

ARTICLES OF ASSOCIATION

2020



NWB) BANK

ARTICLES OF ASSOCIATION
of “public limited company”:
Nederlandse Waterschapsbank N.V.,
established in The Hague

Name and seat.

Article 1.

- 1.1. The name of the company is: **Nederlandse Waterschapsbank N.V.**
- 1.2. The company has its registered office in The Hague.

Purpose.

Article 2

- 2.1 The purpose of the company is to engage in banking operations for the benefit of the public sector by:
 - (i) granting loans:
 - a. to regional water authorities (*waterschappen*);
 - b. to the State of the Netherlands (*de Staat der Nederlanden*), provinces (*provincies*) and municipalities (*gemeenten*) ;
 - c. to other bodies governed by public law and equivalent bodies;
 - d. to legal entities and other bodies and collaborative ventures operating publicly as independent entities or organisations that are, either directly or indirectly by means of shares or otherwise,:
 - controlled by a body/legal entity referred to under a for at least one third, or
 - controlled by a body/legal entity referred to under b or c for at least half;
 - e. to legal entities and other bodies and collaborative ventures operating publicly as independent entities or organisations within the context of, among other things, project finance, of which the operating income is solely or substantially provided or guaranteed by one or more of the bodies/legal entities referred to under a, b or c;
 - f. to legal entities and other bodies and collaborative ventures operating publicly as independent entities or organisations to which an investment fund financed by the State of the Netherlands has provided at least one third of the capital in the form of equity and /or a subordinated loan
 - g. to an investment fund financed by a body/legal entity referred to under a, b and/or c through capital or a subordinated loan; ;
 - h. under a for at least fifty per cent (50%) guarantee by one of the bodies/legal entities or other entities or collaborative ventures operating publicly as independent entities or organisations referred to under a, b or c;
 - (ii) borrowing funds;

- (iii) providing other services to or for the benefit of the legal entities and other bodies and collaborative ventures operating publicly as independent entities or organisations referred to under (i) above;
 - (iv) entering into transactions for the purpose of hedging and managing risks;
 - (v) mediating in the granting of loans, as referred to under (i), by third parties and taking over loans payable by the bodies referred to under (i);
 - (vi) incorporating, participating in and collaborating with legal entities and other bodies and collaborative ventures operating publicly as independent entities or organisations which by reason of their objectives may be able to further the purpose of the company defined in this paragraph; and
 - (vii) doing all that which may be conducive to the purpose of the company defined in this paragraph.
- 2.1. The company shall not grant any loans other than those described in paragraph 1 of this Article.

Capital and payment on shares.

Article 3.

- 3.1. The authorised share capital amounts to eighteen million four hundred thousand euros (EUR 18,400,000) divided into:
- a. ninety-six thousand (96,000) A shares of one hundred and fifteen euros (EUR 115) nominal value each;
 - b. sixteen thousand (16,000) B shares of four hundred and sixty euros (EUR 460) nominal value each.
- 3.2. Only the State of the Netherlands and other legal entities governed by public law may be holders of shares.
- 3.3. A shareholder that does not or no longer meets the conditions mentioned in paragraph 3.2 shall no longer be allowed to exercise the meeting rights or voting rights attached to its shares, and its right to receive distributions from profits shall be suspended.
- 3.4. At the request of a shareholder as referred to in paragraph 3 of this Article, the company shall within three months designate one or more subscribers to which the shareholder in question can transfer its shares, with due observance of the provisions of Article 13.
- 3.5. The shareholders in general meeting or, if authorised by the shareholders in general meeting, the Managing Board subject to the prior approval of the Supervisory Board shall be authorised to issue shares not yet issued, and to determine the timing and conditions of such issue. If the shareholders in general meeting delegate the authority to issue shares to the Managing Board, such delegation of authority shall stipulate the duration of its validity, which may not exceed five years, and how many shares the Managing Board is authorised to issue. The delegation of authority may be extended each time for a period of at most five years. The delegation of authority shall deprive shareholders in general meeting of the authority to issue shares not yet issued and cannot be withdrawn, unless the delegation of authority stipulates otherwise.
- 3.6. The resolution of the shareholders in general meeting approving the issue of shares or the delegation of authority to the Managing Board to issue shares shall be valid only if a prior or simultaneous resolution of approval is passed by each group of holders of shares of the same class whose rights are impaired by the issue.

- 3.7. Within eight days of a resolution by the shareholders in general meeting to issue shares or to delegate to the Managing Board the authority to issue shares as referred to in paragraph 5 of this Article, the company shall file the full text of that resolution at the office of the Trade Register.
- 3.8. The company shall report, within eight days of the expiry of each calendar quarter, each share issue made in that quarter to the Trade Register, stating the number and class of share.
- 3.9. Except as provided for by law, shares may never be issued at a price below par.
- 3.10. A subscription for an A share shall require the payment of at least its nominal value, except as provided for in Section 80, sub-section 2, of Book 2 of the Dutch Civil Code.
- 3.11. A subscription for a B share shall require the payment of at least twenty-five per cent of its nominal value. The unpaid portion of the nominal value is not required to be paid until it is called up on behalf of the company by the Managing Board pursuant to a decision of the Supervisory Board.
- 3.12. If a share is subscribed for at an amount above its nominal value, the excess must be paid on subscription for the share concerned.

Right of pre-emption.

Article 4.

