



GENERAL PROFILE
SUPERVISORY BOARD MEMBERS

2022

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Introduction

- This profile aims to provide guidelines for the size and composition of the Supervisory Board of NWB Bank and for the appointment of its members. In addition, it contains an Article on the independence of the members of the Supervisory Board.
- To the extent required, these Rules also implement NWB Bank's Articles of Association, the Dutch Corporate Governance Code of December 2016, the Dutch Banking Code of October 2014, the Capital Requirements Directive, the EBA Guide to fit and proper assessment and the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders.
- This profile will be evaluated on a regular basis at the request of the Supervisory Board.
- The Supervisory Board has readopted this profile after consultations with the Managing Board of NWB Bank.
- The profile has been posted on NWB Bank's website.

Article 1. General

- 1.1 In accordance with Article 17 of NWB Bank's Articles of Association, the number of Supervisory Board members will be determined by the General Meeting. The Supervisory Board will have at least five and no more than nine members.
- 1.2 The Supervisory Board will supervise the Managing Board's policies and the general conduct of affairs at NWB Bank as well as the enterprise associated with it. As such, the Supervisory Board will have both a supervisory and an advisory role in respect of the Managing Board.
- 1.3 The members of the Supervisory Board will bear collective responsibility for the proper performance of the Supervisory Board and for the proper fulfilment of the obligations of the Supervisory Board.
- 1.4 The members of the Supervisory Board must act with NWB Bank's interest in mind. They will fulfil their obligations without a mandate and independently from other companies, institutes or persons. Supervisory Board members may not hold any posts or take any positions that are incompatible with NWB Bank's interests.
- 1.5 Supervisory Board members must have thorough knowledge of NWB Bank's social functions and of the interests of all of the Bank's stakeholders.
- 1.6 Each member of the Supervisory Board must be able to assess the outlines of the Bank's policies, and to reach a balanced and independent opinion on the basis risks run pursuant to those policies. Furthermore, each member of the Supervisory Board must have specific expertise necessary to discharge his or her role on the Supervisory Board. To that end, an individual profile that is in keeping with the general profile will be drawn up for a new member of the Supervisory Board as soon as a vacancy arises on the Supervisory Board.
- 1.7 A member of the Supervisory Board should be able to commit sufficient time to performing his/her functions.
- 1.8 The Supervisory Board as a whole must be able to perform the following functions (in random order):
 - a. Selecting the members of as well as forming an efficient, qualified and competent Managing Board, and monitoring the succession of members of the Managing Board
 - b. Supervising and evaluating the performance of the Managing Board
 - c. Supervising and evaluating the remuneration of the Managing Board
 - d. Supervising, evaluating, instructing and advising the Managing Board in the areas of general strategy, policies and the development of the financial position of NWB Bank, as well as the risks, internal control and other management aspects of NWB Bank
 - e. Assessing and evaluating NWB Bank's organisational structure
 - f. Assessing and evaluating NWB Bank's social policies and role in society

- 1.9 Each member of the Supervisory Board must, in principle, be willing, for a period of at least four years, to participate in one of the Committees of the Supervisory Board (the Audit Committee, the Risk Committee or the Remuneration and Appointment Committee).

