supervisory Board require the supportive vote of the majority of the Supervisory Board members who are not affiliated with any of the current Shareholders. In this connection, the authority to approve a material transaction with an affiliated party is delegated to the Related Party Committee, a subcommittee of the Risk Policy Committee of the Supervisory Board consisting of three independent Supervisory Board members.</p>
<p>III.2.2 A supervisory board member shall be deemed to be independent if the following criteria of dependence do not apply to him. The said criteria are that the supervisory board member concerned or his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:</p> <ul style="list-style-type: none"> <li>a) has been an employee or member of the management board of the company (including associated companies as referred to in section 5:48 of the Financial Supervision Act (<i>Wet op het financieel toezicht/Wft</i>) in the five years prior to the appointment;</li> <li>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;</li> <li>c) has had an important business relationship with the company, or a company associated with it, in the year prior to the appointment. This includes the case where the supervisory board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary and lawyer) and the case where the supervisory board member is a management board member or an employee of any bank with which the company has a lasting and significant relationship;</li> <li>d) is a member of the management board of a company in which a member of the management board of the company which he supervises is a supervisory board member;</li> <li>e) holds at least ten percent of the shares in the company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement);</li> <li>f) is a member of the management board or supervisory board - or is a representative in some other way - of a legal entity which holds at least ten</li> </ul>	<p>NIBC applies this provision as laid down in article 3 of the Charter SB.</p>

<p>percent of the shares in the company, unless such entity is a member of the same group as the company; g) has temporarily managed the company during the previous twelve months where management board members have been absent or unable to discharge their duties.</p>	
<p>III.2.3 The report of the supervisory board shall state that, in the board's view, best practice provision III.2.1 has been fulfilled, and shall also state which supervisory board member is not considered to be independent, if any.</p>	<p>NIBC does not apply this provision. It provides a statement regarding provision III. 2.1 of the Code in its annual report.</p>

### III.3 Expertise and composition

#### Principle

**Each supervisory board member shall be capable of assessing the broad outline of the overall policy. Each supervisory board member shall have the specific expertise required for the fulfillment of the duties assigned to the role designated to him within the framework of the supervisory board profile. The composition of the supervisory board shall be such that it is able to carry out its duties properly. The supervisory board shall aim for a diverse composition in terms of such factors as gender and age. A supervisory board member shall be reappointed only after careful consideration. The profile referred to above shall also be fulfilled in the case of a reappointment.**

#### Best practice provisions

<p>III.3.1 The supervisory board shall prepare a profile of its size and composition, taking account of the nature of the business, its activities and the desired expertise and background of the supervisory board 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 board in relation to diversity. In so far as the existing situation differs from the intended situation, the supervisory board shall account for this in the report of the supervisory board and shall indicate how and within what period it expects to achieve this aim. The profile shall be made generally available and shall be posted on the company's website.</p>	<p>NIBC applies this provision. A profile of the size and composition of the Supervisory Board is included in an annex to the Charter SB, which will be evaluated by the Supervisory Board each year (article 3.1). The profile is published on NIBC's website.</p>
<p>III.3.2 At least one member of the supervisory board shall be a financial expert with relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities</p>	<p>NIBC applies this provision. This requirement has also been implemented in article 3.3 of the Charter SB.</p>
<p>III.3.3 After their appointment, all supervisory board members shall follow an introduction program, which, in any event, covers general financial, social and legal affairs, financial reporting by the company, any specific aspects that are unique to the company and its business activities, and the responsibilities of a supervisory board member. The supervisory board shall conduct an annual review to identify any aspects with regard to which the supervisory board members</p>	<p>NIBC applies this provision. Specific requirements with regard to an introductory program are outlined in article 8 of the Charter SB.</p>

require further training or education during their period of appointment. The company shall play a facilitating role in this respect.	
III.3.4 The number of supervisory boards of Dutch listed companies of which an individual may be a member shall be limited to such an extent that the proper performance of his duties is assured; the maximum number is five, for which purpose the chairmanship of a supervisory board counts double.	NIBC applies this provision.
III.3.5 A person may be appointed to the supervisory board for a maximum of three 4-year terms.	NIBC applies this provision as stated in article 6 of the Charter SB and in its articles of association.
III.3.6 The supervisory board shall draw up a retirement schedule in order to avoid, as far as possible, a situation in which many supervisory board members retire at the same time. The retirement schedule shall be made generally available and shall be put on the company's website.	NIBC applies this provision. As required, a retirement schedule is included in article 6 and in an annex to the Charter SB. NIBC publishes this retirement schedule on its website.