- 4.1. On an issue of shares, every shareholder shall have a right of pre-emption proportional to the aggregate amount of its shares, unless payment for the shares is other than in cash.
- 4.2. The Managing Board shall notify all shareholders of an issue which is subject to a right of pre-emption, and of the period during which such right may be exercised, at the addresses provided by the shareholders as referred to in Article 9.
- 4.3. The right of pre-emption may be exercised during at least two weeks after the notification has been mailed to the shareholders.
- 4.4. For each issue of shares, the right of pre-emption may be restricted or excluded by a resolution of the shareholders in general meeting. The proposal thereto shall explain in writing the reasons for the proposal and the choice of the planned issue price. For each issue of shares, the right of pre-emption may also be restricted or excluded by the Managing Board subject to the prior approval of the Supervisory Board if the authority to restrict or exclude the right of pre-emption has been delegated to the Managing Board by a resolution of the shareholders in general meeting for a period of at most five years; such authority may only be delegated if the authority to issue shares has also been or is simultaneously delegated to the Managing Board. The delegation of authority may be extended each time for a period of at most five years. The delegation of authority shall only be valid for as long as the authority referred to in Article 3, paragraph 5, continues to be delegated to the Managing Board. Unless stipulated otherwise at the time the authority is delegated, it cannot be revoked. A resolution by the shareholders in general meeting to restrict or exclude the right of pre-emption or to delegate the authority as referred to in this paragraph shall require a majority of at least two thirds of the votes cast if less than half of the issued capital is represented at the meeting. Within eight days of the resolution being passed, the company shall file the full text of that resolution at the office of the Trade Register.

- 4.5. The issue of a share shall require a deed entered into for this purpose between the parties concerned and executed before a civil-law notary practising in the Netherlands.

Article 5.

Whenever share subscription rights are conferred, the shareholders shall have a right of pre-emption; Article 4 shall apply *mutatis mutandis*. Shareholders shall not have a right of pre-emption to shares issued to a party exercising a subscription right received previously.

Repurchase of own shares.

Article 6.

- 6.1. Any repurchase by the company of shares in its own capital that are not fully paid up shall be null and void.
- 6.2. The company may repurchase fully paid-up shares in its own capital, but only free of charge or if its shareholders' equity, less the purchase price, is not less than the paid-up and called-up portion of the capital, plus the reserves required to be kept by law or the company's Articles of Association.
- 6.3. The requirement of paragraph 2 of this Article shall be based on the amount of shareholders' equity according to the most recently adopted balance sheet, less the purchase price for shares in the capital of the company, the amount of the loans referred to in Section 98c, sub-section 2 of Book 2 of the Dutch Civil Code and distributions of profits and reserves to others which it and its subsidiaries owed after the balance sheet date. If the company's annual accounts have not been adopted within six months of the end of a financial year, a repurchase in accordance with paragraph 2 of this Article is not allowed.
- 6.4. Shares may be repurchased other than free of charge only if the shareholders in general meeting have authorised the Managing Board accordingly. This authority shall be valid for at most two years. In the authorisation, the shareholders in general meeting shall stipulate how many shares may be repurchased, how they may be repurchased and the upper and lower limits of the price.
- 6.5. Subject to the approval of the Supervisory Board, the Managing Board shall be authorised to dispose of shares the company holds in its own capital, with due regard for the provisions of Article 4.
- 6.6. No vote may be cast at a General Meeting, and no pre-emptive right as referred to in Article 4 may be exercised, in respect of a share which belongs to the company or to a subsidiary of the company or on which it has a right of usufruct or pledge.
- 6.7. In determining whether a certain part of the capital is represented or whether a majority represents a certain part of the capital, the capital shall be reduced by the amount of the shares in respect of which no vote can be cast.
- 6.8. The company may hold its own shares by way of pledge only if:
- the shares concerned are fully paid up;
 - the nominal amount of the shares concerned and of the company's own shares it already holds, or already holds by way of pledge, together do not exceed one-tenth of the issued capital, and
 - the shareholders in general meeting have approved the contract of pledge.
- 6.9. A subsidiary may not for its own account subscribe, either directly or indirectly, for shares in the

capital of the company. Subsidiaries may acquire such shares, either directly or indirectly, only to the extent that the company itself may acquire shares in its own capital pursuant to the foregoing provisions.

Reduction in issued capital.

Article 7.

- 7.1. The shareholders in general meeting may resolve to reduce the issued capital:
 - a. by the cancellation of shares, or
 - b. by reducing the nominal amount of shares by amendment of the Articles of Association.This resolution shall identify the shares to which it relates, and include arrangements for it to be implemented.
- 7.2. A resolution to cancel shares can only apply to shares held by the company itself.
- 7.3. Reduction of the amount of shares without repayment and without release from the obligation to pay up the shares shall be proportionally applied to all shares of the same class. The proportionality requirement may be waived subject to the approval of all the shareholders involved.
- 7.4. Partial repayment of shares or release from the obligation to pay up the shares shall be possible only for the purpose of implementing a resolution to reduce the amount of the shares. Such repayment or release can be carried out only if it is applied proportionally to all shares.
The proportionality requirement may be waived subject to the approval of all the shareholders involved.
- 7.5. A resolution to reduce the capital requires a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the meeting.
- 7.6. The notice to convene a meeting at which a resolution as referred to in this Article is to be submitted shall state the objective of the reduction in capital and the manner in which it is to be effected. The provisions of paragraphs 2 and 3 of Article 24 shall apply *mutatis mutandis*.

Shares.

Article 8.

- 8.1. Shares shall be registered and consecutively numbered, the A shares from A1 onwards and the B shares from B1 onwards.
- 8.2. Share certificates will not be issued.
- 8.3. The company shall not lend its cooperation to the issue of depositary receipts for shares in its capital.

Register of holders of shares and of holders of a restricted right to these shares.

