

The background features a large, light blue circle in the upper right corner containing a wavy, water-like pattern. Below it, several other circles of varying sizes and shades of blue are scattered across the page. The text 'EXECUTIVE COMMITTEE CHARTER' is centered in a dark blue, sans-serif font.

EXECUTIVE COMMITTEE CHARTER

2019

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Introduction

- NWB Bank's Executive Committee (ExCo) consists of statutory members and one or more non-statutory members. For the purposes of NWB Bank's Articles of Association, the statutory members constitute the Managing Board as referred to in such Articles of Association.
- This Charter states the duties, working methods and decision-making, among other things, of the ExCo of NWB Bank, as well as contains provisions on conduct and culture, the ExCo's relations with and provision of information to the Supervisory Board of NWB Bank, and passages on the remuneration policy and conflicts of interest.
- This Charter also implements the applicable provisions laid down in the Capital Requirements Regulation (575/2013), the Dutch Financial Supervision Act, the Dutch Corporate Governance Code of December 2016, the Social Statute, the Dutch Banking Code and the Codes of Conduct of October 2014, EBA Guidelines on internal governance (EBA/GL/2017/11) and the Guidelines Corporate governance principles for banks from the Basel Committee on Banking Supervision (BCBS), among other regulations, acts, codes and statutes.
- 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 The management of NWB Bank is vested in the ExCo. In performing its duties, the ExCo, among other things, aims at the long-term value creation of the bank and will be responsible for the achievement of the bank's objectives, the corporate strategy and related risk profile, profit/loss development and the social responsibility aspects relevant to the company.
- 1.2 The ExCo will manage the bank collectively, with its members being jointly and individually responsible for the policies pursued. The ExCo will render account to the Supervisory Board and to the General Meeting about these issues. The ExCo will provide the Supervisory Board and its committees with all information required for the performance of the duties of the Supervisory Board and its committees in a timely manner.
- 1.3 Together with the Supervisory Board, the ExCo is responsible for the company's corporate governance structure. They render account about this structure to the General Meeting in the annual report. Each substantial change to be made to the company's corporate governance structure will be submitted to the General Meeting for discussion as a separate item on the agenda.
- 1.4 In discharging its role, the ExCo will act in the interests of NWB Bank and the enterprise associated with it, weighing the interests of the bank's stakeholders, such as its customers, investors, shareholders and employees. In doing so, the ExCo will also consider the bank's continuity and role in society, as well as laws, regulations and codes applicable to the bank. With due observance of the risk appetite approved by the Supervisory Board, the ExCo will be responsible for weighing the bank's commercial interests and risks to be run.
- 1.5 Making the customer's interests central is an absolute precondition for NWB Bank's continuity. Without prejudice to Article 1.3, the ExCo will ensure that the bank treats its customers with due care at all times and that the duty of care in respect of customers is embedded in the bank's culture.
- 1.6 The members of the ExCo will discharge their roles with due care, expertise and integrity, and with due observance of the applicable laws, regulations, codes and rules.
- 1.7 The ExCo will be responsible for compliance with all relevant laws, regulations and codes, the management of the risks inherent in the business operations, and the funding of the company. The ExCo will report on these issues to and discuss the internal risk management and control systems with the Supervisory Board and the Audit- and Risk Committee.