#### III.4 Chairman of the supervisory board and the company secretary

##### Principle

**The chairman of the supervisory board shall ensure the proper functioning of the supervisory board and its committees, and shall act on behalf of the supervisory board as the main contact for the management board and for shareholders regarding the functioning of the management and supervisory board members. In his capacity of chairman, he shall ensure the orderly and efficient conduct of the general meeting.**

**The chairman of the supervisory board is assisted in his role by the company secretary.**

##### Best practice provisions

III.4.1 The chairman of the supervisory board shall see to it that: a) supervisory board members follow their induction and education or training program; b) supervisory board members receive in good time all information which is necessary for the proper performance of their duties; c) there is sufficient time for consultation and decision-making by the supervisory board; d) committees of the supervisory board function properly; e) the performance of management board members and supervisory board members is assessed at least once a year; f) the supervisory board elects a vice-chairman; g) the supervisory board has proper contact with the management board and the works council (or central works council).	NIBC applies this provision as stated in article 4.1 of the Charter SB.
III.4.2 The chairman of the supervisory board shall not be a former member of the management board of the	NIBC applies this provision as laid down in article 3.3 of the Charter SB.

company.	
<p>III.4.3 The supervisory board shall be assisted by the company secretary. The company secretary shall see to it that correct procedures are followed and that the supervisory board acts in accordance with its statutory obligations and its obligations under the articles of association. He shall assist the chairman of the supervisory board in the actual organization of the affairs of the supervisory board (information, agenda, evaluation, training program, etc.). The company secretary shall, either on the recommendation of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained.</p>	<p>NIBC applies this provision. The responsibilities and tasks of the company secretary (as described in the Code) are stated in article 4.2 of the Charter SB.</p>
<p>III.4.4 The vice-chairman of the supervisory board shall deputise for the chairman when the occasion arises. By way of addition to best practice provision III.1.7, the vice chairman shall act as contact for individual supervisory board members and management board members concerning the functioning of the chairman of the supervisory board.</p>	<p>NIBC applies this provision.</p>

### III.5 Composition and role of three key committees of the supervisory board

#### Principle

If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. The function of the committees is to prepare the decision-making of the supervisory board. If the supervisory board decides not to appoint an audit committee, remuneration committee or selection and appointment committee, best practice provisions III.5.4, III.5.5, III.5.8, III.5.9, III.5.10, III.5.14, V.1.2, V.2.3, V.3.1, V.3.2 and V.3.3 shall apply to the entire supervisory board. In its report, the supervisory board shall report on how the duties of the committees have been carried out in the financial year.

***Within NIBC the Supervisory Board has appointed from among its members an Audit & Compliance Committee, a Risk Policy Committee, a Related Party Transactions Committee (subcommittee of the Risk Policy Committee), a Strategic Committee and a Remuneration & Nominating Committee. NIBC combines the remuneration committee and the selection and nomination committee in a combined Remuneration & Nominating Committee, which performs the tasks attributed by the Code to the remuneration committee, as well as the selection and nomination committee.***

#### Best practice provisions

<p>III.5.1 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 regulations may provide that a maximum of one member of each committee may not be independent within the meaning of best practice</p>	<p>NIBC applies this provision with the exception of best practice provision III.2.2. The Supervisory Board has three permanent committees: the Audit &amp; Compliance Committee, the Remuneration &amp; Nominating Committee and the Risk Policy Committee. The majority of the committees consist of independent members. The charters for all committees form part of</p>
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<p>provision III.2.2. The regulations and the composition of the committees shall, in any event, be posted on the company's website.</p>	<p>the Charter SB. The charters for the committees and the Charter SB are published on NIBC's website.</p>
<p>III.5.2 The report of the supervisory board shall state the composition of the committees, the number of committee meetings and the main items discussed.</p>	<p>NIBC applies this provision. The report of the Supervisory Board contains the information required by the Code.</p>
<p>III.5.3 The supervisory board shall receive from each of the committees a report of its deliberations and findings.</p>	<p>NIBC applies this provision. In the relevant article of the Charter SB it is stated that at least once a year each of the committees must report to the Supervisory Board.</p>
<p><i>Audit committee</i>            III.5.4 The audit committee shall in any event focus on supervising the activities of the management board with respect to:            a) the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;            b) the provision of financial information by the company (choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the annual accounts, forecasts, work of internal and external auditors, etc.);            c) compliance with recommendations and observations of internal and external auditors;            d) the role and functioning of the internal audit function;            e) the policy of the company on tax planning;            f) relations with the external auditor, including, in particular, his independence, remuneration and any non-audit services for the company;            g) the financing of the company; and            h) the applications of information and communication technology .</p>	<p>NIBC applies this provision. The tasks and responsibilities are stated in article 1, 2 and 7 of the Audit &amp; Compliance Committee's charter.</p>
<p>III.5.5 The audit committee shall act as the principal contact for the external auditor if he discovers irregularities in the content of financial reporting.</p>	<p>NIBC applies this provision as stated in article 9 of the charter of the Audit and Compliance Committee and NIBC's engagement letter to the external auditor.</p>
<p>III.5.6 The audit committee shall not be chaired by the chairman of the supervisory board or by a former member of the management board of the company.</p>	<p>NIBC applies this provision as stated in article 4.2 of the charter of the Audit and Compliance Committee.</p>
<p>III.5.7 At least one member of the audit committee shall be a financial expert within the meaning of best practice provision III.3.2.</p>	<p>NIBC applies this provision as stated in article 4.2 of the charter of the Audit and Compliance Committee.</p>
<p>III.5.8 The audit committee shall decide whether and, if so, when the chairman of the management board (chief executive officer), the chief financial officer, the external auditor and the internal auditor, should attend its meetings.</p>	<p>NIBC applies this provision. Article 6.2 of the charter of the Audit and Compliance Committee states that members of the Managing Board (including the chief financial officer), the heads of internal audit and compliance departments and the external auditor will be invited to attend meetings of the Audit and</p>

