

GOVERNANCE OF REMUNERATION POLICIES: ROLES AND RESPONSIBILITIES NIBC

18 December 2025

1. GENERAL

1.1 Introduction

This Policy, as amended from time to time, is established and maintained by the SB and is adopted by the General Meeting as and when required. This Policy provides an overview of the governance and the risk mitigation measures regarding the remuneration policies and practices of NIBC. The Policy is structured as follows:

- **Chapter 1** gives an outline of the governance model, risk framework and applicable policy regarding remuneration within NIBC;
- **Chapter 2** outlines the risk management and adjustment in the award process of NIBC; and
- **Chapter 3** provides a description of the Exception Procedure.

1.2 Definitions

The definitions below apply within this Policy. Other capitalised terms in this Policy are defined separately.

Compliance	The compliance department of NIBC
Control Functions	The Risk Management, Compliance and Internal Audit functions
Heads of Control Functions	The persons at the highest hierarchical level in charge of effectively managing the day-to-day operation of the risk management, compliance and internal audit functions
Employees	Employees employed by NIBC including NIBC's international offices and subsidiaries and excluding MB and SB members
Exception Procedure	Procedure regarding deviations from the remuneration policies as set out in section 3 (Exception Procedure).
Finance	The group functions CFO domain of NIBC
General Meeting or GM	The general meeting of shareholders of NIBC
HR	The human resources department of NIBC
Identified Staff	MB and SB members, Employees in Control Functions, and Employees whose professional activities materially affect NIBC's risk profile, as further set out in the NIBC Employee remuneration policy
Internal Audit	The internal audit department of NIBC
Managing Board or MB	The managing board of NIBC
NIBC	NIBC Bank N.V.
Policy	This policy setting out NIBC's governance of remuneration policies
Risk Management	The risk management function at NIBC
RNC	The Remuneration and Nominating Committee of the SB
Supervisory Board or SB	The supervisory board of NIBC

1.3 Regulatory and legal framework

NIBC's remuneration policies and practices are implemented and guided by the relevant regulatory and legal frameworks and governance best practices that exist, including:

Internal

- NIBC's articles of association;
- RNC's charter;
- MB's charter;
- NIBC's staff manual; and
- Conflicts of interests policy.

External

- Dutch Civil Code;
- Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht, Wft*);
- EBA Guidelines on Sound Remuneration Policies;
- EBA Guidelines on Internal Governance;
- Capital Requirements Directive V (2019/878/EU);
- Regulatory Technical Standards on the Identification of Identified Staff from Delegated Regulation (2021/913/EU);
- Regulation on Sound Remuneration Policies under the Financial Supervision Act 2021 (*Regeling beheerst beloningsbeleid Wft 2021*);
- MiFID II (2014/65/EU); and
- Dutch Banking Code 2021 (*Code banken*).

1.4 Overview of NIBC's remuneration governance structure

NIBC has established an efficient and streamlined governance framework for remuneration, designed to ensure transparency, accountability and alignment with the bank's strategic objectives. This framework is characterised by a clear distinction between the various functions involved in the remuneration process, thereby promoting robust oversight and effective decision-making. By outlining responsibilities and maintaining well-defined roles, NIBC ensures that all aspects of remuneration are managed in accordance with regulatory requirements and best practices, supporting prudent risk management and the long-term interests of stakeholders. Within the two-tier governance structure of NIBC, the Managing Board (**MB**) bears primary responsibility and accountability for the management, control and execution of NIBC's remuneration policies and practices insofar as they apply to employees of NIBC. The Supervisory Board (**SB**) is responsible for proposing the remuneration policy for members of the MB (subject to the approval of the GM) and for determining the remuneration and related terms and conditions of members of the MB in accordance therewith.

In light of the above, the responsibilities within NIBC's remuneration governance framework are allocated as described below.