- 1.8 NWB Bank has an internal risk management and control system tailored to the bank's needs. As instruments of that internal risk management and control system, the ExCo will in any event apply:
- a. risk analyses, standards and frameworks with respect to the bank's operational and financial objectives;
 - b. a code of conduct, which will be posted on the company's website;
 - c. manuals for the organisation of financial reports and the procedures to be followed for their preparation;
 - d. a monitoring and reporting system;
 - e. process descriptions (administrative organisation internal control); and
 - f. regularly review key policies and controls with senior management and with the heads of the compliance and internal audit functions to identify and address significant risks and issues as well as determine areas that need improvement.
- 1.9 The ExCo members will agree on the division of their duties in consultation with the Supervisory Board. The responsibilities have been shared between the ExCo members. The CEO is responsible for strategy, communications & public affairs, secretariat, hrm & facility management, legal, compliance and the internal audit department. The CFO holds finance & control, back office, ICT and tax as responsibilities. The CCO is responsible for lending, funding & investor relations, asset & liability management and CSR. The CRO is responsible for risk management including operational risk & security management.
- 1.10 The ExCo should provide oversight of senior management. It should hold members of senior management accountable for their actions and enumerate the possible consequences (including dismissal) if those actions are not aligned with the ExCo's performance expectations. This includes adhering to the bank's values, risk appetite and risk culture, under all circumstances. In doing so, the ExCo will:
- a. monitor that senior management's actions are consistent with the strategy and policies approved by the ExCo, including the risk appetite;
 - b. meet regularly with senior management;
 - c. question and critically review explanations and information provided by senior management;
 - d. set appropriate performance and remuneration standard for senior management consistent with the long-term strategic objectives and the financial soundness of the bank;
 - e. assess whether senior management's collective knowledge and expertise remain appropriate given the nature of the business and the bank's risk profile; and
 - f. ensure that appropriate succession plans are in place for senior management positions including a selection and suitability assessment process.
- 1.11 On a regular basis, the ExCo will discuss the corporate strategy and the principal risks inherent in the business activities and relevant to the long-term value creation.
- 1.12 The ExCo is responsible for disclosure and communications with external stakeholders and competent authorities.
- 1.13 The ExCo will be responsible for the set-up of a Product Approval and Review Process and its adequate performance. The ExCo will notify the Supervisory Board of product introductions or request the Supervisory Board's prior approval in accordance with Article 2.1, subparagraph g.
- 1.14 The ExCo will be responsible for the implementation of a whistleblowing procedure, enabling employees to report alleged irregularities of a general, operational or financial nature at NWB Bank to the Chair of the ExCo or to an officer designated by him or her, or to the Chair or Deputy Chair of the Supervisory Board, without jeopardising their legal position.

Article 2. Decisions subject to Supervisory Board approval

- 2.1 The ExCo will in any event submit the following to the Supervisory Board for its approval:
- a. NWB Bank's risk appetite, as well as any interim material changes therein;

- b. the bank's operational and financial objectives;
 - c. the corporate strategy resulting in the achievement of those objectives;
 - d. the preconditions applied under that strategy, for instance regarding financial ratios;
 - e. decisions regarding important changes in the bank's identity or character as referred to in Article 16, paragraph 3, of NWB Bank's Articles of Association;
 - f. the remuneration policy for the bank's employees;
 - g. product introductions or market penetrations that materially affect the bank's risk profile; and
 - h. the social responsibility aspects relevant to the company. The outlines of the above will be referred to in the annual report, among other documents.
- 2.2 Furthermore, the following decisions of the ExCo will be subject to the Supervisory Board's authorisation or approval:
- a. the acquisition, alienation, encumbrance or construction of property;
 - b. litigation, with the exception of pre-judgment measures and labour-law proceedings, about which the Supervisory Board will be informed;
 - c. the hiring of employees earning annual salaries equivalent to or higher than stated in the final salary scale of the collective labour agreement for the banking industry; and
 - d. the dismissal of a head of an internal control function (audit, risk, compliance). In such case DNB/ECB should be promptly informed about the Supervisory Board's approval and the main reasons for the dismissal.

Article 3. Meetings and decision-making process

- 3.1 The ExCo will meet as frequently as any member wishes. Each member of the ExCo, with the exception of any members of the ExCo who have reported a conflict of interest, will cast one vote during the meetings of the ExCo.
- 3.2 The agenda for the meetings of the ExCo will be prepared by the Secretary to the ExCo in consultation with the ExCo members. Each member of the ExCo can bring forward items to put on the agenda and either before or at the beginning of the meeting the final agenda will be determined.
- 3.3 The Secretary to the ExCo will draft minutes of each meeting of the ExCo. The draft minutes will be provided timely and at the latest together with the annexes for the next meeting of the ExCo. The members of the ExCo will have the opportunity to correct and comment on the draft minutes. The minutes will be approved by unanimous consent either via e-mail and/or in the next meeting of the ExCo.
- 3.4 The ExCo will discuss at least once a year its own performance and that of the individual members of the ExCo, and the conclusions to be drawn from this.
- 3.5 Except in the cases described in Article 3.6, the ExCo will render its decisions on the basis of an absolute majority of the votes cast by the incumbent members of the ExCo, with the exception of any members of the ExCo who have reported a conflict of interest. In case of a tie, the Chair shall have the casting vote.
- 3.6 Decisions of the ExCo that (may) materially affect the bank's risk profile, performance or financial position may exclusively be rendered unanimously by the incumbent members of the ExCo, with the exception of any members of the ExCo who have reported a conflict of interest. In the event that the ExCo fails to achieve unanimity with regard to any such intended decision, the members of the ExCo will submit the matter to the Supervisory Board.
- 3.7 Unless a member of the ExCo has a conflict of interest in relation to an intended decision, he or she may have him- or herself represented during the meetings of the ExCo. Only a fellow member of the ExCo who has no conflict of interest may represent him or her, pursuant to a written power of attorney or one that has been issued reproducibly and electronically.

