

COMPLIANCE WITH DUTCH BANKING CODE

The principles of the Banking Code fit in well with NIBC's vision, objectives and business principles. The following is an overview of all principles in the Banking Code and the manner in which NIBC applies them.

BANKING CODE	IMPLEMENTATION BY NIBC
1. Sound and ethical operation	
To build and maintain its position as a stable and reliable partner, a bank must formulate its mission, strategy and objectives. These focus on the long term and are expressed in part in the bank's risk policy for sustainability and corporate social responsibility.	NIBC's Mission, Vision, Ambition and strategy can be found at nibc.com . Over time NIBC has evolved to become an enterprising bank offering asset-based financing to entrepreneurial corporate and retail clients in northwestern Europe. NIBC's values guide us in our markets and they also enable us to work towards long-term customer relationships, sustainability and profitable growth, while safeguarding our balance sheet.
When drawing up a strategy, objectives and policy, a bank ensures, in a manner appropriate with the bank's nature, activities and mission, that stakeholder interests are identified and carefully weighed.	NIBC recognises its responsibilities towards external and internal stakeholders, regularly engages with them and considers their interests in its day-to-day decisions and activities. Engaging with stakeholders in a proactive way and on a continuous basis is central to our way of working.
A bank chooses its positioning such that its commercial interests and social role are extensions of each other. This is also expressed in the bank's governance structure and guides the implementation of its policy based on its mission, strategy and objectives.	We believe sound sustainability standards are a prerequisite for being a successful business. We aim to stay abreast of sustainability developments taking place in the world around us, to find out how best to serve our clients, and to be good corporate citizens in the communities in which we operate. NIBC's sustainability strategy is embedded in our business strategy, and each department is responsible for managing sustainability as part of their activities.

<p>The executive board and supervisory board are –with due regards for each other’s duties and powers- responsible for setting up a sound governance structure and compliance with the governance principles.</p>	<p>NIBC’s corporate governance model is based on constructive and transparent cooperation between our shareholders, the Supervisory Board and the Managing Board. This cooperation is laid down in a framework of governance charters, with clear guidelines for the assignment of duties and responsibilities in the fields of financial reporting, risk management, compliance, corporate governance, corporate social responsibility and remuneration.</p>
<p>The members of these boards will set an example to all of the bank’s employees and exhibit this in their day-to-day activities. The supervisory board will evaluate the way the members of the executive board are setting an example each year.</p>	<p>The members of the Managing Board/ Executive Committee have short communication lines within their areas of responsibility via management team meetings and senior management meetings.</p> <p>The Remuneration and Nominating Committee (RNC) yearly evaluates the performance of the individual Board members and exemplary behaviour is taken into account in the assessment. The chair of the RNC informally meets on a regular basis with senior managers.</p>
<p>The executive board and supervisory board are –with due regard for each other’s duties and powers- responsible for developing and enforcing standards on integrity, morals and leadership in the bank.</p>	<p>Culture and leadership are prominent subjects on the agenda of NIBC’s senior management meetings and all training provided internally. Our values are behind everything we do, the way we do it, and how we measure our success. Each year all employees are required to make their personal compliance certifications and - based on risk assessments - employees are required to complete Compliance & Integrity training.</p>
<p>In addition, they ensure there are proper checks and balances and they safeguard a solid IT infrastructure that is vital for the functioning of the bank. Among other things, thorough checks and balances mean that the compliance function is also safeguarded within the executive board and supervisory board.</p>	<p>The head of Compliance reports directly to the Chief Risk Officer of NIBC and has a direct line with the Chair of the Risk Policy & Compliance Committee (RPCC). The Managing Board is end responsible for providing adequate market conduct and integrity related compliance within NIBC.</p> <p>The head of IT reports directly to the Chief Technology Officer. That way it is assured that IT is properly addressed and taken into account at board level and across the rest of the organisation.</p>
<p>The executive board will promote responsible behavior and a healthy culture both at the top of the bank and</p>	<p>At NIBC we have frameworks, standards and policies, including a Code of Conduct, business principles and compliance</p>

