

REMUNERATION AND NOMINATING COMMITTEE CHARTER

NIBC

DATE
27 March 2018



ANNEX D CHARTER GOVERNING THE REMUNERATION AND NOMINATING COMMITTEE OF THE SUPERVISORY BOARD

This charter governing the Remuneration and Nominating Committee of the Supervisory Board (the “RNC Charter”) of NIBC Holding N.V. and NIBC Bank N.V. (jointly referred to as “NIBC” or the “Company”) was adopted by the Supervisory Board of NIBC on 9 March 2018 with effective date 27 March 2018.

Article 1

Role and Responsibilities of the Remuneration & Nominating Committee (RNC)

- 1.1 This Charter is drawn up pursuant to the Company's articles of association and the rules in it are complementary to the rules and regulations (from time to time) applicable to the Remuneration and Nominating Committee (‘RNC’) under Dutch law or the Company's articles of association.
- 1.2 Without prejudice to Article 5.1. of the Charter of the Supervisory Board of NIBC (“SB Charter”), the main role of the RNC is to act as advisor to the Supervisory Board in all areas (policies, processes and governance) of Remuneration and Management Development in general and pertaining to (individual members of) the Supervisory Board, Managing Board, and Identified Staff¹ specifically, all in accordance with the roles and responsibilities for the RNC/Supervisory Board as described in the Company's “Governance of Remuneration Policies: Roles and Responsibilities”. The RNC will do this by preparing issues and presenting proposals and recommendations for discussion and decision in the Supervisory Board. Some authorities of the Supervisory Board are delegated to the RNC. These delegated authorities are explicitly described in this Charter. Any use by the RNC of the delegated authority is communicated to the full Supervisory Board in the next Supervisory Board Meeting. In its role as advisor to the Supervisory Board, the RNC will be guided by the relevant regulatory and legal frameworks and governance best practices that exist, most notably, but not limited to, the (i) Dutch Corporate Governance Code of December 2016 (“the Code”), (ii) Future Oriented Banking (Social Charter, Banking Code 2014 and Rules of Conduct of December 2014, (iii) the Regulation on sound remuneration policies as issued by the Dutch Central Bank (Regeling beheerst belongingsbeleid 2017) in conjunction with the EBA guidelines on sound remuneration policies (applicable as of 1 January 2017) and (iv) the Dutch Financial Undertakings (Remuneration Policy) Act (Wet belongingsbeleid financiële ondernemingen) as included in the Financial Supervision Act (Wet op het financieel toezicht).

The RNC will, in the execution of its responsibilities, at all times take into account the short- and long-term interests of all stakeholders, in particular clients, shareholders, and employees of NIBC, and the society at large.

- 1.3. The annual supervising responsibilities of the RNC include but are not limited to:

Remuneration

Annually, preparing and presenting / assessing and deciding

¹ For the purposes of this charter, the group Identified Staff encompasses, Senior Management responsible for day-to-day management, Heads of Control Functions, Other Risk Takers as well as other employees with material impact on the Bank's risk profile and whose total remuneration is similar to senior management and other risk takers (hereafter “Identified Staff”).