	Compliance Committee unless otherwise decided by the committee.
III.5.9 The audit committee shall meet with the external auditor as often as it considers necessary, but at least once a year, without management board members being present.	NIBC applies this provision as stated in article 6.2 of the charter of the Audit and Compliance Committee.
<p><i>Remuneration committee</i></p> <p>III.5.10 The remuneration committee shall in any event have the following duties:</p> <p>a) drafting a proposal to the supervisory board for the remuneration policy to be pursued;</p> <p>b) drafting a proposal for the remuneration of the individual members of the management board, for adoption by the supervisory board; such proposal shall, in any event, deal with: (i) the remuneration structure and (ii) the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application; and</p> <p>c) preparing the remuneration report as referred to in best practice provision II.2.12.</p>	NIBC applies this provision by combining the remuneration committee and the selection and nominating committee in a combined Remuneration and Nominating Committee, which performs the tasks attributed by the Code to the remuneration committee, as well as the selection and nominating committee. The duties of the Remuneration and Nominating Committee as described in the Code are laid down in article 1.1 and 1.2 of the charter of the Remuneration and Nominating Committee.
III.5.11 The remuneration committee shall not be chaired by the chairman of the supervisory board or by a former member of the management board of the company, or by a supervisory board member who is a member of the management board of another listed company.	NIBC applies this provision by including this requirement in article 3.2 of the charter of the Remuneration and Nominating Committee.
III.5.12 No more than one member of the remuneration committee may be a member of the management board of another Dutch listed company.	NIBC applies this provision. The relevant requirements are included in article 3.2 of the charter of the Remuneration and Nominating Committee.
III.5.13 If the remuneration committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the company's management board members.	This provision is not applicable since the Remuneration and Nominating Committee does at present not make use of a remuneration consultant. If the Remuneration and Nominating Committee were to engage the services of a remuneration consultant in the future, this provision will be complied with.
<p><i>Selection and appointment committee</i></p> <p>III.5.14 The selection and appointment committee shall in any event focus on:</p> <p>a) drawing up selection criteria and appointment procedures for supervisory board members and management board members;</p> <p>b) periodically assessing the size and composition of the supervisory board and the management board, and making a proposal for a composition profile of the supervisory board;</p> <p>c) periodically assessing the functioning of individual supervisory board members and management board</p>	NIBC applies this provision as stated in article 1.2 of the charter of the Remuneration and Nominating Committee.

<p>members, and reporting on this to the supervisory board;</p> <p>d) making proposals for appointments and reappointments; and</p> <p>e) supervising the policy of the management board on the selection criteria and appointment procedures for senior management.</p>	
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### III.6 Conflicts of interest

#### Principle

**Any conflict of interest or apparent conflict of interest between the company and supervisory board members shall be avoided. Decisions to enter into transactions under which supervisory board members would have conflicts of interest that are of material significance to the company and/or to the relevant supervisory board members require the approval of the supervisory board. The supervisory board is responsible for deciding on how to resolve conflicts of interest between management board members, supervisory board members, major shareholders and the external auditor on the one hand and the company on the other.**