Article 9.

- 9.1. The Managing Board of the company shall keep a register containing the names and addresses of all the shareholders, stating the dates on which they acquired the shares, the date of the acknowledgement or service, and the amount paid up on each share. The register shall also state the

names and addresses of those holding a right of usufruct or a pledge on these shares, the date on which the right was acquired, the date of acknowledgement or service, and to which of the rights attaching to the shares they are entitled in accordance with Article 11.

- 9.2. Each shareholder shall communicate its address to the Managing Board. If an electronic address is also communicated for purposes of inclusion in the register of holders of shares, such communication shall imply the agreement to receive all notices and notifications, as well as notices to convene meetings, by electronic means.
- 9.3. The register shall be regularly updated; it shall contain a record of all discharges from liability for payments not yet made.
- 9.4. If requested, the Managing Board shall furnish a shareholder, a usufructuary and a pledgee, free of charge, an extract from the register concerning its right to a share. If the share is encumbered by usufruct or pledge, the extract shall state the party entitled to the rights referred to in Article 11.
- 9.5. The Managing Board shall make the register available for inspection by the shareholders at the offices of the company. The details in the register concerning partly paid-up shares shall be available for inspection by all parties; a copy or extract of these details shall be furnished at no more than cost.

Transfer of shares.

Article 10.

- 10.1. The transfer of a share shall require a deed entered into for this purpose between the parties concerned and executed before a civil-law notary practising in the Netherlands. Except in cases where the company itself is a party to the legal act, the rights attaching to the share shall be exercisable only after the company has acknowledged the legal act or the deed has either been served on the company in accordance with the relevant provisions of the law or the company has acknowledged it by recording it in the register of holders of shares referred to in Article 9.
- 10.2. In the case of the transfer of partly paid-up shares, the date of transfer shall also be entered in the register referred to in Article 9 of these Articles of Association.

Pledge and usufruct on shares.

Article 11.

- 11.1. The provisions of paragraph 1, first sentence, of the previous Article shall apply *mutatis mutandis* to the establishment and transfer of a right of usufruct and to the establishment and transfer of a pledge on shares.
- 11.2. A right of usufruct and/or a pledge can be established on shares. Usufructuaries and pledgees shall not be entitled to the voting right on the shares.
- 11.3. Usufructuaries and pledgees shall not be entitled to the rights referred to in Section 88, sub-section 4, and Section 89, sub-section 4, of Book 2 of the Dutch Civil Code.

Article 12.

If more than one legal entity or natural person owns a share or has a right of usufruct or pledge on a share, the title holders may be represented vis-à-vis the company only by one party, who shall be designated for this purpose by written notice to the Managing Board.

Share transfer restrictions.

Article 13.

- 13.1. A transfer of shares shall require the approval of the Supervisory Board.
- 13.2. The request for approval must be made to the Supervisory Board stating the number of shares which the applicant wishes to transfer and the name of the legal entity governed by public law to which it wishes to transfer the shares.
- 13.3. The Supervisory Board shall communicate its decision on the application to the applicant without delay.
- 13.4. The approval shall be deemed to have been given:
 - a. if a period of two months has elapsed without any decision being taken on the application;
 - b. if the Supervisory Board, simultaneously with the approval being refused, does not inform the applicant of one or more interested parties which are willing to buy for cash all the shares to which the application relates.
- 13.5. If approval is or is deemed to be granted, the applicant may proceed in the following three months with the transfer as described in its application for approval.
- 13.6. If a decision in which the application is refused does mention one or more interested parties which are willing and able to buy for cash all the shares to which the application relates, the price of the shares to be transferred shall, unless otherwise agreed by the parties, be determined by an independent expert to be appointed at the request of either party by the Chair of the Board of the Royal Dutch Association of Civil-law Notaries (*Koninklijke Notariële Beroepsorganisatie*), unless the parties reach agreement on the expert to be appointed. The Managing Board shall cooperate fully with the expert for the purpose of determining the price. As soon as the price is made known to the Supervisory Board, it shall inform the parties concerned thereof without delay. The purchase agreement shall be drawn up only if the applicant advises the Supervisory Board, within one month of the parties being informed of the price, that it accepts the price and the interested party or parties mentioned in the decision.
- 13.7. The cost of determining the price shall be borne by the company, unless the applicant withdraws its offer, in which case half the cost of determining the price shall be borne by the applicant and half by the company.

Management.

Article 14.

- 14.1. The company shall be managed by a Managing Board consisting of two or more members, the number to be determined by the shareholders in general meeting. The shareholders in general meeting can confer the title of Chair of the Board on a member of the Managing Board.
- 14.2. Only those natural persons can be appointed to the Managing Board with respect to whom the Dutch

central bank (*De Nederlandsche Bank N.V.*) or, where applicable, the European Central Bank has declared, prior to his or her appointment, that he or she satisfies the requirements imposed by or by virtue of the Financial Supervision Act (*Wet op het financieel toezicht*).