- i. Preparing and presenting to the Supervisory Board a Remuneration Policy proposal, based on a central and independent assessment of the existing remuneration principles, policies and practices, taking into account all elements of compensation and material benefits for (i) Supervisory Board members, (ii) Managing Board members (iii) non statutory Executive Committee members and (iv) NIBC as a whole and Identified Staff in particular, with regard to their overall effectiveness, alignment with the Company's values and principles, strategy, risk appetite, and long-term interests and, based on such assessment, presenting proposals for any (material) changes to these remuneration principles, policies and practices;
- ii. Preparing and presenting a proposal to the Supervisory Board of the annual funding of the total compensation pool;
- iii. Assessing and deciding on (i) the composition of the group Identified Staff, (ii) the scenario, ex ante and ex-post risk analyses regarding the possible outcomes of the variable remuneration components and the effects thereof on (a) the risks, capital, liquidity and solvency of the Company, (b) the remuneration of the members of the Managing Board (c) the remuneration of Identified Staff and, where appropriate (d) any malus adjustments and/or claw backs, including effective follow-up of the identified effects and related risks;
- iv. Preparing and presenting proposals regarding the remuneration of the Supervisory Board, Managing Board members and non statutory members of the Executive Committee
- v. Assessing and deciding on the remuneration of (i) Identified Staff members and particularly Heads of Control Functions, (ii) the highest variable incomes (> 100% of base salary), and (iii) any material welcome in the first year and exit packages (>100% of base salary) and preparing discussions in case of (proposed) exceptions to the existing policies;
- vi. Preparing and presenting the annual remuneration report covering such things as the remuneration policy for the Managing Board and the Supervisory Board and the practical application of these. and any additional required disclosures of the Company's remuneration policies, processes and practices and ensuring that the annual Supervisory Board remuneration report as well as any additional remuneration related disclosures will be posted on the Company's website;
- vii. Preparing and presenting proposals for the downward adjustment of any and all variable remuneration, in case of exceptional circumstances in which the remuneration would have unfair or unintended effects;
- viii. Presenting and presenting proposals for and (material) changes to bankwide or (S)BU specific compensation programs with an equity or phantom equity character;

Nomination

- ix. Preparing and presenting proposals for the selection criteria and individual profiles to be drawn up in case of a vacancy in the Managing and / or Supervisory Board as referred to under Article 3.1 of the SB Charter;

- x. Presenting proposals for appointments and re-appointments to the Supervisory Board, its committees and the Managing Board, including the proposed terms and conditions of their employment agreements / letters of appointment;

Performance Monitoring

- xi. Preparing, conducting and recording the goal setting (i.e. specific Performance Goals and Objectives) for and the end-of-year performance evaluation discussion with the Chairman and CEO of the Managing Board, which evaluation discussion will be conducted by the Chairman of the Supervisory Board and the Chairman of the RNC;
- xii. Advising on the proposals submitted by CEO regarding the goal setting (i.e. specific Performance Goals and Objectives) and the end-of-year performance evaluation for (the other) Managing Board members, non statutory Executive Committee members and Heads of Control;
- xiii. Overseeing the goal setting and annual performance assessment for other members of the Identified Staff and other staff ensuring that these are adjusted for the costs of capital, risk and liquidity, where appropriate;
- xiv. Leadership and Management Development;
- xv. Monitoring NIBC's leadership and management development policy and succession planning for (members of) the Supervisory and Managing Board, as well as Senior Management (including but not limited to the competency profiles, selection criteria, development plans and appointment procedures) as well as presenting proposals for (material changes in) these policies and planning;

Governance

- xvi. Assessing the overall risk, governance and control framework regarding the performance management and remuneration of the Supervisory and Managing Board, non statutory members of the Executive Committee, NIBC as a whole and Identified Staff in particular, monitoring its adequacy and proposing and implementing changes in order to enhance their effectiveness, mitigate risks and ensure compliance;
- xvii. Ensuring proper involvement of relevant internal control functions and other competent functions and collaborate with other Supervisory Board committees such as the Audit Committee (AC) and Risk Policy & Compliance Committee (RPCC), including inviting the Chairman of the RPCC as well as the Chairman of the Risk Management Committee to its meetings at least once a year to discuss specific risk aspects of remuneration as applied within the Company;
- xviii. Notifying the Supervisory Board regularly of the RNC's activities and presenting relevant recommendations to both the Supervisory Board and the Managing Board;
- xix. Regularly assessing the size and composition of the Managing Board;

