

Rules of Procedure for the Managing Board of ASR Bank N.V.

a.s.r.

de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen

Rules of Procedure for the Managing Board of ASR Bank N.V.

These rules of procedure ('Rules of Procedure') were adopted in the meeting of the Managing Board of ASR Bank N.V. ('the Company') on 12 May 2015.

Introductory article. Status and substance of the Rules of Procedure

1. These Rules of Procedure are supplementary to the rules and regulations applicable to the Company under Dutch law and the Company's Articles of Association ('Articles of Association').
2. The Company applies the Social Statute, the Dutch Banking Code and the Code of Conduct as formalised in the document on future-oriented banking of the Dutch Banking Association.
3. The Company's remuneration policy meets the relevant legal requirements, the Dutch Banking Code and the European Capital Requirement Directive III (CRDIII), which has been elaborated in the form of guidelines by the European Banking Authority (EBA) and has been enshrined in law by De Nederlandsche Bank (DNB) in the Dutch Regulation on Sound Remuneration Policies 2014 and the Dutch Financial Undertakings (Remuneration policy) Act.
4. The Managing Board and the Supervisory Board take the view that they are responsible for the Company's corporate governance structure. They also arrange for appropriate checks & balances.
5. With due observance of these Rules of Procedure, the relevant codes and within the limits of law and the Articles of Association, the Managing Board will fulfil its duties as it sees fit.
6. The intention of these Rules of Procedure is not to repeat arrangements that have already been made by law or in the Articles of Association in relation to the duties, powers, responsibilities, composition, procedures and decision-making process of the Managing Board. However, for the sake of clarity, some repetition will be inevitable
7. On 12 May 2015, the Managing Board unanimously declared that:
 - a) it would apply these Rules of Procedure and would be bound by their obligations;
 - b) on the appointment of new members of the Managing Board, it would ensure that these members make a declaration as described in paragraph a).

Managing Board

Article 1. General

- 1.1 Members of the Managing Board are appointed or reappointed for a period not exceeding four years, unless stipulated otherwise in the decision to appoint or reappoint a given member of the Managing Board.
- 1.2 Members of the Managing Board may not hold more supervisory directorships than prescribed by law or any applicable codes.
- 1.3 Acceptance of a supervisory directorship by a member of the Managing Board with a company that does not have a group relationship with the Company in accordance with Article 24b, Book 2, of the Netherlands Civil Code is subject to the approval of the Supervisory Board.
- 1.4 Members of the managing Board must report any other significant positions held to the Supervisory Board.

Article 2. Duties of Managing Board

- 2.1 Except for the restrictions prescribed by the Articles of Association of the Company, the Company is charged with the management of the Company, which means that it is responsible for achieving the Company's mission, the strategy and business objectives, and the related developments in the Company's earnings.
The mission, strategy and objectives are focused on more distant future and are reflected, for instance, in the bank's risk policy and the policies it pursues with respect to sustainability and corporate social responsibility.
- 2.2 The Managing Board is composed in such a way as to enable the proper performance of its duties. It is aware of the Company's role in society and of the interests of the various stakeholders and customers.
- 2.3 The members of the Managing Board will take part in a programme of continuing education (CE) and will meet the CE requirements.
- 2.4 The members of the Managing Board will fulfil their duties expertly and with due care and integrity, while complying with all applicable laws, regulations, rules and codes of conduct. The members of the Managing Board lead by example. The Managing Board is also responsible for developing, communicating and upholding moral and ethical standards within the bank.
- 2.5 In fulfilling its duties, the Managing Board is guided by the interests of the Company and its related entities; in doing so, it will consider any qualifying interests of the Company's stakeholders. Taking account of the risk appetite approved by the Supervisory Board, the Managing Board will carefully balance the bank's commercial interests and the risks to be taken. In doing so, it positions itself such that the Company's business interests and its public role are logical extensions of each other. The Managing Board is itself responsible for the quality of its performance and will address this matter once a year within the Supervisory Board.
- 2.6 The duties of the Managing Board include:
 - a) Achieving the objectives of the Company;
 - b) Determining the strategy and the policy to achieve the objectives;
 - c) The general course of business within the Company and the performance of the Company;
 - d) The identification and management of risks related to the business activities;
 - e) Ensuring proper operation of the internal risk management and control system, which will be reported on in the annual report;
 - f) Providing and preparing the financial reporting process;
 - g) Safeguarding a robust IT infrastructure that is essential for the Company's effective operation;
 - h) Ensuring the effectiveness of the Product Approval and Review Process (P(A)RP);
 - i) Complying with and upholding the Company's corporate governance structure and principles;
 - j) Adopting, implementing and evaluating the remuneration policy of the Company, i.e. for its Higher Management;
 - k) Ensuring that governance and risk management measures are in place for employees who qualify as 'Identified Staff', i.e. employees whose work activities could have a material impact on the risk profile of the Company;
 - l) Preparing and signing off the annual financial statements, and preparing the annual budget and important investments by the Company;
 - m) Advising on the nomination of the Company's independent auditor;
 - n) Liaising with the regulatory authorities.