- 3.8 The ExCo may also render decisions outside meetings, provided that they are rendered in writing or reproducibly and electronically, and provided that all members of the ExCo, with the exception of any members of the ExCo who have reported a conflict of interest, have been consulted and none of them has opposed this decision-making process. The majority referred to in Article 3.5 applies to decisions rendered outside meetings.
- 3.9 On any topics not suitable for the entire ExCo to discuss, e.g. the appointment or dismissal of non-statutory member(s), the statutory members will hold a separate meeting without the non-statutory member(s) being present. Annex 1 to this Charter describes the meetings and decision-making processes.

Article 4. Conduct and culture

- 4.1 Each ExCo member serves as an example to all of the bank's employees. All ExCo members are fully aware of this in their day-to-day actions.
- 4.2 With due observance of its duties and powers, the ExCo is responsible for the development, communication and enforcement of standards within the bank with respect to integrity, ethics, transparency & accountability and leadership.
- 4.3 The ExCo promotes responsible conduct and a healthy culture aimed at long-term value creation, both in the bank's senior management and throughout the organisation. In this respect, the ExCo will keep the interests of the bank's clients and other stakeholders in mind.
- 4.4 The ExCo will ensure that the bank's employees are and will be familiar with any and all rules, values and standards applicable to the bank, including a code of conduct, and will continue to devote attention to those rules, values and standards.
- 4.5 In the meeting between the ExCo, the Supervisory Board and the Works Council, conduct and culture will also be discussed.
- 4.6 The ExCo will ensure that the relevant employees of NWB Bank are assessed by the ECB and DNB for their suitability and integrity, all this within the relevant terms applicable by law.
- 4.7 Each member of the ExCo will take the banker's oath or make the promise (including a declaration regarding disciplinary rules) and will ensure that such oath or promise (including the declaration regarding disciplinary rules) is taken or made, respectively, by each Supervisory Board member of NWB Bank and by all employees of NWB Bank who: a) have employment contracts with the bank; or b) carry out work that forms part of or ensues from the conduct of a banking business, or that forms part of the essential operating processes to support such, all this within the relevant terms applicable by law. Also the Insider Regulation has been implemented, and will be supervised by an external party.

Article 5. Composition, appointment and profile

- 5.1 The ExCo consists of statutory members and one or more non-statutory members. For the purposes of NWB Bank's Articles of Association, the statutory members constitute the Managing Board as referred to in such Articles of Association.
- 5.2 In accordance with Article 14, paragraph 1, of NWB Bank's Articles of Association, the ExCo will have two or more statutory members (their exact number will be determined by the General Meeting), including a Chair.
- 5.3 A statutory member will be appointed for a 4-year term on the recommendation of the Supervisory Board by the General Meeting, as laid down in Article 14, paragraph 4, of the Articles of Association. He or she may be reappointed for periods of no more than four years.
- 5.4 A non-statutory member will be appointed by the statutory members as member of the ExCo for 4-year term. He or she may be reappointed as member of the ExCo for periods of no more than four years. Prior to the (re)appointment, the statutory members will ask advice from the Supervisory Board.