<p>throughout its organization. In this, it will consider the interests of the bank's customers and other stakeholders. The supervisory board supervises this.</p>	<p>framework that are the formal basis for our culture of integrity and trust. We also know that trustworthiness goes far beyond rules and regulations: just as crucial to our culture are the way we act and the values we display in all our daily work. That is why we continuously work to earn, maintain and strengthen the trust of our clients, employees and other stakeholders. The banker's oath ceremony for new employees is hosted by members of the Managing Board, which demonstrates the importance of integrity and trust in our organisation. As part of the banker's oath ceremony, new employees of NIBC place their signature on a mirror with the banker's oath on it as if it reflects the mirror of their soul. The mirror has a prominent place in the entrance of the bank. Also the members of the Managing Board and Supervisory Board have placed their signature on this mirror.</p>
<p>A bank's culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank's organization and the bank will include them in its contact with stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Social Charter.</p>	<p>NIBC strives to be a bank with a sustainable and client oriented business model, which their customers can count on and want to be associated with. The general strategy and the interlinked Risk Strategy are laid down in risk appetite frameworks. To best serve the interest of all our stakeholders over the long term, our strategy seeks to strike a sustainable balance between risk and return, while keeping costs under control.</p>
<p>All employees will comply with the formal regulations and self-regulation that apply to them. The executive board and supervisory board are –with due regard for each other's duties and powers– responsible for this. The executive board is responsible for employees being and remaining familiar with all rules, values and standards applicable to the bank and will continue to pay attention to this. The supervisory board supervises this.</p>	<p>The Managing Board has delegated to Compliance the task to make sure NIBC and its staff members adhere to relevant external legislation & internal procedures aimed at integrity and behavior. Compliance provides training and advice to all staff and reports to the Managing Board on a regular basis on developments in this area.</p>
<h2>2. Supervisory Board</h2>	
<p>The supervisory board will be composed in such a way that it is able to perform its tasks properly. It will form a risk committee and an audit committee.</p> <p>The members of the supervisory board will be prepared and able to make sufficient time available for their duties</p>	<p>In accordance with the articles of association of NIBC, the Supervisory Board determines the number of its members such that it and its committees are able to properly perform their functions in relation to NIBC's nature, size and complexity. NIBC's Supervisory board</p>

and exhibit effort and commitment. They will at the same time be critical and independent.	has established a.o. a risk policy and compliance committee and an audit committee. The current composition of the Supervisory Board offers sufficient assurance of independence, expertise and diversity. The Supervisory Board consists of members of diverse nationalities. Three members of the Supervisory Board do not qualify as formally independent. These three members are affiliated with the sole shareholder of NIBC which embodies the commitment of the shareholder and ensures the benefit of its expertise in advising the Managing Board.
Each member of the supervisory board will be aware of the social role of a bank and of the interests of the various stakeholders.	Sustainability is the responsibility of everyone at NIBC, including members of the Supervisory Board. For NIBC, this is an integral part of how we do business. Reflected in our Code of Conduct, it is our duty to constantly and carefully balance the diverse interests of our stakeholders.
There are specific competence and experience requirements for members of the supervisory board's risk and audit committees. Members of the risk committee must have thorough knowledge of the financial aspects of risk management or the necessary experience to permit a thorough assessment of risks. Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to permit thorough supervision of these subjects.	These requirements are embedded in the profile of the Supervisory Board and are taken into consideration in case of a vacancy within the Supervisory Board.
The chairman of the supervisory board will organize a programme of lifelong learning for all members of the supervisory board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, IT infrastructure, risk management, financial reporting and audit. Every member of the supervisory board will take part in the programme and meet the requirements for lifelong learning. The assessment of the effectiveness of the programme of lifelong learning will be	The lifelong learning programme covers matters such as relevant developments in the banking and financial sector, corporate governance, duty of care towards clients, integrity, risk management and financial reporting. Lifelong learning sessions are organised for the full Supervisory Board together with the Managing Board/Executive Committee throughout the year. During the yearly self-assessment of the Supervisory Board the effectiveness of the programme is evaluated.