- xx. Presenting proposals concerning the acceptance of other, additional, external functions by members of the Managing Board and Senior Management insofar as required by NIBC's Compliance Procedures; and
 - xxi. Preparing Supervisory Board decision making in relation to conflicts of interest that may arise by Supervisory Board members accepting other, additional, external functions.
- 1.4. In the assurance of appropriate risk management, and the identification and implementation of effective controls, check and balances associated with the Company's remuneration policies and practices, (see article 1.3. XIV above), the RNC is supported by certain control functions (HR, Risk, Finance, Compliance and Audit), to assure that these policies and practices do not contain any incentives which would limit the Company's ability to act in the interest of its stakeholders. The RNC or Supervisory Board may seek information from and /or consult the control functions or obtain any additional information from the risk and control functions within the Company independently.
 - 1.5. The RNC ensures that the control functions can operate with sufficient independence while respecting their reporting line to the Managing Board. In the event of continuing differences of opinion between the control functions and the Managing Board, the control functions may present the matter directly to the RNC.
 - 1.6. In order to prepare the Report of the Supervisory Board in the Company's management report, the RNC shall draw up a remuneration report in the management report summarising its discussions and findings for the Supervisory Board.
 - 1.7. Where so required pursuant to the Company's articles of association, decisions taken by the Supervisory Board will be put forward for adoption by the General Meeting of Shareholders. The Chairman or any other member of the RNC will be available during the General Meeting of Shareholders to answer questions related to these proposals for adoption and / or the activities of the RNC in general.
 - 1.8. The Charter and the composition of the RNC is published on the Company's website www.nibc.com.

Article 2

Information supply to the RNC

- 2.1 In order to perform its tasks properly, the RNC's information needs must be met in an adequate manner. To this end, the RNC will receive all relevant written information including but not limited to:
 - i. The NIBC remuneration principles and policies;
 - ii. The NIBC Managing and Supervisory Board remuneration principles and policies;
 - iii. The proposal for the funding of the annual total compensation pool drawn up by the Managing Board;
 - iv. The Plan Rules and Documentation of all equity or phantom equity compensation programs;
 - v. Overview of all components of individual Supervisory Board and Managing Board members' remuneration, including any additional information that the RNC deems necessary for preparing the scenario analysis and individual proposals;
 - vi. Specific severance arrangements for Managing Board members;
 - vii. Key employee benefit plans for Managing Board members (incl. pension);
 - viii. Individual employment contracts of Managing Board members;

- ix. The list of Identified Staff and an overview of all remuneration components of individual Identified Staff, including any additional information that the RNC deems necessary for preparing the scenario, ex ante and ex post risk analyses and individual proposals;
- x. The pay ratios within the company;
- xi. The overall governance and control framework regarding the performance management and remuneration of the Supervisory and Managing Board, as well as for Identified Staff and within NIBC as a whole;
- xii. NIBC's Management Development and Succession Planning policy;
- xiii. The Company's succession planning for the Supervisory and Managing Board and Senior Management;
- xiv. NIBC's organisational structure;
- xv. an annual evaluation of the other Supervisory Board committees, drawn up by the relevant committees;
- xvi. an annual assessment of the performance of the Managing Board members, excluding the Chairman and CEO of the Managing Board, drawn up by the Chairman and CEO of the Managing Board; and
- xvii. Risk analysis as described in the Company's "Governance of Remuneration Policies: Roles and Responsibilities".

2.2 In addition to this regular information flow, the RNC may request additional information that is important for the performance of its tasks including direct access to relevant control functions. The Managing Board shall supply such information at the RNC's earliest request.

2.3 At least once a year, the RNC meets with the Control Functions in order to discuss the status of governance and compliance on remuneration within the company.

Article 3

Membership, expertise and independence of the Remuneration & Nominating Committee

3.1 The RNC shall consist of at least three members, to be appointed by the Supervisory Board from among its members. The RNC shall in principle not be chaired by the Chairman of the Supervisory Board or by a former member of the Managing Board.