- 14.3. In carrying out their tasks, the members of the Managing Board shall act in the interests of the company and in doing so shall take the relevant interests of the stakeholders of the company into consideration.
- 14.4. Members of the Managing Board are appointed by the shareholders in general meeting, with due regard for the provisions of this Article, based on nominations by the Supervisory Board, for a four-year period and shall stand down from the Board no later than on the day of the first General Meeting to be held after the end of the four-year period of their last appointment. Board members can be reappointed each time for a new term of office of at most four years. The shareholders in general meeting can remove the binding nature of a nomination of a member of the Managing Board by a resolution passed by an absolute majority of the votes cast in a meeting at which at least one third of the issued capital is represented. If the meeting does not meet this quorum, but an absolute majority of the votes cast are in favour of removing the binding nature of the nomination, then the resolution can be passed by an absolute majority of the votes cast in a new meeting to be convened, irrespective of the portion of the capital represented at that meeting.
- 14.5. The members of the Managing Board may be suspended and dismissed by the shareholders in general meeting at any time, on the understanding that a resolution of dismissal, other than based on a proposal of the Supervisory Board, requires an absolute majority of the votes validly cast, which majority must represent at least one third of the issued capital. If the meeting does not meet this quorum, but an absolute majority of the votes cast are in favour of dismissal, then the resolution can be passed by an absolute majority of the votes cast in a new meeting to be convened, irrespective of the portion of the capital represented at that meeting.
- 14.6. The Supervisory Board may also suspend any member of the Managing Board. In the event of a suspension, the Supervisory Board must convene a General Meeting to be held within two months of the day on which the suspension is pronounced. The suspension and the reasons therefore shall be announced at this meeting. If and to the extent that this meeting is not held within the said term, or if the shareholders in general meeting do not resolve either to extend the suspension with due regard for the provisions of paragraph 8 of this Article or to dismiss the suspended member of the Managing Board, the suspension shall end at the latest on the date the said term expires.
- 14.7. Any suspended member of the Managing Board shall be given the opportunity to account for his or her actions at the General Meeting either in person or by proxy; a suspended member of the Managing Board shall be entitled to be assisted by his or her counsel.
- 14.8. Even after a suspension has been extended, it shall not last longer than a total of three months. If no decision on lifting the suspension or on dismissal has been taken by the end of that term, the suspension shall end.
- 14.9. The members of the Managing Board shall allocate their duties in consultation with the Supervisory Board.
- 14.10. The Managing Board shall meet as frequently as any member wishes. It shall take decisions by an

absolute majority of the votes. If votes are tied and the shareholders in general meeting have conferred the title of Chair on a member of the Managing Board, the Chair of the Board shall have the casting vote. If none of the members of the Managing Board has been given the title of Chair of the Board and votes are tied, the Supervisory Board shall decide.

14.11. A member of the Managing Board shall not take part in deliberations and decision-making addressing a direct or indirect personal interest which he or she has that conflicts with the interests of the company and its operations.

If this renders decision-making by the Managing Board impossible, the Supervisory Board shall decide. In the event of the absence or the inability to act of all members of the Supervisory Board, the shareholders in general meeting shall decide.

14.12. The shareholders in general meeting shall determine the remuneration policy for the members of the Managing Board. The remuneration policy shall cover at least those matters described in Sections 383c to 383e inclusive of Book 2 of the Dutch Civil Code, insofar as they relate to the members of the Managing Board. The remuneration and other employment terms and conditions of each member of the Managing Board shall be set by the Supervisory Board within the limits of the policy adopted by the shareholders in general meeting.

Article 15.

The Managing Board shall draw up a set of rules covering, among other things, the allocation of duties, the methods and the decision-making process of the Managing Board, as well as the manner of providing information to the Supervisory Board. The preparation of and amendments to the rules by the Managing Board shall require the approval of the Supervisory Board.

Article 16.

16.1. Each member of the Managing Board is authorised to represent the company.

16.2. Pursuant to a resolution to that effect, the Supervisory Board is authorised to make certain Managing Board resolutions, to be clearly described in such resolution, subject to its authorisation or approval.

16.3. The approval of the shareholders in general meeting shall be required for decisions of the Managing Board concerning major changes to the identity or nature of the company or the business, including:

- a. the transfer of all or virtually all the business activities to a third party;
- b. the entering into or dissolution of a long-term collaborative venture between the company or a subsidiary and a legal entity or company, or as a fully liable partner in a limited partnership or general partnership, if the new collaborative venture or dissolution of a collaborative venture is significant for the company;
- c. the acquisition or sale by the company or a subsidiary of a participating interest in the capital of a company for an amount equal to at least one-third of the amount of the issued capital plus the reserves according to the balance sheet and notes thereto of the company, or, if the company publishes a consolidated balance sheet, the consolidated balance sheet, or a significant increase or decrease in such participating interest;

- d. an investment or disposal involving an amount equal to at least one-third of the issued capital plus the reserves of the company according to its balance sheet or consolidated balance sheet with notes thereto. An investment or disposal does not include the activities as referred to in Article 2, paragraph 1, points (i) to (v) inclusive.
- 16.4. The failure to obtain the approval of the Supervisory Board or of the shareholders in general meeting for a decision as referred to in paragraphs 2 or 3 of this Article shall not affect the representative authority of the Managing Board or its members.
- 16.5. The Managing Board and the Supervisory Board shall provide the shareholders in general meeting with all the information they require to exercise their authority, unless important interests of the company dictate otherwise. If the Managing Board and the Supervisory Board cite important interests as the reason for not providing information, they shall provide supporting arguments.
- 16.6. The company can also be represented by holders of a power of attorney with due regard for any restrictions imposed on such representative authorities. These restrictions could mean, among other things, that the holder of a power of attorney can represent the company only when acting together with another such holder or together with a member of the Managing Board.
- 16.7. In the event of the absence or the inability to act of one or more members of the Managing Board, the remaining member or members of the Board shall be temporarily charged with the management. If all the members or the sole member of the Managing Board are absent or unable to act, the Supervisory Board shall be temporarily charged with the management, without prejudice to the Supervisory Board's authority in that event to designate one or more persons, whether from among its members or otherwise, to be charged with the management for a period ending not later than when at least one member of the Managing Board is in office or able to act. If a member of the Supervisory Board is temporarily charged with the management of the company in the event that the sole member or all the members of the Managing Board are absent or unable to act, he or she shall stand down from the Supervisory Board in order to carry out his or her management duties.