General Meeting (GM)

- The GM adopts the remuneration policy for the SB, based on proposals from the SB.
- The GM adopts the remuneration policy for the MB, based on proposals from the SB and, insofar as applicable, after considering the views of the Works Council.
- The GM adopts the individual remuneration packages of the SB, as proposed by the SB.
- The GM also approves any deviations from the remuneration policy for the SB, as proposed by the SB.

Supervisory Board (SB)

- The SB determines the remuneration package of the MB, including targets where applicable, on an individual basis, thereby remaining within the boundaries of the remuneration policy for the MB as adopted by the GM.
- The SB prepares a proposal for the SB remuneration policy for approval by the GM.
- The SB adopts the Employee remuneration policy, including targets where applicable, thereby considering the advice of the RNC and the views of the works council of NIBC.
- In addition, the SB determines the remuneration package (including exit packages) for the other members of Identified Staff, excluding for the SB itself. In doing so, the SB takes into account advice from the RNC.
- The SB will determine, with support/advice from the RNC and MB, the persons within NIBC who qualify as identified staff.
- The SB approves any deviations from the applicable remuneration policies adopted for:
 - (i) Identified Staff, including MB members and excluding the SB itself; and
 - (ii) for other Employees, insofar as it relates to material exceptions, as set out in the Exception Procedure.

In doing so, it takes into account the advice and proposal for such deviations as prepared by HR.

[In its oversight, the SB takes into account any input provided by relevant corporate functions, bodies and business units (e.g. the MB, HR, Legal, Finance) about the design, implementation and oversight of NIBC's remuneration policies.]

Remuneration and Nomination Committee (RNC)

- The RNC plays an advisory and preparatory role, supporting the SB in designing, overseeing and reviewing remuneration policies, practices and processes. The SB may delegate certain authorities to the RNC, if and to the extent described in the relevant charters of the SB and/or the RNC.
- It prepares the SB's decisions on remuneration and reviews the remuneration policies at least annually, or more frequently if required by changes in laws or regulations.
- The RNC also advises the SB and MB on remuneration matters for Employees and oversees the remuneration of heads of Control functions.
- The RNC assists in the preparation and provision of advice with respect to any request for a deviation for the MB and SB, as set out in the Exception Procedure.

Managing Board (MB)

- The MB assists the SB in its process for the adoption of the Employee remuneration policy;
- The MB is authorised to approve deviations from the remuneration adopted for Employees, not including (i) Identified Staff; and (ii) any material exceptions, as set out in the Exception Procedure. In doing so, it takes into account the advice and proposal for such deviations as prepared by HR.

Roles of various departments other than NIBC corporate bodies

Human Resources (HR)

- The HR function supports both the MB and SB in developing, maintaining and updating NIBC's remuneration policies.
- HR participates in the creation and evaluation of remuneration structures, taking into account that they are gender-neutral, competitive and aligned with NIBC's risk profile and business needs. As such, HR will review the remuneration policies at least annually, thereby requesting (specific) support of the Control Functions if needed.
- HR communicates the remuneration policies, including amendments thereto, to the relevant stakeholders within NIBC.
- HR assists in the preparation and provision of advice with respect to request for deviations for Employees, as set out in the Exception Procedure.

Risk Management function

- The Risk Management function advises on the definition of risk-adjusted performance measures and assesses the impact of variable remuneration on the bank's risk profile and culture.

- It validates risk adjustment data and can participate in RNC meetings to provide input on risk-related aspects of remuneration.
- The Risk Management function will evaluate and propose risk-mitigation actions and measures in relation to the remuneration practices of NIBC to the MB.
- The Risk Management function reviews the ex-ante and ex-post measures in place and prepares decisions regarding such measures, including malus and clawback, for the SB.
- Risk Management function supports the SB in determining the employees qualifying as Identified Staff under this Policy.
- The Risk Management function supports the annual review by HR of NIBC's remuneration policies and can, in the performance of its duties, conduct an ad hoc review, if it considers such a review necessary, for example as a result of changes in the applicable legislation. Where appropriate, the Risk Management function will propose amendments to the Employee Remuneration policy, submitting them either to HR or directly to the MB.