#### Best practice provisions

<p>III.6.1 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, to the chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. 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, he shall report this immediately to the vice chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. 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 exists in any event 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; (ii) which has a management board member who has a relationship under family law with a member of the supervisory board of the company, or (iii) in which a member of the supervisory board of the company has a management or supervisory position.</p>	<p>NIBC applies this provision. This procedure has been formalised in article 12 of the Charter SB.</p>
<p>III.6.2 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 has a conflict of interest with the company.</p>	<p>NIBC applies this provision as stated in article 12.1 of the Charter SB.</p>

<p>III.6.3 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 best practice provisions III.6.1 to III.6.3 inclusive have been complied with.</p>	<p>NIBC applies this provision as stated in article 12.1 of the Charter SB and will publish this information along with the relevant statement and declaration in its annual report.</p>
<p>III.6.4 All transactions between the company and legal or natural persons who hold at least ten percent of the shares 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 best practice provision III.6.4 has been observed.</p>	<p>NIBC applies this provision.</p>
<p>III.6.5 The regulations of the supervisory board shall contain rules on dealing with conflicts of interest and potential conflicts of interest between management board members, supervisory board members and the external auditor on the one hand and the company on the other. The regulations shall also stipulate which transactions require the approval of the supervisory board. The company shall draw up regulations governing ownership of and transactions in securities by management or supervisory board members, other than securities issued by their 'own' company.</p>	<p>NIBC applies this provision as stated in article 12 of the Charter SB. Further for members of the Supervisory Board NIBC's Regulation Private Investment Transactions is applicable as stated in article 7.4 of the Charter SB. Moreover this article states that the rules and procedures of the compliance manual are applicable to members of the Supervisory Board. The regulation private investment transactions is available on NIBC's website.</p>
<p>III.6.6 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 management 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.</p>	<p>Not applicable as such a position does not exist within NIBC.</p>
<p>III.6.7 A supervisory board member who temporarily takes on the management of the company, where the management board members are absent or unable to fulfill their duties, shall resign from the supervisory</p>	<p>NIBC applies this provision. In article 6.4 of the Charter SB it is stated that a Supervisory Board member who temporarily takes on the management of NIBC in the event that the management board</p>



board.	members are absent or unable to fulfill their duties, shall (temporarily) resign from the Supervisory Board.
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### III.7 Remuneration

#### Principle

**The general meeting shall determine the remuneration of supervisory board members. The remuneration of a supervisory board member is not dependent on the results of the company.**

#### Best practice provisions

III.7.1 A supervisory board member shall not be granted any shares and/or rights to shares by way of remuneration.	NIBC applies this provision as stated in article 7.4 of the Charter SB.
III.7.2 Any shares held by a supervisory board member in the company on whose board he sits are long-term investments.	Ordinary shares held, directly or indirectly, by Supervisory Board members are held by such members only by way of long-term investment.
III.7.3 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.	NIBC applies this provision. Article 7.4 of the Charter SB does not permit granting personal loans, guarantees or the like unless it relates to the normal course of business and following approval by the Supervisory Board.

### III.8 One-tier management structure

#### Principle

**The composition and functioning of a management board comprising both members having responsibility for the day-to-day running of the company (executive directors) and members not having such responsibility (non-executive directors) shall be such that proper and independent supervision by the latter category of members is assured.**

***A one-tier management structure is not in place within NIBC and therefore this principle and the relevant provisions are not applicable.***

#### Best practice provisions

III.8.1 The chairman of the management board shall not also be and shall not have been an executive director.	Not applicable
III.8.2 The chairman of the management board shall check the proper composition and functioning of the entire board	Not applicable
III.8.3 The management board shall apply chapter III.5 of this Code. The committees referred to in chapter III.5 shall consist only of non-executive management board member.	Not applicable
III.8.4 The majority of the members of the management board shall be non executive directors and are independent within the meaning of best practice provision III.2.2.	Not applicable



## IV. The shareholders and general meeting of shareholders

### IV.1 Powers

#### Principle

Good corporate governance requires the fully-fledged participation of shareholders in the decision-making in the general meeting. It is in the interest of the company that as many shareholders as possible take part in the decision-making in the general meeting. The company shall, in so far as possible, give shareholders the opportunity to vote by proxy and to communicate with all other shareholders.

The general meeting should be able to exert such influence on the policy of the management board and the supervisory board of the company that it plays a fully-fledged role in the system of checks and balances in the company.

Any decisions of the management board on a major change in the identity or character of the company or the enterprise shall be subject to the approval of the general meeting.