Supervisory Board.

Article 17.

- 17.1. The company has a Supervisory Board which shall consist of at least five and at most nine members, their number to be determined by the shareholders in general meeting. If the Supervisory Board has less than five members, the Supervisory Board shall take immediate action to increase the number of its members. An incomplete Supervisory Board remains authorised to make legally valid decisions.
- 17.2. Only those natural persons can appointed to the Supervisory Board with respect to whom the Dutch central bank (*De Nederlandsche Bank N.V.*) or, where applicable, the European Central Bank has declared, prior to his or her appointment, that he or she satisfies the requirements imposed by or by virtue of the Financial Supervision Act (*Wet op het financieel toezicht*).
- 17.3. The task of the Supervisory Board is to supervise the Managing Board's policy and the general conduct of the affairs and operations of the company. The Supervisory Board assists the Managing Board by providing advice. In carrying out their tasks, the members of the Supervisory Board shall act in the interests of the company and its operations and in doing so shall take the relevant

interests of the stakeholders of the company into consideration.

- 17.4. The Supervisory Board shall adopt a profile for its size and composition, taking account of the nature of the company, its activities and the required expertise and background of the members of the Supervisory Board.
- 17.5. Each member of the Supervisory Board shall possess the specific expertise required to fulfil his or her duties on the Board. To ensure this, as soon as a vacancy on the Board arises, an individual profile shall be drawn up for the member of the Supervisory Board to be appointed that matches the overall profile drawn up for the Supervisory Board as a whole referred to in paragraph 4 of this Article.
- 17.6. The Managing Board shall provide the Supervisory Board, in good time, with all the information the latter requires to carry out its duties. The Managing Board shall report to the Supervisory Board in writing at least once a year on the main points of the strategic policy, the general and financial risks and the management and control systems of the company.
- 17.7. The allocation of duties of the Supervisory Board and its methods shall be laid down in a set of rules.
- 17.8. If the composition of the Supervisory Board is not in accordance with paragraph 1 of this Article, the other members of the Board shall have all the rights and authorities conferred upon the Supervisory Board and its Chair.

Appointment to and dismissal from the Supervisory Board.

Article 18.

- 18.1. The members of the Supervisory Board are appointed by the shareholders in general meeting for a four-year period and shall stand down from the Board no later than on the day of the first General Meeting to be held after the end of the four-year period of their last appointment. Board members can be reappointed no more than once for a period of at most four years, unless exceptional circumstances justify a second reappointment. If a vacancy arises on the Supervisory Board at an earlier date, steps to fill the vacancy shall be taken as soon as possible by the shareholders in general meeting.
- 18.2. For the appointment of its members, the Supervisory Board shall draw up a list of binding nominations, with due regard for the provisions of Article 17 and, where applicable, the next paragraph of this Article, containing at least the name of one person for each vacant seat. The age, profession and the current and former positions held, to the extent that these are relevant in connection with the performance of the task of a Supervisory Board member, shall be disclosed for each candidate. The legal entities if any on whose supervisory boards these persons already sit shall likewise be disclosed; if these include legal entities which form part of the same group, stating the name of the group shall suffice. The reasons supporting the nomination for appointment or reappointment shall be given. In the case of reappointment, account shall be taken of the manner in which the candidate performed his or her duties as a Supervisory Board member.
Upon appointment or reappointment, the profile referred to in paragraphs 4 and 5 of Article 17 shall be taken into account.

18.3. With respect to two vacancies on the Supervisory Board, each holder of shares in the company's capital that is also a regional water authority within the meaning of the Dutch Regional Water Authorities Act (*Waterschapswet*) (a “**shareholding water authority**”) shall have the right to recommend a person for nomination by the Supervisory Board. The reasons for recommending that person shall be stated, as well as the details as referred to in the second and third sentences of the previous paragraph of this Article. The recommendation shall be submitted to the Managing Board, which will forward it to the Supervisory Board without delay. Shareholding water authorities may jointly recommend a person.

The Managing Board shall notify each shareholding water authority in good time when it has the right to make a - joint - recommendation for a vacancy on the Supervisory Board in accordance with the provisions of this paragraph. If no written recommendations are submitted within one month of the date of such notification, the Supervisory Board shall be free to make its own nomination.

If one or more recommendations have been submitted, the Supervisory Board shall nominate the recommended person or persons, on the understanding that:

- a. the Supervisory Board assesses the reasonableness of the recommendation and may raise objections to the person or persons recommended, based on the expectation that:
 - i. of the recommended person or persons will be unsuitable for performing a Supervisory Board member's duties; or
 - ii. appointment in accordance with the recommendation will result in the Supervisory Board no longer having a proper composition; and
- b. if more than one recommendation is made that do not meet with any of the objections as referred to under item a. above, the Supervisory Board may at all times decide not to nominate one or more recommended persons, provided that it nominate at least one recommended person. It is under no obligation to state the reasons for not nominating one or more recommended persons.

If the Supervisory Board raises objections to the recommended person or persons, as a result of which it does not nominate any persons, it shall notify the relevant shareholding water authority or authorities of those objections, stating the reasons therefor. The shareholding water authorities will subsequently be granted the opportunity to submit one other recommendation in accordance with the provisions of this paragraph, with the exception of the previous and present sentences. The deadline as referred to in the second sentence of the next paragraph of this Article shall then be extended by at least one month.