- 2.7 The Company will in any case use the following as instruments of the internal risk management and control system:
- a) Risk assessments of the operational and financial targets of the Company;
 - b) Handbooks for the organisation of the financial reporting and the procedures to be followed to prepare financial reports;
 - c) A system of monitoring and reporting.
- 2.8 Notwithstanding the provisions of Article 2.7 above, at least once a year, the Managing Board will present a risk appetite proposal to the Supervisory Board for its approval. Any material changes to the risk appetite proposed in the intervening period will also be subject to the Supervisory Board's approval.
- 2.9 Each year, the Managing Board will append a report on its duties to the financial statements. In the annual report, the Managing Board will also report on the sensitivity of the results of the Company in relation to external circumstances and variables. In the annual report, the Managing Board will provide:
- a) A description of the principal risks relating to the strategy of the Company;
 - b) A description of the design and effectiveness of the internal risk management and control system in relation to the principal risks in the financial year;
 - c) A description of any significant weaknesses in the internal risk management and control systems observed during the financial year; and
 - d) A description of the remuneration policy and the remuneration relationships within the business.
- 2.10 Under the supervision of the Supervisory Board, the Managing Board is responsible for establishing and enforcing internal procedures that ensure that it is aware of all key financial information needed to provide assurances of timely, complete and accurate external financial reporting.

Article 3. Objectives and strategy

- 3.1 In the fourth quarter of each year, the Managing Board will formulate a multi-year budget, risk policy (risk appetite), capital policy and investment policy based on a.s.r.'s strategy.
- 3.2 The documents referred to in Article 3.1 may be presented to the Supervisory Board at separate times

Article 4. Division of duties

- 4.1 The Managing Board may divide its duties among the members of the Managing Board, so that each has a portfolio. The division of duties may not be in contravention of the law, the Articles of Association or these Rules of Procedure. The Chairman of the Managing Board will inform the Chairman of the Supervisory Board in advance in relation to significant changes in the division of duties.
- 4.2 Each member of the Managing Board charged with a particular duty is authorised to take decisions relating to that duty within limits clearly set by the Managing Board.
- 4.3 Each member is accountable to the Managing Board for the fulfilment of their duties, and must regularly report to the Managing Board in such a way that sufficient insight is obtained into the discharge of their duties, also in view of the collective responsibility of the Managing Board.
- 4.4 The Supervisory Board will appoint one of the members of the Managing Board as CEO. In the absence of the CEO, the longest serving member of the Managing Board will be acting CEO, unless the CEO has designated another member as his deputy.
- 4.5 The CEO will appoint a secretary; the secretary need not be a member of the Managing Board.