#### Best practice provisions

<p>IV.1.1 The general meeting of a company not having statutory two tier status (<i>structuurregime</i>) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favor of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.</p>	<p>NIBC has adopted a statutory two tier status (<i>structuurregime</i>) which means that this provision is not applicable.</p>
<p>IV.1.2 The voting right on financing preference shares shall be based on the fair value of the capital contribution. This shall in any event apply to the issue of financing preference shares.</p>	<p>Not applicable as NIBC has not issued any preference shares.</p>
<p>IV.1.3 If a serious private bid is made for a business unit or a participating interest and the value of the bid exceeds the threshold referred to in Article 2:107a paragraph 1 (c), of the Dutch Civil Code, and such bid is made public, the management board of the company shall, at its earliest convenience, make public its position on the bid and the reasons for this position.</p>	<p>NIBC shall apply this provision.</p>
<p>IV.1.4 The policy of the company on additions to</p>	<p>NIBC applies this provision.</p>

reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend) shall be dealt with and explained as a separate agenda item at the general meeting.	
IV.1.5 A resolution to pay a dividend shall be dealt with as a separate agenda item at the general meeting.	NIBC applies this provision.
IV.1.6 Resolutions to approve the policy of the management board (discharge of management board members from liability) and to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability) shall be voted on separately in the general meeting. Compliance with the Code shall be accounted for as part of the annual report.	NIBC applies this provision.
IV.1.7 The company shall determine a registration date for the exercise of the voting rights and the rights relating to meetings.	NIBC applies this provision.
IV.1.8 The chairman of the general meeting is responsible for ensuring the proper conduct of business at meetings in order to promote a worthwhile discussion at the meeting.	NIBC applies this provision.

## IV.2 Depository receipts for shares

### Principle

**Depository receipts for shares are a means of preventing a (chance) majority of shareholders from controlling the decision-making process as a result of absenteeism at a general meeting. Depository receipts for shares shall not be used as an anti-takeover measure. The management of the trust office shall issue proxies in all circumstances and without limitation to the holders of depository receipts who so request. The holders of depository receipts thus authorized can exercise the voting right at their discretion. The management of the trust office shall have the confidence of the holders of depository receipts. Depository receipt holders shall have the possibility of recommending candidates for the management of the trust office. The company shall not disclose to the trust office information which has not been made public.**

***NIBC is privately owned since December 2005. The members of the Managing Board and some Employees have Depository Receipts, which are held by a trust office. The management of the trust office is controlled by a representative of the holders of Depository Receipts.***

### Best practice provisions

IV.2.1 The management of the trust office shall enjoy the confidence of the depository receipt holders and operate independently of the company which has issued the depository receipts. The trust conditions shall specify in what cases and subject to what conditions holders of depository receipts may request the trust office to call a meeting of holders of depository receipts.	NIBC does not comply with this provision, because this part of the Code is only relevant in relation to listed depository receipts for shares, whereas the Depository Receipts are not listed on a stock exchange and only held by the members of the Managing Board and Employees.
IV.2.2 The managers of the trust office shall be appointed by the management of the trust office. The meeting of holders of depository receipts may make	See under IV.2.1 above.

<p>recommendations to the management of the trust office for the appointment of persons to the position of manager. No management board members or former management board members, supervisory board members or former supervisory board members, employees or permanent advisers of the company should be part of the management of the trust office.</p>	
<p>IV.2.3 A person may be appointed to the management of the trust office for a maximum of three 4-year terms.</p>	<p>See under IV.2.1 above.</p>
<p>IV.2.4 The management of the trust office shall be present at the general meeting and shall, if desired, make a statement about how it proposes to vote at the meeting.</p>	<p>NIBC shall undertake reasonable efforts to promote and/or ensure compliance with this provision.</p>
<p>IV.2.5 In exercising its voting rights, the trust office shall be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and its affiliated enterprise into account.</p>	<p>NIBC shall undertake reasonable efforts to promote and/or ensure compliance with this provision. The trust office is managed by a representative of the holders of Depositary Receipts and shall take into account the interest of those holders.</p>
<p>IV.2.6 The trust office shall report periodically, but at least once a year, on its activities. The report shall, in any event, be posted on the company's website.</p>	<p>NIBC shall undertake reasonable efforts to promote and/or ensure compliance with this provision.</p>
<p>IV.2.7 The report referred to in best practice provision IV.2.6 shall, in any event, set out</p> <ul style="list-style-type: none"> <li>a) the number of shares for which depositary receipts have been issued and an explanation of changes in this number;</li> <li>b) the work carried out in the year under review;</li> <li>c) the voting behavior in the general meetings held in the year under review;</li> <li>d) the percentage of votes represented by the trust office during the meetings referred to at (c);</li> <li>e) the remuneration of the members of the management of the trust office;</li> <li>f) the number of meetings held by the management and the main items dealt with in them;</li> <li>g) the costs of the activities of the trust office;</li> <li>h) any external advice obtained by the trust office;</li> <li>i) the positions of the managers of the trust office; and</li> <li>j) the contact details of the trust office.</li> </ul>	<p>NIBC shall undertake reasonable efforts to promote and/or ensure compliance with this provision.</p>
<p>IV.2.8 The trust office shall, without limitation and in all circumstances, issue proxies to depositary receipt holders who so request. Each depositary receipt holder may also issue binding voting instructions to the trust office in respect of the shares which the trust office holds on his behalf.</p>	<p>NIBC does not comply with this provision.</p>