18.4. If a member is to be appointed to the Supervisory Board, the Managing Board shall request the Supervisory Board in writing to submit a nomination, taking into account the provisions of Article 17 and the second paragraph of this Article and, where applicable, the third paragraph of this Article. If no nomination is submitted within six months of the date of this request, the shareholders in general meeting shall be free to appoint a person of their choice. The shareholders in general meeting can remove the binding nature of a nomination of a member of the Supervisory Board by a resolution passed by an absolute majority of the votes cast in a meeting at which at least one-third of the issued capital is represented. If the meeting does not meet this quorum, but an absolute majority of the votes cast are in favour of removing the binding nature of the nomination, then the resolution can be

passed by an absolute majority of the votes cast in a new meeting to be convened, irrespective of the portion of the capital represented at that meeting.

If the nomination states one candidate for the vacancy to be filled, the decision to make the nomination shall result in that candidate's appointment, unless the binding nature of the nomination is removed.

- 18.5. The members of the Supervisory Board may be suspended and dismissed by the shareholders in general meeting at any time, on the understanding that a resolution of dismissal requires an absolute majority of the number of votes validly cast, which majority must represent at least one-third of the issued capital. If the meeting does not meet this quorum, but an absolute majority of the votes cast are in favour of dismissal, then the resolution can be passed by an absolute majority of the votes cast in a new meeting to be convened, irrespective of the portion of the capital represented at that meeting.
- 18.6. The remuneration of the Supervisory Board shall be set by the shareholders in general meeting, without reference to the profit for the year as disclosed in the company's adopted statement of income. Expenses incurred by the members of the Supervisory Board in the performance of their duties shall be reimbursed.
- 18.7. The Supervisory Board shall regularly set the maximum amount for which the company may contract loans repayable after two years or longer.
- 18.8. The Supervisory Board can decide that one or more of its members, whether or not accompanied by an expert as referred to in the next paragraph of this Article, shall have access to the business premises of the company and shall be authorised to inspect the accounting records, correspondence and other documents and to gather any other information necessary for the performance of its duties. The Supervisory Board can also decide that only a part of the powers referred to in the previous sentence can be exercised.
- 18.9. The Supervisory Board can, at the expense of the company, obtain advice from experts in such fields as it deems necessary for the proper performance of its duties. To the extent that the shareholders in general meeting have not appointed the auditor of the company as referred to in Section 393, sub-section 1, of Book 2 of the Dutch Civil Code, the auditor shall be appointed by the Supervisory Board.

Article 19.

- 19.1. The Supervisory Board shall elect from among its members a Chair and a Deputy Chair. The Chair cannot be a former member of the Managing Board of the company. The Supervisory Board shall receive assistance from the Corporate Secretary. The Corporate Secretary shall be appointed and dismissed by the Managing Board, either on the initiative of the Supervisory Board or otherwise, after receiving the approval of the Supervisory Board. The duties and powers of the Corporate Secretary shall be defined in a set of rules drawn up for the Supervisory Board.
- 19.2. The Supervisory Board can form committees from among its members, which committees shall have a remit to be determined by the Supervisory Board. The Supervisory Board shall lay down detailed instructions for these committees in a set of rules.
- 19.3. The Supervisory Board shall meet at least six times each year and additionally as frequently as

considered necessary by the Chair. The Chair and, if he or she is absent or the position is vacant, the Deputy Chair shall convene a meeting of the Supervisory Board if so requested by two of its members. Such meetings shall be convened subject to a notice period of at least eight days, not counting the day of the notice and that of the meeting. Meetings shall be held at a time and place to be determined by the person or persons who convene them.

- 19.4. Supervisory Board meetings cannot be held unless at least a majority of the members attend or are represented. Supervisory Board members may have themselves represented only by means of a power of attorney in writing, which power of attorney may only be granted to another member of the Supervisory Board. Written power of attorney shall mean any power of attorney received in writing by any of the generally accepted means of communication.
- 19.5. If the position of Chair is vacant, the Deputy Chair shall deputise for him or her. In the absence of the Corporate Secretary the meeting shall appoint someone to fill this role.
- 19.6. All Supervisory Board resolutions can only be passed by an absolute majority of the votes. If after two rounds the votes are tied, the resolution shall be deemed to have been defeated. Blank ballot papers shall be considered votes not cast.
- 19.7. A member of the Supervisory Board shall not take part in deliberations and decision-making addressing a direct or indirect personal interest which he or she has that conflicts with the interests of the company and its operations. If this renders decision-making by the Supervisory Board impossible, the shareholders in general meeting shall decide.
- 19.8. If requested, the Managing Board shall attend the meetings of the Supervisory Board and provide the Supervisory Board with all the information it requests, in which case the Managing Board has an advisory function.
- 19.9. Minutes shall be taken of the matters discussed at a meeting, which shall be adopted either by the meeting or by a subsequent meeting.
- 19.10. In the event of the absence or the inability to act of one or more members of the Supervisory Board, the remaining member or members of the Board shall be temporarily charged with the supervisory and other duties of the Board. If all the members or the sole member of the Supervisory Board are absent or unable to act, a person designated for that purpose by the shareholders in general meeting shall be temporarily charged with the supervisory and other duties of the Board.
- 19.11. The Supervisory Board may also pass resolutions outside of meetings provided this is done in writing by any of the generally accepted means of communication and provided further that every member of the Supervisory Board is informed of the resolution to be passed, no member of the Supervisory Board objects to this method for passing resolutions and more than half of the members of the Supervisory Board vote in favour of the proposal concerned. A resolution passed in this manner shall be read out at the next meeting.

