



RISK COMMITTEE CHARTER

2022

CONTENTS

Introduction	3
Article 1. Duties and working methods	3
Article 2. Meetings	3
Article 3. Composition	4
Article 4. External auditor	4

Introduction

- This Charter states the role and responsibilities of the Risk Committee, its composition and how it carries out its duties.
- To the extent required, this Charter also implements the Dutch Corporate Governance Code of December 2016, the Dutch Banking Code of October 2014, EBA Guidelines on internal governance (EBA/GL/2021/05) and the Guidelines Corporate governance principles for banks of the Basel Committee on Banking Supervision (BCBS), among other codes.
- The Risk Committee has been formed in accordance with Article 6.1 of the Supervisory Board Charter.
- The task of the Risk Committee is to prepare the input for the decision-making of the Supervisory Board, facilitating the development and implementation of a sound internal governance framework.
- This Charter has been discussed and adopted by the Supervisory Board.
- This Charter has been posted on NWB Bank's website.

Article 1. Duties and working methods

- 1.1 For the purpose of preparing the Supervisory Board's decision-making process, the Risk Committee will in any event focus on the supervision of the activities of the Executive Committee with respect to:
 - a. risk management and risk policy, with account being taken of not only market, credit and liquidity risks, but also systemic risks, reputation risks, Environmental, Social and Governance (ESG) risks and non-financial risks, as well as the design and operation of the internal risk management and control systems including the prevention of money laundering and terrorism financing (other than internal financial control systems which is a responsibility of the Audit Committee);
 - b. the risk appetite and risk profile (Risk Appetite Framework);
 - c. assessment of compliance with all relevant legislation and regulations concerning risk reporting;
 - d. the assessment, at the strategic level, as to whether capital allocation (ICAAP) and liquidity requirements (ILAAP) in general are adequate and in line with the approved risk appetite and whether the business activities in general fit within the bank's risk appetite; and
 - e. the recovery plan.
- 1.2 The Risk Committee shall review, assess and recommend any actions to be taken by the Supervisory Board regarding the findings of the supervisory authorities and the internal and external auditors with respect to the topics as stated in Article 1.1. The Risk Committee shall take into account the findings of the Audit Committee with respect to the foregoing.
- 1.3 The Risk Committee will regularly assess its own performance, also addressing the composition and knowledge of the Committee, its relationships with the external and internal auditors and the content, format and frequency of the information on risk to be reported to them, among other matters. The Risk Committee will notify the Supervisory Board of the outcome of the self-assessment.

Article 2. Meetings

- 2.1 The Risk Committee will meet at least four times a year, taking into account a minimum period of two weeks till the next Supervisory Board meeting.
- 2.2 The CRO and other members of the Executive Committee, and the internal auditor will attend the Risk Committee meetings, unless the Risk Committee decides otherwise. As stated in Article 4.3, the external auditor will be invited to attend a Risk Committee meeting at least once a year. When applicable other relevant functions are invited to attend the Risk Committee meetings.
- 2.3 Minutes of the meetings will be drawn up. These minutes and any other findings will be topics of discussion at the Supervisory Board meetings.

2.4 The Charter, agenda and minutes will be drawn up in English. The meeting will be held in Dutch.

Article 3. Composition

- 3.1 The Risk Committee will have at least three members and may not be composed of the same group of members as the other committees, meaning that at least one member should deviate from the composition of the other committees.
- 3.2 The members must have a financial background. At least one risk management expert will have a seat on the Risk Committee, which means that member has gained relevant knowledge and experience in the risk management field preferably in another bank.
- 3.3 Furthermore, the Risk Committee will be subject to specific requirements in the area of competency and experience. The Committee must have a thorough knowledge of the financial-technical aspects of risk management, management of non-financial risks or have the necessary experience that allows for a sound assessment of risks.
- 3.4 Risk Committee members must be willing and be able to make sufficient time available to carry out their duties and must demonstrate commitment and involvement. At the same time, they must be able to adopt a critical and independent attitude and should engage in open and critical discussions, during which dissenting views are discussed in a constructive manner.
- 3.5 The Risk Committee shall have sufficient independent members within the meaning of the EBA guidelines on the assessment of the suitability of members of the management body and key function holders.
- 3.6 The Risk Committee may not be chaired by the Chair of the Supervisory Board or by a (former) member of the Executive Committee of the bank. Furthermore the Chair should be another member of the Supervisory Board than a Chair of a committee.

Article 4. External auditor

- 4.1 As part of the overall audit engagement with respect to the financial statements, the external auditor will report to the Executive Committee and the Supervisory Board on his or her findings regarding the quality and effectiveness of the performance of the bank's governance, risk management and control processes.
- 4.2 The Audit Committee will be the first point of contact for the external auditor should the latter identify any irregularities in the financial reports, including risk management and controls.
- 4.3 The external auditor will attend at least once a year a Risk Committee meeting. The external auditor may submit a request for attending additional meetings of the Risk Committee to the Chair of the Risk Committee.