3.2 Without prejudice to Article 3.3 of the SB Charter, the composition of the RNC shall meet the following requirements:

- i. at least one member should have relevant knowledge and experience in the fields of remuneration, management development and succession planning;
- ii. at least one member should have relevant knowledge and experience in the fields of the appointment and functioning of Supervisory Board and Managing Board members;
- iii. at least one member should have relevant knowledge and experience in the fields of risk management in financial institutions;
- iv. the Supervisory Board Chairman, (former) Managing Board members and Supervisory Board members who act as Managing Board members with listed companies may not simultaneously chair the RNC;
- v. none of the members, with the exception of no more than one person, may simultaneously serve on the Managing Board of a Euronext-Amsterdam listed company; and
- vi. the majority of the RNC members and the Chairman must be independent within the meaning of article 3.4 of the Charter SB.

- 3.3 As part of their permanent education, individual RNC members as well as the committee as a whole will ensure that their expertise is at a level required for prudent and diligent execution of their responsibilities and this will include regular briefings on latest developments.
- 3.4 Members are appointed for a term of four years. RNC members may be dismissed by the Supervisory Board at any time. RNC membership is terminated if the member no longer serves on the Supervisory Board.
- 3.5 The RNC may retain one or more external remuneration advisers provided that these advisers do not simultaneously render remuneration advisory services to individual members of the Managing Board with regard to their own remuneration.

Article 4

Chairman and Secretary

- 4.1 Subject to the provision of Article 3.2 of this RNC Charter, the Supervisory Board shall appoint one of its committee members as the RNC Chairman. The Chairman is responsible for the correct functioning of the RNC, shall act as the RNC's spokesperson and as the main contact for the Supervisory Board.
- 4.2 The Head of Human Resources, or a person designated by him/her with the consent of the RNC, shall act as the secretary of the RNC (the "RNC Secretary").

Article 5

RNC meetings (committee agenda, participants and minutes)

- 5.1 The RNC will meet at least three times a year, and also as often as one or more of its members consider necessary. Meetings can also take place upon request of the Supervisory Board or the Chairman and CEO of the Managing Board. As a rule, the meetings are held at the Company's offices, but they may also be held elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 5.2 The RNC will establish an annual planning calendar of issues and topics for its meetings. The assessment and remuneration of Managing Board and Supervisory Board members will be discussed at least once a year.
- 5.3 Unless the RNC gives notice that it wishes to meet in the absence of other parties, the Managing Board Chairman and CEO and the Head of Human Resources and -if not the same person- the RNC Secretary will be invited to attend RNC meetings as a standard procedure. The RNC may invite other members of the Supervisory Board, other Managing Board members, other Executive Committee members, Senior Management or Control Functions, to discuss specific subjects or issues related to their area of responsibility / expertise. Other NIBC employees and third parties may also be invited to attend on an ad hoc basis. The Managing Board Chairman and CEO and the Head of Human Resources shall not attend the section of a meeting at which their own remuneration, performance or goals are discussed.
- 5.4 Meetings shall be convened via the Chairman, by the person requesting the meeting. Whenever feasible, RNC members should receive the notice convening the meeting, the agenda and the annexes on the topics to be discussed at least five days prior to the meeting.

- 5.5 The quorum for each meeting is two members.
- 5.6 The Secretary shall take minutes of RNC meetings. If the Secretary cannot be present, a designated person as referred to in Article 4.2 will ensure proper recording. Meeting minutes will reflect decisions and action points, as well as underlying rationales. As a rule, the minutes shall be adopted at the next meeting. However, if all RNC members approve the contents of the minutes, they may also be adopted at an earlier date.. After adoption, the minutes shall be sent to all Supervisory Board members.
- 5.7 Every Supervisory Board member shall have unlimited access to all RNC data. Supervisory Board members shall exercise these rights in consultation with the Chairman and the Secretary of the RNC.

Article 6

Application of the Charter SB

The relevant articles in the SB Charter shall apply likewise to the RNC Charter.

Article 7

Evaluation of the functioning of the RNC and its members

- 7.1 Each year, the RNC shall evaluate the RNC Charter and shall submit any amendments to the Supervisory Board for approval (in consultation with the Managing Board).
- 7.2 Each year, the RNC shall evaluate its own functioning and report on this to the Supervisory Board.