Article 5. Duties of CEO

- 5.1 The CEO chairs the meetings of the Managing Board. He draws up the agenda for the meetings and prepares for these meetings. Preparations shall include ensuring that sufficient information is available for the decision-making process.
- 5.2 It is primarily the responsibility of the CEO to ensure that the Managing Board operates as a coherent team, where the principle of collective decision-making is paramount. The CEO will always make efforts to achieve unanimity in the decision-making process within the Managing Board.

- 5.3 The CEO decides whether a decision will be taken on a subject at any meeting, or whether the decision will be deferred until a later meeting. The CEO also bears primary responsibility for the following:
- a) The effectiveness of the Managing Board;
 - b) The timely production of the budgets and policy plans;
 - c) Supervision of the implementation of decisions taken;
 - d) Supervision of the preparation of the draft financial statements, including the annual report, and their presentation to the Supervisory Board;
 - e) Chairing the meetings of the Managing Board;
 - f) Ensuring that a CE programme is in place for the members of the Managing Board, aimed at maintaining and, where necessary, enhancing members' skills and expertise;
 - g) Supervising the performance of the independent auditor of the Company and the publication of their report to the Supervisory Board;
 - h) Maintaining intensive and frequent contact with the Supervisory Board, especially with its Chairman;
 - i) Ensuring that the Supervisory Board and its individual members are provided with timely and satisfactory information, as required for the proper performance of their duties.

Article 6. Decision-making procedure

- 6.1 Where possible, the Managing Board meets at least once every two weeks. The meetings will ordinarily be held at the offices of the Company, but may be held elsewhere. Meetings may also be held by teleconference.
- 6.2 The meetings will be convened by the CEO, who will give reasonable notice. Any member of the Managing Board may request that a meeting be convened.
- 6.3 All meetings of the Managing Board will have an agenda. All agenda items will be prepared in writing, as far as possible.
- 6.4 The business discussed at the meeting of the Managing Board will be recorded in the minutes by the secretary. The minutes will record the business discussed, considerations made and decisions taken in such a way that it will present a clear and complete picture of what was discussed at the meeting for any member unable to attend. Minutes of the meetings of the Managing Board will be adopted at its next meeting.
- 6.5 In relation to a proposed decision, the CEO will gauge whether there is any consensus on the proposed decision among all members of the Managing Board present at the meeting; a majority of the members of the Managing Board must be present, and the Managing Board member whose portfolio includes the relevant agenda item must also be present. If there is a consensus on a proposed decision, the CEO will note that a decision has been taken. If there is no consensus on a proposed decision, the CEO will decide whether the proposed decision should be taken by means of a vote.
- 6.6 Decisions are taken by the Managing Board by an absolute majority of the votes.
- 6.7 Members of the Managing Board who have voted against a proposed decision may report this to the Chairman of the Supervisory Board.
- 6.8 If there is a tie in the vote, the matter will be placed on the agenda of the next meeting unless the CEO decides that the matter cannot wait. In that case, the CEO will have the deciding vote.
- 6.9 Decisions may also be taken outside a meeting as long as all members of the Managing Board have been given the opportunity to express their opinion on the motion and all members of the Managing Board have agreed to the motion in writing or via electronic media. The Secretary will be so informed and will file the decision as usual.
- 6.10 The Managing Board will not take any far-reaching decisions within the portfolio of one of its members if that member is unable to take part in the decision-making. This rule will be waived if the CEO believes that the decision cannot be delayed.
- 6.11 Within the business and to the outside world, members of the Managing Board will present a united view with respect to fundamental or structural policy issues. Internally and externally, all members will support and/or convey board decisions and/or viewpoints in a united way, and will generally ensure that the Managing Board projects a collective and professional attitude and image.