### IV.3 Provision of information to and logistics of the general meeting

#### Principle



The management board or, where appropriate, the supervisory board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price. The contacts between the management board on the one hand and press and analysts on the other shall be carefully handled and structured, and the company shall not engage in any acts that compromise the independence of analysts in relation to the company and vice versa.

The management board and the supervisory board shall provide the general meeting in good time with all information that it requires for the exercise of its powers.

If price-sensitive information is provided during a general meeting, or the answering of shareholders' questions has resulted in the disclosure of price-sensitive information, this information shall be made public without delay.

*As NIBC is not a listed company, this principle and the relevant provisions are not directly applicable. NIBC Bank N.V., the main subsidiary of NIBC, has listed bonds and ensures that it meets the relevant disclosure requirements with respect to its listings. Certain of the members of the Supervisory Board are also indirect Shareholders in NIBC or representatives of the Shareholders. Consequently, not all Shareholders may be informed simultaneously. However, members of the Supervisory Board are required to keep price sensitive information that they may receive confidential and, to the extent they are also Shareholders or representatives of Shareholders, they are prohibited from using price sensitive information when trading in NIBC's ordinary shares.*



### Best practice provisions

<p>IV.3.1 Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the company's website and by means of press releases. Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of web casting or telephone. After the meetings, the presentations shall be posted on the company's website.</p>	<p>See under IV.3 above.</p>
<p>IV.3.2 Analysts' reports and valuations shall not be assessed, commented upon or corrected, other than factually, by the company in advance.</p>	<p>NIBC applies this provision with regard to analyst coverage of NIBC's listed bonds.</p>
<p>IV.3.3 The company shall not pay any fee(s) to parties for the carrying out of research for analysts' reports or for the production or publication of analysts' reports, with the exception of credit rating agencies.</p>	<p>NIBC applies this provision.</p>
<p>IV.3.4 Analysts meetings, presentations to institutional or other investors and direct discussions with the investors shall not take place shortly before the publication of the regular financial information (quarterly, half-yearly or annual reports).</p>	<p>See under IV.3 above.</p>
<p>IV.3.5 The management board and the supervisory board shall provide the general meeting with all requested information, unless this would be contrary to an overriding interest of the company. If the management board and the supervisory board invoke an overriding interest, they must give reasons.</p>	<p>NIBC applies this provision.</p>
<p>IV.3.6 The company shall place and update information which it is relevant to the shareholders and which is required to publish or deposit pursuant to the provisions of company law and securities law applicable to it, in a separate part of the company's website.</p>	<p>NIBC applies this provision with respect to information regarding NIBC's listed bonds.</p>
<p>IV 3.7 The agenda of the general meeting shall list which items are for discussion and which items are to be voted upon.</p>	<p>NIBC applies this provision.</p>
<p>IV.3.8 A resolution for approval or authorization to be passed by the general meeting shall be explained in writing. In its explanation the management board shall deal with all facts and circumstances relevant to the approval or authorization to be granted. The notes to the agenda shall be posted on the company's website.</p>	<p>NIBC applies this provision. The notes to the agenda are not posted on the website since Since NIBC is privately owned, the notes to the agenda are not posted on the company's website. Each shareholder receives the agenda and notes by ordinary mail. However the notes are published on NIBCs intranet, since Employees (including members of the Managing Board) own Depositary Receipts.</p>
<p>IV.3.9 Material amendments to the articles of association of the company and resolutions for the appointment of management board members and</p>	<p>NIBC applies this provision.</p>

supervisory board members shall be submitted separately to the general meeting.	
IV.3.10 The report of the general meeting shall be made available, on request, to shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the report in the following three months. The report shall then be adopted in the manner provided for in the articles of association.	See under IV.3 above.
IV.3.11 The management board shall provide a survey of all existing or potential anti takeover measures in the annual report and shall also indicate in what circumstances it is expected that these measures may be used.	See under IV.3 above.
IV.3.12 The company shall give shareholders and other persons entitled to vote the possibility of issuing voting proxies or voting instructions, respectively, to an independent third party prior to the general meeting.	NIBC applies this provision.
IV.3.13 The company shall formulate an outline policy on bilateral contacts with the shareholders and publish this policy on its website.	NIBC does not apply this provision since NIBC is privately owned.