Compliance function

- The Compliance function analyses how the remuneration policies affect NIBC's compliance with legislation, regulations, internal policies and risk culture and reports all identified compliance risks and issues of non-compliance to the MB and the SB.
- The findings of the Compliance function will be followed up by HR and will be taken into account by the MB and the SB in approving, reviewing procedures and overseeing the remuneration policies, including, amongst others, whether applicable holding periods are adhered to.
- The Compliance function will conduct ad hoc reviews of NIBC's remuneration policies whenever, in the performance of its duties, it considers such a review necessary. Where appropriate, the Compliance function will propose amendments to the Employee Remuneration policy, submitting them either to HR or directly to the MB.
- The Compliance function will support the general review of the Employee remuneration policy by HR.

Internal Audit function

- The Internal Audit function carries out an independent review of the design, implementation and effects of NIBC's remuneration policies on its risk profile and the way these effects are managed in line with the relevant provisions from the EBA Guidelines on Sound Remuneration Policies.
- The Internal Audit function will conduct ad hoc reviews of NIBC's remuneration policies whenever, in the performance of its duties, it considers such a review necessary. Where appropriate, the Internal Audit function will propose amendments to the Employee remuneration policy, submitting them either to HR or directly to the MB.
- The Internal Audit function will support the general review of NIBC's remuneration policies by HR.

Works Council

- The Works Council is involved in the establishment of remuneration policies to the extent required by and in accordance with applicable law, ensuring employee representation in the process.

1.5 Risk Management and Adjustment in the Award Process of NIBC

Risk management and adjustment are integral to NIBC's approach to remuneration. Chapter 2 outlines how risk considerations are incorporated into the award process to support prudent decision-making and alignment with long-term stakeholder interests.

1.6 Exception Procedure

The General Meeting, the Managing Board and the Supervisory Board, as applicable, may, under exceptional circumstances, deviate from the applicable remuneration policies, taking into account the Exception Procedure set out in Chapter 3 (Exception Procedure) below.

2. RISK MANAGEMENT AND ADJUSTMENT IN THE AWARD PROCESS OF NIBC

2.1 Ex-ante risk management and adjustment

NIBC's overarching objective in granting variable remuneration is to reward the creation of sustainable, risk-adjusted value for all stakeholders. In light of this objective, and in accordance with applicable regulatory guidance, NIBC applies an ex-ante risk adjustment framework that ensures the bonus pool and any individual variable remuneration awards are demonstrably aligned with the full spectrum of risks assumed during the performance period. Ex ante measures are risk mitigating measures which take into account potential adverse developments in the future. They are in the form of adjustments to remuneration for risk whilst remuneration is accrued, i.e. before, during or at the end of the accrual / performance period.

In determining the aggregate bonus pool, NIBC first assesses economic performance and then applies an ex-ante risk adjustment that reflects quantitative and qualitative risk factors. These factors are sufficiently granular to capture all material risks, including credit, market, liquidity and reputational risks. To safeguard the integrity of the process, the Risk Management and Finance functions provide independent data and analysis, and Internal Audit regularly reviews the operating effectiveness of associated controls.

[Ex-ante risk adjustment is applied at three complementary levels.

- **High-level** - At institution-wide level, NIBC calibrates the total bonus pool against consolidated risk metrics to ensure the sum of individual awards cannot exceed the capital, liquidity and risk appetite constraints approved by the Supervisory Board.
- **Mid-level** - At business-unit level, dedicated sub-pools are calculated so that each unit bears the full economic consequences of the risks it originates or manages.
- **Individual level** - Where sufficiently robust risk metrics exist, the adjustment is pushed down to organisational sub-structures, including individual desks or deal teams; in exceptional cases, specific individual awards may be further adjusted to reflect personal risk-taking behaviour or control performance.]