Article 2. Composition

- 2.1 Any person proposed as a member of the Supervisory Board must: (a) be able to fulfil that post properly; and (b) contribute to the Supervisory Board's adequate composition. The Supervisory Board will assess the suitability of its members on an ongoing basis.
- 2.2 The Supervisory Board strives for diversity in its composition, in line with the bank's diversity policy. This policy includes objectives for diversity and the relevant diversity aspects as nationality, age, gender, expertise and experience.
- 2.3 The Supervisory Board will be deemed to have been comprised adequately if it satisfies the following criteria:
- a. The Supervisory Board is able to assess whether the Managing Board carries out the duties ensuing from the guidelines and rules of the European Central Bank ("ECB"), the Dutch central bank (*De Nederlandsche Bank N.V.*, "DNB") and the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*), which implies that the Supervisory Board as a whole understands the risks run by NWB Bank and how such risks can be managed.
 - b. Supervisory Board members are aware of national and international social, economic, political and other trends relevant to NWB Bank, and are able to assess such trends.
 - c. Supervisory Board members are able (or, in case of a reappointment, have demonstrated that they are able) to act collectively as members of the Supervisory Board and to refrain from advocating the interests of individual persons, groups of persons or parties involved in NWB Bank.
- 2.4 The criteria listed in Article 2.3 can be satisfied if the Supervisory Board is comprised of persons with extensive expertise in the fields of:
- managing internationally operating businesses;
 - the international economy and/or international regulations and government policies;
 - labour relations in companies;
 - administrative government;
 - the water authority sector;
 - wholesale banking;
 - audits, finance and management;
 - risk management;
 - legal affairs and corporate governance;
 - compliance;
 - business integrity;
 - information technology; and/or
 - human resources policies and management development.
- 2.5 In respect of two members of the Supervisory Board, each shareholder of NWB Bank also being a water authority within the meaning of the Dutch Water Authority Act (*Waterschapswet*) may recommend a person to the Supervisory Board to be nominated as a member of the Supervisory Board.
- 2.6 The Chair of the Supervisory Board must have the desirable expertise and experience with the financial sector and must be aware of the social, economic and political culture and the social environment of the key markets in which the Bank operates.
- 2.7 Prior to his or her appointment, each member of the Supervisory Board will follow an introduction programme, during which attention is in any event devoted to general financial, social and legal affairs, financial reporting, aspects specific to NWB Bank and its business operations, and the

responsibilities of a Supervisory Board member. The Supervisory Board will annually assess where further training is required. NWB Bank will play a facilitating role in this.

- 2.8 Not only the Supervisory Board collectively, but also each member individually will bear responsibility for gathering all the information needed to properly carry out their duties as supervisory parties.
- 2.9 The total number of positions held by each member will not exceed:
- a. one (executive) directorship and two supervisory (non-executive) directorships; or
 - b. four supervisory (non-executive) directorships.
- Positions at organisations not primarily aimed at profit-making will not be considered. Furthermore, DNB may grant its permission for one additional supervisory directorship.

Article 3. Appointment

- 3.1 To ensure that the composition of the Supervisory Board is at all times adequate, members will be appointed to the Supervisory Board on the basis of a unanimous policy and vision of the various management bodies of NWB Bank.
- 3.2 Members of the Supervisory Board will be appointed and will retire according to the rules laid down in the Dutch Civil Code, the Articles of Association or the regulation then applicable. A Supervisory Board member will be appointed by the General Meeting for a 4-year period and must retire on the day of the first General Meeting held after the end of the four-year period following his or her last appointment, at the latest. He or she may be reappointed no more than once for a period of no more than four years, unless special circumstances justify a second reappointment.
- 3.3 Only natural persons of whom DNB/ECB has declared, prior to the nomination for appointment, that those persons satisfy the requirements of or pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) may be appointed members of the Supervisory Board.
- 3.4 The Supervisory Board must make a binding nomination of at least one person for each proposal to appoint a member to the Supervisory Board.
- 3.5 The proposal must contain:
- i. the qualifications to be satisfied by the Supervisory Board with the appointment of the person in question;
 - ii. the candidate's current business operations, curriculum vitae and a summary of his or her other relevant positions; and
 - iii. a statement that the person in question satisfies the requirements listed in Article 3.3 above.
- 3.6 A reappointment proposal will be made after careful consideration only, taking into account a reassessment of the suitability of the Supervisory Board member(s) and the profile requirements
- 3.7 The Supervisory Board will elect from among its members a Chair and a Deputy Chair. The Chair may not be a former Managing Director of the company.
- 3.8 The Supervisory Board will adopt a rotation schedule. This schedule has been made generally available and has been posted on NWB Bank's website.