part of the annual evaluation performed by the supervisory board.	
In addition to the supervisory board's annual self-evaluation, the functioning of the supervisory board will be evaluated under independent supervision once every three years. The involvement of each member of the supervisory board, the culture within the supervisory board and the relationship between the supervisory board and the executive board will be part of the evaluation.	Annually a self-assessment of the Supervisory Board and the committees is being executed in which role alignment, know-how, team dynamics and involvement in strategy are being evaluated as well as the relationship with the Managing Board. The latest external evaluation was performed in 2021.
Each member of the supervisory board will receive appropriate compensation for the amount of time that he or she spends on supervisory board activities. This compensation will not depend on the bank's results.	The members of the Supervisory Board receive suitable compensation for their work, which compensation is not linked to the performance of NIBC.
3. Executive Board	
The executive board will be composed in such a way that it is able to perform its tasks properly. Each member of the executive board will be aware of the social role of a bank and of the interests of the various stakeholders.	NIBC's Managing Board is composed in such a way that it is able to perform its tasks properly thereby focusing on complementarity and diversity. Reflected in our Code of Conduct, it is our duty to constantly and carefully balance the diverse interests of our stakeholders. The Managing Board members have a diverse background within and outside the banking sector, which enables them to take into account interests of all stakeholders (including clients, employees and shareholders).
One member of the executive board will have the duty of preparing decision-making by the executive board on risk management. This member will be involved in good time in the preparation of decisions that are of material significance of the bank's risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board. This member may combine his or her function with other responsibilities, provided that he or she does not bear any individual commercial responsibility and operates independently from commercial areas.	The Chief Risk Officer is member of the Managing Board in which all decisions that are of material significance for the bank are taken. The CRO does not have any commercial responsibility and operates independently from the commercial areas.

<p>Risk management will also include a focus on the impact that systemic risk could have on the bank's risk profile.</p>	<p>Systemic risk is taken into account in the bank's stress testing framework, especially for credit and liquidity stress testing.</p>
<p>The chairman of the executive board will organize a programme of lifelong learning for all members of the executive board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, risk management, financial reporting and audit. Every member of the executive board will take part in the programme and meet the requirements of for lifelong learning.</p>	<p>All members of the Managing Board/Executive Committee spent relevant time on lifelong learning. Partly this lifelong learning is integrated in the Managing Board/Executive Committee meetings where issues such as risk, compliance, corporate governance, finance and financial targets are put on the agenda, but this also includes personal development needs on individual level and networking and industry conferences.</p> <p>The members of the Managing Board/Executive Committee also participate in the lifelong learning sessions that are organised for the full Supervisory Board.</p>
<h4>4. Risk Policy</h4>	
<p>A bank's risk policy is characterized by a comprehensive approach, is transparent and has both a short- and long-term focus. The risk policy also takes reputational risks and non-financial risks into account.</p> <p>A bank's executive board will be responsible for its risk policy and ensure proper risk management.</p> <p>The executive board will propose the risk appetite to the supervisory board for approval at least once a year. Any material changes to the risk appetite in the interim will also require the supervisory board's approval.</p> <p>The supervisory board will supervise the risk policy pursued by the executive board. As part of its supervision, the supervisory board will discuss the bank's risk profile and assess at a strategic level whether capital allocation and liquidity requirements are generally in line with the approved risk appetite and whether operations in general are in line with the bank's risk appetite. In the performance of this supervisory role, the supervisory board will be advised by the risk committee.</p>	<p>The bank has developed an overarching Risk Management policy/framework, which covers the risks it is exposed to (both financial and non-financial, including reputation risk), and explains how these risks are managed among the 3 lines of defense. For every risk type, NIBC has drafted detailed documentation on the way each risk is measured, monitored and managed. The owner of the Risk Management Policy is the Chief Risk Officer, member of the Managing Board.</p> <p>Any material change in the bank's Risk Appetite Framework (RAF) needs to be approved by the Risk Policy and Compliance Committee (a subcommittee of the Supervisory Board). The Managing Board and Supervisory Board (via the Risk Policy and Compliance Committee) are informed of the risk profile of the bank vis-à-vis the risk appetite on a quarterly basis.</p>