#### IV.4 Responsibility of shareholders

##### *Responsibility of institutional investors*

###### **Principle**

**Institutional investors shall act primarily in the interests of the ultimate beneficiaries or investors and have a responsibility to the ultimate beneficiaries or investors and the companies in which they invest, to decide, in a careful and transparent way, whether they wish to exercise their rights as shareholder of listed companies.**

###### **Best practice provisions**

IV.4.1 Institutional investors (pension funds, insurers, investment institutions and asset managers) shall publish annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies.	Not applicable
IV.4.2 Institutional investors shall report annually, on their website and/or in their annual report, on how they have implemented their policy on the exercise of the voting rights in the year under review.	Not applicable.
IV.4.3 Institutional investors shall report at least once a quarter, on their website, on whether and, if so, how they have voted as shareholders at the general meeting.	Not applicable.



***Responsibility of shareholders***

**Principle**

**Shareholders shall act in relation to the company, the organs of the company and their fellow shareholders in keeping with the principle of reasonableness and fairness. This includes the willingness to engage in a dialogue with the company and their fellow shareholders.**

### Best practice provisions

<p>IV.4.4 A shareholder shall exercise the right of putting an item on the agenda only after he consulted the management board about this. If one ore more shareholders intend to request that an item be put on the agenda that may result in a change in the company's strategy, for example through the dismissal of one or more management or supervisory board members, the management board shall be given the opportunity to stipulate a reasonable period in which to respond (the response time). This shall also apply to an intention as referred to above for judicial leave to call a general meeting pursuant to Article 2:110 of the Dutch Civil Code. The shareholder shall respect the response time stipulated by the management board within the meaning of best practice provision II.1.9.</p>	<p>NIBC shall undertake reasonable efforts to promote and/or ensure compliance with this provision.</p>
<p>IV.4.5 A shareholder shall vote as he sees fit. A shareholder who makes use of the voting advice of a third party is expected to form his own judgment on the voting policy of this adviser and the voting advice provided by him.</p>	<p>NIBC shall undertake reasonable efforts to promote and/or ensure compliance with this provision.</p>
<p>IV.4.6 If a shareholder has arranged for an item to be put on the agenda, he shall explain this at the meeting and, if necessary, answer questions about it.</p>	<p>NIBC shall undertake reasonable efforts to promote and/or ensure compliance with this provision.</p>

## V. The audit of the financial reporting and the position of the internal auditor function and of the external auditor

### V.1 Financial reporting

#### Principle

**The management board is responsible for the quality and completeness of publicly disclosed financial reports. The supervisory board shall see to it that the management board fulfils this responsibility.**

### Best practice provisions

<p>V.1.1 The preparation and publication of the annual report, the annual accounts, the quarterly and/or half-yearly figures and ad hoc financial information require careful internal procedures. The supervisory board shall supervise compliance with these procedures.</p>	<p>NIBC applies this provision as stated in article 2.2 of the Charter SB and in article 1 of the charter of the Audit and Compliance Committee.</p>
<p>V.1.2 The audit committee shall determine how the external auditor should be involved in the content and publication of financial reports other than the annual accounts.</p>	<p>NIBC applies this provision. Article 9 of the charter of the Audit and Compliance Committee states that the committee shall determine how the external auditor should be involved in the content and publication of financial reports other than the annual report.</p>
<p>V.1.3 The management board is responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the management board, so that the timeliness, completeness and correctness of the external financial reporting are assured. For this purpose, the management board ensures that the financial information from business divisions and/or subsidiaries is reported directly to it and that the integrity of the information is not compromised. The supervisory board shall see to it that the internal procedures are established and maintained.</p>	<p>NIBC applies this provision. As stated in article 3.8 of the Charter MB.</p>

## V.2 Role, appointment, remuneration and assessment of the functioning of the external Auditor

### Principle

**The external auditor is appointed by the general meeting. The supervisory board shall nominate a candidate for this appointment, for which purpose both the audit committee and the management board advise the supervisory board. The remuneration of the external auditor, and instructions to the external auditor to provide non-audit services, shall be approved by the supervisory board on the recommendation of the audit committee and after consultation with the management board.**