Financial year, balance sheet and statement of income.

Article 20.

20.1. The financial year is the same as the calendar year.

20.2. The company's accounting records shall be closed on the thirty-first day of December each year and,

using these records as a basis, the Managing Board shall prepare the annual accounts, comprising a balance sheet and statement of income and notes thereto within four months of the end of the financial year, unless the shareholders in general meeting extend this deadline by not more than five months on the grounds of exceptional circumstances, which documents shall then be submitted to the Supervisory Board for its opinion.

- 20.3. The annual accounts shall be audited by an expert as referred to in Section 393, sub-section 1, of Book 2 of the Dutch Civil Code and to be appointed by the shareholders in general meeting, which expert shall report on his or her audit to the Managing Board and Supervisory Board and issue an auditor's report.
- 20.4. The annual accounts shall be accompanied by a Report of the Managing Board on the affairs of the company and the policy conducted in the past financial year, which report shall comply with the requirements of Section 391 of Book 2 of the Dutch Civil Code.
- 20.5. The annual accounts shall be signed by all the members of the Managing Board and by all the members of the Supervisory Board. If any signature is missing, the reason therefor shall be stated.
- 20.6. The annual accounts shall be submitted for adoption to the shareholders in general meeting. Adoption of the annual accounts does not imply the discharge from liability of the members of the Managing Board or the Supervisory Board.
- 20.7. The documents referred to in the previous paragraphs of this Article together with the report of the Supervisory Board and the other information to be added to these documents pursuant to Section 392 of Book 2 of the Dutch Civil Code shall be available at the office of the company for inspection by shareholders, who will be able to obtain copies thereof free of charge, from the day the annual General Meeting is convened until the day it is held. Until these documents are filed with the Trade Register, they shall also be available for inspection by parties other than those referred to in the previous sentence, who will be able to obtain copies thereof at cost.
- 20.8. The shareholders in general meeting may discharge the members of the Managing Board from liability for their management and the members of the Supervisory Board from liability for their supervision exercised during the financial year to which the documents refer, subject to the statutory provisions and to the extent that the management and supervision exercised are apparent from the documents.

Profit appropriation.

Article 21.

- 21.1. Profit shall be distributed only insofar as the shareholders' equity of the company exceeds the amount of that part of its issued capital which is paid up and called up, plus the reserves which must be kept by law or the Articles of Association.
- 21.2. The annual profit disclosed in the adopted statement of income shall be allocated as follows:
 - a. the Managing Board is authorised, subject to the prior approval of the Supervisory Board, to appropriate all or part of the profit to reserves;
 - b. any balance of profit remaining after the addition to reserves shall be at the disposal of the shareholders in general meeting;

- c. to the extent that the shareholders in general meeting do not decide to distribute a dividend for any financial year, such profit shall be added to reserves.
- 21.3. The shareholders in general meeting can decide to make a profit distribution chargeable to a distributable reserve only on the basis of a resolution proposed by the Managing Board and approved by the Supervisory Board.
- 21.4. To the extent that the company has profits, the Managing Board, subject to the approval of the Supervisory Board, may with due regard for the provisions of paragraphs 1 and 2 of this Article decide to distribute an interim dividend on the basis of an interim statement of the company's financial position as provided for in Section 105, sub-section 4, of Book 2 of the Dutch Civil Code.
- 21.5. On a resolution proposed by the Managing Board with the approval of the Supervisory Board, the shareholders in general meeting can decide to distribute to shareholders a dividend or interim dividend other than in cash chargeable to the part of the profit to which they are entitled.

Article 22.

- 22.1. Dividends shall be made payable at a time and place to be determined by the Managing Board. Dividends shall be made payable not later than fourteen days after the day of the meeting at which they are declared.
- 22.2. Dividends not claimed within five years of the day on which they became payable shall accrue to the company.

General Meetings of Shareholders.

Article 23.

- 23.1. General Meetings of Shareholders, whether annual as referred to in Article 20, or extraordinary, shall be held in The Hague.
- 23.2. Shareholders shall be convened to a General Meeting by the Managing Board or the Supervisory Board at least fourteen days prior to the meeting, not counting the day of the notice to convene the meeting and that of the meeting, by means of a notice in writing sent to their addresses shown in the register referred to in Article 9. If a shareholder agrees, the notice to convene the meeting may be sent by means of a legible and reproducible message transferred by electronic means to the address the relevant shareholder has communicated to the company for that purpose.
- 23.3. Extraordinary General Meetings of Shareholders shall be held as frequently as the Supervisory Board and/or the Managing Board deem appropriate.
- 23.4. If shareholders representing at least one-tenth of the issued capital, or the State of the Netherlands irrespective of the portion of the issued capital it holds, address a request to the Managing Board and/or the Supervisory Board by registered letter for a General Meeting to be convened, giving a detailed list of the items to be considered, and neither the Managing Board nor the Supervisory Board - which shall always have equal authority for this purpose - reacts to this request so as to enable the General Meeting to be held within six weeks of the date of the request, the requestor or requestors themselves can be authorised by the preliminary relief judge (*voorzieningenrechter*) of the Court in whose jurisdiction the company has its registered office to convene the meeting.

Article 24.