Risk alignment is achieved through risk-adjusted performance criteria that combine quantitative and qualitative indicators. Quantitatively, the framework relies on measures already embedded in NIBC's broader risk management architecture. Qualitative ex ante risk adjustments complement the quantitative approach and are operationalised through a risk adjustment process that captures, *inter alia*, compliance breaches, risk limit breaches and internal control indicators based on internal audit results.

2.2 Ex-post risk management and adjustment

Ex-post measures are risk mitigating measures which ensure sustainability of performance in light of observed risk and performance outcomes. They are in the form of adjustments that are applied by NIBC to remuneration after the accrual / performance period has ended (when individual performance results for remuneration payout and deferral are established) as well as at the end of any deferral period and at any time after remuneration has been paid out.

Following the payment of variable remuneration, NIBC performs a comprehensive ex-post risk assessment designed to verify that the original ex-ante process accurately reflected the full risk profile associated with the relevant performance period. Where the ex-post review reveals that actual risk outcomes diverge materially from the assumptions made at the time of award—whether because losses have crystallised, misconduct has come to light, material errors have been discovered or the institution's capital or liquidity position has deteriorated—NIBC retains the authority to reduce, cancel or reclaim variable remuneration in whole or in part.

[The ex-post measures available to give effect to such downward adjustments comprise:

- (i) **a malus** mechanism under which deferred but unvested awards may be forfeited; and
- (ii) **a clawback** mechanism enabling the bank to recover amounts that have already vested or been paid.

Whether an adjustment is applied depends on the nature and gravity of the trigger event. Circumstances involving a breach of statutory capital requirements, a restatement of financial results due to misconduct or gross negligence, or a significant failure of risk management and internal control systems in principle always give rise to action. Other events, including less material control deficiencies or risk limit overruns, may prompt a discretionary adjustment, taking into account proportionality and individual accountability.]

Ex-post adjustment remuneration - employees

Any decision to invoke a reduction, malus or clawback in relation to the remuneration of Employees (excluding the SB, MB, Identified Staff and Heads of Control Functions) is taken by the MB, acting on the recommendation of HR and after consultation with the Heads of the Control Functions. In reaching its determination, the MB will weigh the principles of fairness, proportionality and transparency. Once adopted, the decision and its rationale will be documented and communicated to the affected staff member(s) and, where required, to the competent supervisory authorities.

Ex-post adjustment remuneration – Identified Staff / Heads of Control Functions

Any decision to invoke a reduction, malus or clawback in relation to the remuneration of the MB and Identified Staff is taken by the SB, acting on the recommendation of the RNC and after consultation of the Heads of the Control Functions. In case an ex-post measure is considered to be applied to the Head of a Control Function, the RNC will, if required or appropriate, seek external consultation or advise.

In reaching its determination, the SB will weigh the principles of fairness, proportionality and transparency. Once adopted, the decision and its rationale will be documented and communicated to the affected staff member(s) and, where required, to the competent supervisory authorities.

3. EXCEPTION PROCEDURE

Introduction

In exceptional circumstances, the remuneration policies for the MB, the SB and the other Employees may be deviated from within the statutory limits. This Exception Procedure outlines the responsibilities and principles that must be applied to such deviations. The actual process and requirements for the specific Exception Procedures are outlined in the respective SB Remuneration Policy, MB Remuneration Policy and Employee Remuneration Policy.

Competence

This Exception Procedure attributes specific powers and responsibility to each competent corporate body:

- **General Meeting (GM):** the GM approves any deviations from the remuneration policy for the SB, as proposed by the SB and taking into account the advice of the RNC.
- **Supervisory Board (SB):** the SB approves any deviations from the remuneration policy adopted for: (i) Identified Staff, including MB members and excluding the SB itself; and (ii) for other Employees, insofar as it concerns a material exception, both taking into account the advice of the RNC.
- **Managing Board (MB):** the MB approves any deviations from the remuneration policy adopted for the Employees, excluding deviations constituting a material exception.