- 5.5 The ExCo's composition must be such that the ExCo is able to properly carry out its duties. Complementing each other, collective management and diversity are preconditions for the ExCo's proper performance of its duties.
- 5.6 Each member of the ExCo must have thorough knowledge of the financial sector in general and the banking industry in particular. Each member must have thorough knowledge of the bank's social functions and of the interests of all of the bank's stakeholders. Furthermore, each member of the ExCo must have in-depth knowledge so as to be able to assess and determine the outlines of the bank's policies, and to reach a balanced and independent opinion on any risks run pursuant to those policies.
- 5.7 Each member of the ExCo will participate in the continuing training referred to in Article 5.7 and satisfy the requirements of continuing training. This is a condition for the performance of a member of the ExCo.
- 5.8 Each year, the annual report will set forth how the continuing training is given substance.
- 5.9 The CRO is responsible for preparing the input for the decision-making of the ExCo in the area of risk management. The CRO will be involved in the preparations of decisions that are of material significance to NWB Bank's risk profile on time, in particular where such decisions may lead to differences compared with the risk appetite approved by the Supervisory Board. In performing the risk management function, attention will also be devoted to the importance of financial stability and the impact that systemic risks may have on the organisation's risk profile.
- 5.10 The ExCo seeks to achieve diversity and gender balance in its composition in accordance with the diversity policy to be set up by the Supervisory Board. Such diversity policy includes targets for diversity and the relevant diversity aspects for the bank such as nationality, age, gender, education and experience.
- 5.11 Each member of the ExCo may have no more than two supervisory board memberships and will require the Supervisory Board's approval in that respect. (Non-)executive positions at organisations not primarily aimed at profit-making will not be considered. Furthermore, the prudential supervisor can grant permission for one additional supervisory directorship. Any other important additional positions will also be submitted to the Supervisory Board for its approval.

Article 6. Chair of the Executive Committee

- 6.1 The Chair of the ExCo should:
 - a. lead the ExCo, contribute to an efficient flow of information within the ExCo body and between the ExCo and the committees thereof, where established;
 - b. be responsible for its effective overall functioning and at least annually arrange self-assessment of the functioning (of the members) of the ExCo;
 - c. encourage and promote open and critical discussion and ensure that dissenting views can be expressed and discussed within the decision-making process;
 - d. set meeting agendas and ensure that strategic issues are discussed with priority. He or she should ensure that decisions of the ExCo are taken on a sound and well-informed basis and that documents and information are received in enough time before the meeting;
 - e. contribute to a clear allocation of duties between members of the ExCo and the existence of an efficient flow of information between them, in order to allow the members of the Supervisory Board to constructively contribute to discussions and to cast their votes on a sound and well-informed basis.
 - f. ensure the availability of continuing training for members of the ExCo serving to keep those members' expertise up to speed and broaden it, where necessary, with such learning at any rate pertaining to relevant developments at the bank and in the financial sector, to corporate governance in general and that of the financial sector in particular, to the duty of care in

respect of - and the interests of - customers, integrity, IT-infrastructure, risk management, financial reporting and auditing, compliance, and in the field of corporate social responsibility.

6.2 The Chair of the ExCo will be in regular contact with the Chair of the Supervisory Board.

Article 7. Supervisory Board

7.1 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 Authorities Act (Waterschapswet) may recommend a person to the Supervisory Board to be nominated as a member of the Supervisory Board. Two months, at the latest, before the ExCo formally notifies the shareholders water authorities of such a vacancy on the Supervisory Board in conformity with Article 18, paragraph 3, of the Articles of Association, the ExCo will so notify the shareholders water authorities informally.

Article 8. Secretary to the Executive Committee

8.1 The ExCo will receive assistance from its Secretary. The Secretary to the ExCo will ensure that the proper procedures are observed and that the ExCo acts in compliance with statutory provisions, the Articles of Association and this ExCo Charter.

Article 9. Remuneration policy; general

- 9.1 NWB Bank will pursue a careful, restrained and sustainable remuneration policy that is in line with the bank's strategy, risk appetite, objectives and values, applicable laws and regulations, and which takes the bank's long-term interests, the relevant international context and required social backing into account. The remuneration policy will be in keeping with and contribute to the bank's robust and effective risk management. The ExCo will consider these principles in performing its duties with respect to the remuneration policy.
- 9.2 The remuneration policy will be commensurate with the size and organisation of NWB Bank, and with the nature, scope and complexity of its activities.
- 9.3 NWB Bank will not grant the members of the ExCo any loans or guarantees.