Article 4. Independence

- 4.1 The composition of the Supervisory Board will be such that its members are able to adopt an independent and critical attitude in respect of each other, the Managing Board and any partial interest whatsoever. However, considering NWB Bank's specific character, the Supervisory Board should preferably have broad knowledge of the financial and water authority sectors. This can be achieved by appointing persons who work in those sectors. Any appearance of non-independence of members of the Supervisory Board should be interpreted within this context.
- 4.2 Each member of the Supervisory Board is required to act with honesty, integrity and independence ("independence of mind").

- 4.3 The Supervisory Board and its committees will be composed of sufficient independent members according to the provisions of the Joint ESMA and EBA Guidelines, as laid down in Annex 1.
- 4.4 In its report as included in the annual report, the Supervisory Board will declare that, in its opinion, the provisions laid down in Article 4.3 have been satisfied, and if applicable stating which Supervisory Board member the Supervisory Board considers non-independent.

NWB Bank prepared this General profile for the appointment of Supervisory Board members in the Dutch language. The English translation was made for information purposes only. In the event of inconsistencies or differences between the English translation and the original Dutch version of the General profile, the latter will prevail.

ANNEX 1

Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders.

Summary of relevant provisions with respect to article 4.3 of this general profile:

9.3 Independent members of a relevant institution's management body in its supervisory function

89. Without prejudice to paragraph 91, in the following situations it is presumed that a member of a relevant institution's management body in its supervisory function is regarded as not 'being independent':
- a. the member has or has had a mandate as a member of the management body in its management function within an institution within the scope of prudential consolidation, unless he or she has not occupied such a position for the previous five years;
 - b. the member is a controlling shareholder of the relevant institution, being determined by reference to the cases mentioned in Article 22(1) of Directive 2013/34/EU, or represents the interest of a controlling shareholder, including where the owner is a Member State or other public body;
 - c. the member has a material financial or business relationship with the relevant institution,
 - d. the member is an employee of, or is otherwise associated with a controlling shareholder of the relevant institution;
 - e. the member is employed by any entity within the scope of consolidation, except when both of the following conditions are met:
 - i. the member does not belong to the institution's highest hierarchical level, which is directly accountable to the management body;
 - ii. the member has been elected to the supervisory function in the context of a system of employees' representation and national law provides for adequate protection against abusive dismissal and other forms of unfair treatment;
 - f. the member has previously been employed in a position at the highest hierarchical level in the relevant institution or another entity within its scope of prudential consolidation, being directly accountable only to the management body, and there has not been a period of at least three years, between ceasing such employment and serving on the management body;
 - g. the member has been, within a period of three years, a principal of a material professional adviser, an external auditor or a material consultant to the relevant institution or another entity within the scope of prudential consolidation, or otherwise an employee materially associated with the service provided;
 - h. the member is or has been, within the last year, a material supplier or material customer of the relevant institution or another entity within the scope of prudential consolidation or had another material business relationship, or is a senior officer of or is otherwise associated directly or indirectly with a material supplier, customer or commercial entity that has a material business relationship;
 - i. the member receives in addition to remuneration for his or her role and remuneration for employment in line with point (c), significant fees or other benefits from the relevant institution or another entity within its scope of prudential consolidation;
 - j. the member served as a member of the management body within the entity for 12 consecutive years or longer;
 - k. the member is a close family member of a member of the management body in the management function of the relevant institution or another entity in the scope of prudential consolidation or a person in a situation referred to under points (a) to (h).
90. The mere fact of meeting one or more situations under paragraph 89 does not automatically qualify a member as not being independent. Where a member falls under one or more of the situations set out in paragraph 89, the relevant institution may demonstrate to the competent authority that the member should nevertheless be considered as 'being independent'. To this end relevant institutions should be able to justify to the competent authority the reasoning why the members' ability to exercise objective and balanced judgement and to take decisions independently is not affected by the situation.