<h2>5. Audit</h2>	
<p>A bank's executive board will ensure that a systemic audit is conducted of the management of the risks related to the bank's operations.</p>	<p>NIBC's Internal Audit department provides an independent, objective assurance function designed to add value and improve NIBC's operations, accordingly reflected in the Charter of Internal Audit. Through a systematic and disciplined approach, Internal Audit helps NIBC to accomplish its objectives by evaluating and improving the effectiveness of risk management, control, and governance processes</p>
<p>To this end, a bank will have its own internal audit department with an independent position within the bank. The head of internal audit department will report to the chairman of the executive board and also have a direct reporting line to the chairman of the supervisory board's audit committee.</p>	<p>NIBC's Internal Audit is independently positioned within the NIBC organization. The Head of Internal Audit reports directly to the Chair of the Managing Board and functionally to the (Chair of the) Audit Committee of the Supervisory Board.</p>
<p>The internal audit department, external auditor and the supervisory board's audit committee will consult periodically.</p>	<p>Meetings are being held at least quarterly between the Audit Committee of the Supervisory Board, the external auditor and Internal Audit, and periodic meetings are being held between the external auditor and Internal Audit.</p>
<p>The internal audit department will take the initiative in arranging talks with DNB (the Dutch Central Bank) and the external auditor at least once a year to discuss each other's risk analyses, findings and audit plans at an early stage.</p> <p>The bank's executive board and internal audit department will encourage these tripartite talks, aiming for a clear delineation of each other's duties and responsibilities.</p>	<p>Tripartite talks with DNB, the external auditor and Internal Audit are arranged for periodically. The audit plan is also discussed in the Supervisory Board meeting in presence of the external auditor.</p>
<h2>6. Remuneration Policy</h2>	
<p>The bank will implement a detailed, restrained and long-term focus remuneration policy that is unambiguous and transparent and in line with the national and international regulations.</p> <p>The remuneration policy will have a primarily long-term focus and be in line with the bank's risk policy. It will incorporate an internal and external</p>	<p>NIBC's remuneration policy is annually reviewed and amended to fulfill relevant laws, regulations and guidelines.</p> <p>NIBC's remuneration policy has a long term focus and is in line with the bank's risk policy.</p>

<p>balance of interests, taking into account the expectations of the various stakeholders and social acceptance. It will also take the relevant international context into account.</p>	
<p>The total income of a member of a bank's executive board will at a time it is set be below the median for comparable positions inside and outside the relevant international context.</p> <p>The variable remuneration of a member of the executive board will be set in accordance with national and international regulations.</p>	<p>The total compensation for members of the Managing Board is targeted just below the median of their peers in the peer group.</p> <p>The members of NIBC's Managing Board currently do not receive any variable compensation.</p>
<p>The banking sector considers it important to take expectations of key stakeholders and public support into account in the remuneration policy for the Managing Board and to provide transparency on remuneration relationships within the company. In the remuneration policy for the bank's Managing Board, the Supervisory Board explains how the expectations of shareholders and employees and public support have been taken into account and which peer group has been compared. Banks include the director's view on his/her own remuneration when formulating remuneration proposals for the director and publish internal remuneration ratios in the annual report.</p>	<p>NIBC's remuneration policy is sustainable, balanced and in line with our chosen strategy, risk appetite and sustainability ambitions..</p> <p>When drafting proposals for the Managing Board, the Supervisory Board will take into account the opinion of stakeholders of NIBC, a.o. the shareholders and the employees (via the Works Council).</p> <p>When drafting remuneration proposals for the CEO, his view is included in the proposal. Internal pay ratio analyses are included in the Remuneration Report of the Annual Report</p> <p>The remuneration policy for the Managing Board and the most recent Remuneration Report (which is part of our annual report) can be found on our website.</p>