Article 10. Conflicts of interest and related parties

- 10.1 Any form or appearance of a conflict of interest between NWB Bank and members of the ExCo will be avoided.
- 10.2 ExCo members will refrain from:
- competing with NWB Bank;
 - demanding or accepting any - material - donations for themselves, their spouses, registered partners or other life companions, foster children or relatives by blood or affinity up to the second degree;
 - providing third parties with any unjustified benefits payable by the bank; and
 - using any of the bank's business opportunities for themselves, their spouses, registered partners or other life companions, foster children or relatives by blood or affinity up to the second degree.
- 10.3 An ExCo member will immediately report any direct or indirect personal conflict of interest or a potential direct or indirect personal conflict of interest that is of material significance to NWB Bank and/or to him or her to the Chair of the Supervisory Board and to the other members of the ExCo. An ExCo member involved in a conflict of interest will provide the Chair of the Supervisory Board and the other members of the ExCo with all relevant information, including concerning his or her spouse, registered partner or other life companion, foster child or relative by blood or affinity up to the second degree. The Supervisory Board will decide whether a conflict of interest exists without

the ExCo member in question being present. A conflict of interest will in any event exist if NWB Bank intends to enter into a transaction with a legal entity:

- i. in which an ExCo member holds a personal financial interest;
 - ii. which has a management board member who has a family-law relationship with an ExCo member of NWB Bank; or
 - iii. with which an ExCo member holds a management or supervisory position.
- 10.4 An ExCo member will not take part in the discussion and decision-making on a subject or transaction in relation to which he or she has a conflict of interest. If this obstructs the ExCo's decision-making process, the decision will be rendered by the Supervisory Board. Should all Supervisory Board members be absent or unable to act, the decision will be rendered by the General Meeting.
- 10.5 All transactions in which there are conflicts of interest between NWB Bank and ExCo members will be agreed on terms that are customary in the sector concerned. The transactions in question will be disclosed in the annual report.
- 10.6 Any investments in securities by members of the ExCo are subject to the terms of the Insider Regulation of NWB Bank.
- 10.7 The ExCo will yearly disclose its relevant other positions and any transactions with related parties as described in the International Accounting Standard (IAS) 24 related party disclosures. All transactions will be reviewed to assess risk and are subject to appropriate restrictions in order to avoid that corporate or business resources of the bank are not misappropriated or misapplied.

Article 11. External auditor and internal auditor

- 11.1 The ExCo will encourage the internal auditor to take the initiative to discuss, at least once a year, at an early stage, with DNB/ECB and the external auditor, each other's risk analyses, findings and audit plans. The ExCo and the bank's internal auditor will stimulate that such tripartite consultations be held regularly, aiming to clearly delineate each other's duties and responsibilities.

Annex 1

Statutory members' meetings and decision-making process as referred to in Article 3.9

- 1 The statutory members will meet if one or more members so request. Each statutory member, with the exception of any statutory members who have reported a conflict of interest, will cast one vote during the meetings of the statutory members.
- 2 The agenda for the meetings will be prepared by the Secretary to the ExCo in consultation with the statutory members. Each statutory member can bring forward items to put on the agenda and either before or at the beginning of the meeting the final agenda will be determined.
- 3 The Secretary to the ExCo will draft minutes of each meeting of the statutory members. The minutes will be approved by unanimous consent either via e-mail and/or in the next meeting of the statutory members.
- 4 The statutory members' meeting will render its decisions on the basis of an absolute majority of the votes cast by the incumbent statutory members, with the exception of any statutory member who has reported a conflict of interest. In case of a tie, the Chair will have the casting vote.
- 5 Unless a statutory member has a conflict of interest in relation to an intended decision, he or she may have him- or herself represented during the meetings. Only a statutory member who has no conflict of interest may represent him or her, pursuant to a written power of attorney or one that has been issued reproducibly and electronically.
- 6 The statutory members may also render decisions outside meetings, provided that they are rendered in writing or reproducibly and electronically, and provided that all statutory members, with the exception of any statutory member who has reported a conflict of interest, has been consulted and has not opposed this decision-making process. The majority referred to in sub 4 above applies to decisions rendered outside meetings.
- 7 A statutory members' decision for dismissal of a non-statutory member will be subject to the Supervisory Board's approval. In such case DNB/ECB should be promptly informed about the Supervisory Board's approval and the main reasons for the dismissal.