- 24.1. The notice to convene a General Meeting shall state the time and the place of the meeting, and a list of the items to be considered or a notification that such list is available for inspection by shareholders at the office of the company.
- 24.2. Whenever a proposal to amend the Articles of Association is to be submitted to the General Meeting, the notice to convene the meeting must always mention such proposal. Those convening the meeting shall at the same time and until the meeting has ended make available at the office of the company for inspection by every shareholder a copy of the proposal containing the exact text of the proposed amendment.
- 24.3. The agenda of the annual General Meeting of Shareholders as referred to in Article 20 shall include the following items:
- a. consideration of the Report of the Managing Board as referred to in paragraph 4 of Article 20;
 - b. adoption of the annual accounts;
 - c. adoption of the appropriation of any profit remaining as referred to in paragraph 2 of Article 21;
 - d. discharge from liability of the members of the Managing Board;
 - e. discharge from liability of the members of the Supervisory Board;
 - f. the filling of any vacancies;
 - g. any other proposals submitted by the Supervisory Board or the Managing Board;
 - h. any other proposals submitted by one or more shareholders which, alone or together, represent at least one-hundredth of the issued capital, provided that the company received the request, which shall state the reasons for the request, no later than thirty days prior to the day of the meeting.
- 24.4. As from the day a meeting is convened, shareholders may obtain a copy of the agenda and of any proposals as referred to in paragraph 2 of this Article free of charge.

Article 25.

- 25.1. A General Meeting shall be chaired by the Chair of the Supervisory Board or, if that position is vacant, by the Deputy Chair of this Board. If the latter position is also vacant, the General Meeting shall be chaired by the most senior member of the Supervisory Board in attendance. If there are no members of the Supervisory Board in attendance, the General Meeting shall appoint a Chair itself.
- 25.2. The Chair shall designate a secretary to keep minutes of the meeting. The minutes shall be made available no later than three months after the day of the meeting, following which the shareholders shall have three months to respond to the minutes. The minutes shall subsequently be adopted by the Chair and the secretary.

Article 26.

- 26.1. Except for cases in which a larger majority is required by law or by these Articles of Association, all resolutions shall be passed by an absolute majority of the votes validly cast.
- 26.2. One vote can be cast for each A share and four votes can be cast for each B share. Blank ballot

papers shall be considered votes not cast.

- 26.3. Valid votes can also be cast for the shares of parties who, in a capacity other than as shareholder of the company, would, as a result of the resolution submitted, acquire any right vis-à-vis the company or be discharged from any obligation to the company.
- 26.4. Votes on the appointment of the officers of the company shall be cast by means of sealed, unsigned ballot papers and votes not involving appointments shall be cast orally, unless, for either case, the Chair of the meeting decides on another method of voting and there are no objections from the meeting. If votes involving appointments of officers of the company are tied, a second round of voting shall be held on the two candidates for whom most votes were cast in the first round, and the winning candidate shall be the candidate for whom most votes are cast in the second round. If votes are tied in the second round, the decision is taken by lot. If votes not involving appointments are tied, a second round of voting shall be held. If votes are tied in the second round, the proposal shall be deemed to have been defeated.
- 26.5. Shareholders have the right to be represented at a meeting by a proxy authorised by means of a written power of attorney, which shall be valid only for the financial year in progress. The requirement that a power of attorney be laid down in writing shall also be satisfied if the power of attorney is laid down electronically.
- 26.6. To the extent so decided by the Managing Board, each shareholder shall have the right to attend, speak at and exercise its voting rights at the General Meeting, either in person or represented by a proxy authorised by means of a written power of attorney, using electronic means of communication, provided that the relevant shareholder is capable of being identified, of taking direct cognisance of the proceedings of the meeting and of taking part in the deliberations through the electronic means of communication. The Managing Board shall be authorised to impose conditions on the use of the electronic means of communication by issuing rules. If the Managing Board has used this authority, the conditions shall be set out in the notice to convene the meeting.
- 26.7. If the Managing Board has opened the possibility to do so, votes may be cast prior to the General Meeting via an electronic means of communication, but not earlier than the thirtieth day preceding that meeting, at a specially designated email address. These votes shall be treated in the same way as votes cast at the General Meeting. A vote thus cast shall be irrevocable and shall also bind the person who acquires the share concerned in the period between the casting of that vote and the time of the General Meeting.
- 26.8. Shareholders shall be capable of passing all resolutions outside a meeting that they are capable of passing at a meeting. Such a resolution shall be valid only if all shareholders entitled to vote have voted in favour of the motion in question in writing. The requirement that a vote be cast in writing shall also be satisfied if the vote is cast using an electronic means of communication.

Amendment to the Articles of Association, dissolution and liquidation.

Article 27.

- 27.1. A resolution to amend the Articles of Association and/or dissolve the company shall require a

majority of more than two-thirds of the votes validly cast. If the resolution is to dissolve the company, at least half of the issued capital must be represented at the meeting.

- 27.2. If less than half of the issued capital is represented at a meeting at which a resolution to dissolve the company is to be submitted, a second meeting shall be convened, to be held within four weeks of the date of the first meeting. This second meeting can pass the resolution by a majority of more than two-thirds of the votes validly cast, irrespective of the capital represented. The notice to convene the second meeting shall state that a resolution can be taken and why it can be taken irrespective of the capital represented.

Article 28.

- 28.1. Liquidation of the company shall be carried out by the Managing Board under the supervision of the Supervisory Board.
- 28.2. During the liquidation process, the Articles of Association shall continue to be in force wherever possible.
- 28.3. The liquidation shall be carried out subject to the statutory provisions.
- 28.4. The remuneration of the liquidators and the members of the Supervisory Board shall be at the discretion of the shareholders in general meeting.
- 28.5. Any amount remaining after settling the amounts due to creditors shall be distributed to the shareholders in proportion to the amount actually paid up, inclusive of share premium, on the shares they hold.

END OF ARTICLES OF ASSOCIATION.