### Best practice provisions

<p>V.2.1 The external auditor may be questioned by the general meeting in relation to his statement on the fairness of the annual accounts. The external auditor shall for this purpose attend and be entitled to address this meeting.</p>	<p>NIBC applies this provision as stated in article 15.5 of the Charter SB.</p>
<p>V.2.2 The management board and the audit committee shall report their dealings with the external auditor to the supervisory board on an annual basis, including his independence in particular (for example, the desirability of rotating the responsible partners of an external audit firm that provides audit services, and the desirability of the same audit firm providing non-audit services to the company). The supervisory board shall</p>	<p>NIBC applies this provision as stated in article 10 of the charter of the Audit and Compliance Committee.</p>

take this into account when deciding its nomination for the appointment of an external auditor, which nomination shall be submitted to the general meeting.	
V.2.3 At least once every four years, the supervisory board and the audit committee shall conduct a thorough assessment of the functioning of the external auditor within the various entities and in the different capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the general meeting for the purposes of assessing the nomination for the appointment of the external auditor.	NIBC applies this provision as stated in article 11 of the charter of the Audit and Compliance Committee.

### V.3 Internal auditor function

#### Principle

**The internal auditor, who can play an important role in assessing and testing the internal risk management and control systems, shall operate under the responsibility of the management board.**

#### Best practice provision

V.3.1 The external auditor and the audit committee shall be involved in drawing up the work schedule of the internal auditor. They shall also take cognizance of the findings of the internal auditor.	NIBC applies this provision as stated in article 9 of the charter of the Audit and Compliance Committee.
V.3.2 The internal auditor shall have access to the external auditor and to the chairman of the audit committee.	NIBC applies this provision.
V.3.3 If there is no internal audit function, the audit committee shall review annually the need for an internal auditor. Based on this review, the supervisory board shall make a recommendation on this to the management board in line with the proposal of the audit committee, and shall include this recommendation in the report of the supervisory board.	This provision is not applicable, since there is an internal audit department at NIBC.

### V.4 Relationship and communication of the external auditor with the bodies of the company

#### Principle

**The external auditor shall, in any event, attend the meeting of the supervisory board, at which the annual accounts are to be adopted or approved. The external auditor shall report his findings in relation to the audit of the annual accounts to the management board and the supervisory board simultaneously.**

#### Best practice provisions

V.4.1 The external auditor shall in any event attend the meeting of the supervisory board, at which the report of the external auditor with respect to the audit of the	NIBC applies this provision as stated in article 9.3 of the Charter SB.
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<p>annual accounts is discussed, and at which annual accounts are to approved or adopted. The external auditor shall receive the financial information underlying the adoption of the quarterly and/or half-yearly figures and other interim financial reports and shall be given the opportunity to respond to all information.</p>	
<p>V.4.2 When the need arises, the external auditor may request the chairman of the audit committee for leave to attend the meeting of the audit committee.</p>	<p>NIBC applies this provision. The relevant requirement is stated in article 6.2 of the charter of the Audit and Compliance Committee.</p>
<p>V.4.3 The report of the external auditor pursuant to article 2:393, paragraph 4, of the Dutch Civil Code shall contain the matters which the external auditor wishes to bring to the attention of the management board and the supervisory board in relation to the audit of the annual accounts and the related audits. The following examples can be given:</p> <p>A. with regard to the audit:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> information about matters of importance to the assessment of the independence of the external auditor;</li> <li><input type="checkbox"/> information about the course of events during the audit and cooperation with internal auditors and/or any other external auditors, matters for discussion with the management board, a list of corrections that have not been made, etc.</li> </ul> <p>B. with regard to the financial figures:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> analyses of changes in shareholders' equity and results, which do not appear in the information to be published, and which, in the view of the external auditor, contribute to an understanding of the financial position and results of the company:</li> <li><input type="checkbox"/> comments regarding the processing of one-off items, the effects of estimates and the manner in which they have been arrived at, the choice of accounting policies, when other choices were possible, and special effects of such policies;</li> <li><input type="checkbox"/> comments on the quality of forecasts and budgets.</li> </ul> <p>C. with regard to the operation of the internal risk management and control systems (including the reliability and continuity of automated data processing) and the quality of the internal provision of information:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> points for improvement, gaps and quality assessments;</li> <li><input type="checkbox"/> comments about threats and risks to the company and the manner in which they should be reported in the particulars to be published;</li> <li><input type="checkbox"/> compliance with articles of association, instructions, regulations, loan covenants, requirements of external supervisors, etc.</li> </ul>	<p>NIBC applies this provision. The required information is provided for in the external auditor's management letter.</p>