Article 7. Information provision to Supervisory Board

- 7.1 The Managing Board will regularly inform the Supervisory Board of developments in the results of the Company in a format determined by the Managing Board. Where necessary, the information will be accompanied by explanatory notes.
- 7.2 The Managing Board will provide the Supervisory Board with the information it requires for the performance of its duties in a timely manner. The information to be provided includes the following:
- Following the end of each quarter, an interim balance sheet and profit and loss account, and a concise report of the policies pursued;
 - The financial statements and the annual report, including the auditor's opinion;
- 7.3 Notwithstanding the foregoing, the Managing Board will provide the Supervisory Board with a multi-year budget, risk policy (risk appetite), capital policy and investment policy.

Article 8. Attending Supervisory Board meetings

Unless the Supervisory Board decides otherwise, the members of the Managing Board will attend the meetings of the Supervisory Board, with the exception of meetings to discuss the following:

- a) The evaluation of the performance of the Supervisory Board and that of its individual members, and the related conclusions;
- b) The evaluation of the performance of the Supervisory Board and that of its individual members, and the related conclusions.

Article 9. Areas of focus

The documents referred to in Article 3.1 of these Rules of Procedure, the composition of the Managing Board and the earnings of the Company provided by the Managing Board will be discussed at least twice a year by the Supervisory Board.

Article 10. Relationship with shareholder

- 10.1 Under due observance of the relevant provisions of the Covenant, the Managing Board will provide the Annual General Meeting of Shareholders (AGM) with all required information, unless disallowed by any statutory provision or rule. If the Managing Board relies on this provision, it will provide an explicit explanation.
- 10.2 If a motion of the Managing Board is subject to both the approval of the AGM and the Supervisory Board, the motion will first be presented to the Supervisory Board for approval.

Article 11. Supervisory Board approval for Managing Board decisions

- 11.1 Decisions of the Managing Board, as referred to in Article 11.8 of the Articles of Association, are subject to the prior approval of the Supervisory Board, in accordance with the provisions of Article 11 of these Rules of Procedure.
- 11.2 The Supervisory Board is authorised to subject decisions other than those referred to in Article 11.1 above to its approval as well. These other decisions must be clearly described and reported to the Managing Board in writing.
- 11.3 The lack of approval by the Supervisory Board for a decision as referred to in Article 11 will not impair the authority of the Managing Board or its members to represent the Company.

Article 12. Procedure for approving Managing Board decisions

- 12.1 Approval for decisions as referred to in Article 11 of these Rules of Procedure can be obtained by the CEO submitting a request to the Chairman of the Supervisory Board. This request will include information relevant to the assessment of the approval sought.
- 12.2 If implementation of a proposed decision which requires the approval of the Supervisory Board is urgent, the CEO will present this decision to the Chairman of the Supervisory Board for approval. In the absence of the CEO, the acting Chairman of the Managing Board will present the proposed decision to the Chairman of the Supervisory Board. In this absence of the Chairman of the Supervisory Board, the proposed decision will be presented to the Deputy Chairman of the Supervisory Board – where a Deputy Chairman has been appointed – and, if no Deputy Chairman has been appointed or in their absence, the proposed decision will be presented to another member of the Supervisory Board. In the latter case, the members of the Supervisory Board will be approached in alphabetical order of surname.
- 12.3 The Managing Board may consider the approval given to an urgent decision of the Managing Board by a member of the Supervisory Board in the manner described in Article 12.2 above to be the approval of the Supervisory Board as a whole.
- 12.4 In a case such as Article 12.2, the CEO or his deputy will inform the other members of the Supervisory Board as soon as possible in writing about the proposed decision.

Article 13. Conflicting interests

- 13.1 A member of the Managing Board will not take part in the discussion or decision-making on an issue or transaction in which they have a direct or indirect personal interest which is in conflict with the interests of the Company or its affiliated business. If every member of the Managing Board has such a personal interest, the decision will be taken by the Supervisory Board. If all the members of the Supervisory Board have a direct or indirect personal interest that is in conflict with the interests of the Company, the decision will be taken by the AGM. Such a transaction can, if approved, may only be conducted under conditions that are no more favourable than those considered customary in the industry.
- 13.2 A member of the Managing Board will be considered to have a conflicting interest ('conflicting interest') if:
 - a) The Company intends to conduct a transaction with a legal entity in which a member of the Managing Board holds a financial interest;
 - b) The Company intends to conduct a transaction with a legal entity of which a board member has a family relationship with a member of the Managing Board;
 - c) The Company intends to conduct a transaction with a legal entity in which a member of the Managing Board holds an executive or supervisory directorship;
 - d) The Chairman of Supervisory Board has ruled that a conflict of interest exists or is considered to exist.

However, a conflicting interest will not be considered to exist in the meaning of this article if the legal entity with which the Company intends to conduct a transaction is a group company of the Company or if the member of the Managing Board fulfils the executive or supervisory board position at the request of or on behalf of the Company, unless the Managing Board decides that this position is covered by the conflicting interest regime.
- 13.3 Each member of the Managing Board will report any potential conflicting interest immediately to the other member(s) of the Managing Board. Each member of the Managing Board who has a conflicting or potentially conflicting interest will provide relevant information about it (including, where applicable, information relating to their spouse, civil partner or other life partner, foster child and blood relatives in the first and second degrees) to the CEO. The CEO will then make a report to the Chairman of the Supervisory Board, providing him with all relevant information. If the CEO has a conflicting or potentially conflicting interest, he will report this to the Chairman of the Supervisory Board, providing all relevant information. In all cases, the Chairman of the Supervisory Board will determine whether a reported conflicting or potentially conflicting interest constitutes a conflicting interest to which Article 13.1 applies.

Article 14. Complaints, reporting irregularities

- 14.1 The Managing Board will ensure that complaints received by the Company relating to financial reporting, the internal risk management and control system or the audit process are accepted, logged and handled.
- 14.2 The Managing Board will ensure that employees of the Company have the opportunity to report irregularities relating to the aforementioned matters without fear of detriment to their legal position, and to report complaints about members of the Managing Board to the CEO and, where necessary, to the Chairman of the Supervisory Board.

Article 15. Miscellaneous

- 15.1. The Company and its group companies within the meaning of Section 24b, Book 2 of the Netherlands Civil Code will refrain from making loans or providing guarantees or similar to a member of the Managing Board, unless in the normal course of business and at conditions available to all personnel.
- 15.2 Contrary to Section 383b, Book 2 of the Netherlands Civil Code, Sections 383c to 383e, Book 2 of the Netherlands Civil Code will apply.

Article 16. Confidentiality

- 16.1 Every member of the Managing Board is bound to observe discretion and, in the case of confidential information, confidentiality with regard to all information and documentation obtained through their membership of the Managing Board.
- 16.2 Members and past members of the Managing Board will not disclose confidential information outside the Managing Board or Supervisory Board or otherwise make it public or available to third parties unless the Company has published this information or it has been established that this information was already publicly known.

Article 17. Incidental inoperability, amendment

- 17.1 The Managing Board may occasionally pass a resolution deciding not to apply these Rules of Procedure. Such a resolution must be reported in the Report of the Managing Board in the annual report.
- 17.2 The CEO may in compelling and urgent cases derogate from these Rules of Procedure if required in the interests of the Company. The CEO will report this as soon as possible to the other members of the Managing Board and to the Chairman of the Supervisory Board.
- 17.3 The Managing Board may pass resolutions amending these Rules of Procedure subject to prior approval by the Supervisory Board.

Article 18. Applicable law and forum

- 18.1 These Rules of Procedure are governed by, and will be interpreted in accordance with, the laws of the Netherlands.
- 18.2 The Utrecht District Court has sole jurisdiction to hear any dispute relating to these Rules of Procedure (including disputes relating to the existence, validity and termination of these Rules of Procedure).

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