

Application of the Banking Code by Nationale-Nederlanden Bank 2022

Nationale-Nederlanden Bank N.V.

Legal & Tax Nationale-Nederlanden Bank

Abstract

This document contains a description of the way Nationale-Nederlanden Bank complies with the Banking Code

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Banking Code

Introduction

In September 2009, the Dutch Banking Association (NVB, Nederlandse Vereniging van Banken), adopted the Banking Code ('Code'). The Code laid out the principles for Dutch banks in terms of corporate governance, risk management, audit and remuneration and came into effect on 1 January 2010 on a so called 'comply or explain' basis. On 1 June 2010, the Code was designated as a code of conduct by way of a governmental decree as defined in Article 2:391, paragraph 5, of the Dutch Civil Code, with retroactive effect from 1 January 2010.

Following the first Banking Code in 2013 the Committee Wijfels published a report in which banks were called upon to take additional steps towards regaining trust from customers and society by setting out the role they want to play in society in a social charter.

In 2014 the NVB introduced a document, entitled 'Future-oriented Banking'. This document contained the requested Social Charter, the rules of conduct associated with the banker's oath and an update of the Dutch Banking Code.

The updated Banking Code came into effect on 1 January 2015. It applies to all activities performed in or directed toward the Netherlands by banks that are established in the Netherlands and licensed by De Nederlandsche Bank (DNB, Dutch Central Bank), pursuant to Section 2:11 of the Dutch Financial Supervision Act (Wft). The principles of the previous Banking Code, which have been incorporated into legislation and regulations in the meantime, are not repeated in the updated Banking Code. Nationale-Nederlanden Bank N.V. (hereinafter: 'NN Bank'), will continue to comply with these national and international rules. The Banking Code does not replace applicable legislation or prevailing regulatory requirements in conflicts.

In 2021, the Banking Code has been supplemented with two clarifying paragraphs elaborating on the further embedding of the public and social interest and on remuneration policy.

NN Bank provides an overview of how it applies the Banking Code each year. This Application of Banking Code also explains the progress the bank is making with applying the principles and offers specific examples of the bank's compliance. If necessary, the bank may provide a substantiated explanation, why a particular principle may not have been applied, either partly or in full ('comply or explain'). The Banking Code can be downloaded from the NVB website (www.nvb.nl).

NN Bank strongly supports the Banking Code principles to regain trust, ensure stability and protect the interests of its stakeholders. Regaining trust requires a long-term view, a sustainable approach and continuous attention. Following the steps taken to comply with the Banking Code principles after its introduction in 2010, NN Bank continues its efforts to enhance compliance even further. NN Bank recognises that complying with the Banking Code principles is an ongoing process.

1. Sound and ethical conduct of business

1.1 BANKING CODE

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 and the policy for sustainability and corporate social responsibility. A bank chooses its position

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.

NN Bank applies these principles.

NN's purpose is to help people care for what matters most to them. NN's ambition is to be an industry leader, known for its customer engagement, talented people, and contribution to society. All parts of NN's business contribute to the delivery of this ambition.

NN is further committed to creating long-term value for all our stakeholders. Its strategy aims to address the interests of all stakeholders. NN's five strategic commitments will help to achieve this ambition.

1. Customers and distribution - We see our customers as the starting point of everything we do
2. Products and services - We develop and provide attractive products and services
3. People and organisation - We empower our colleagues to be their best
4. Financial strength - We are financially strong and seek solid, long-term returns for shareholders
5. Society - We contribute to the well-being of people and the planet

To fulfil its purpose, NN Bank's work is also based on three core values: 'care', 'clear', 'commit'. These values express what the bank holds dear, what it believes in and what it aims for. They are brought to life through its day-to-day work. These values, which are published under the name 'NN statement of Living our Values', set the standard for the bank's conduct and provide a compass for decision-making. Every single NN Bank employee is responsible and accountable for living up to them. More information is available in the 'Who we are' section of www.nn-group.com.

NN Bank has experienced strong growth over the past ten years. The bank is a Top 5 retail bank in the Netherlands, serving close to one million customers in the Dutch market. The bank's purpose is to help people care for what matters most to them. The bank helps customers manage and protect their assets and income through mortgage loans, savings, bank annuities, consumer lending. The bank continuously improves its services to become more efficient, more innovative, more personal, and more relevant. It also took major steps in digitalisation.

1.2 BANKING CODE

The Management Board and Supervisory Board are – with due regard to their individual tasks and authorities – responsible for setting up a sound governance structure and compliance with the governance principles. 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 Management Board are setting an example each year.

NN Bank applies these principles.

NN Bank has a two-tier board system, which comprises a Supervisory Board and a Management Board. NN Bank aims to have an appropriate and balanced composition of the Management Board and Supervisory Board. From among its

Banking Code continued

members the Supervisory Board has appointed an Audit & Risk Committee, responsible for preparing matters delegated to this committee. The Management Board determines the mission, strategy, policy and objectives of NN Bank and is responsible for its realisation. The Management Board focuses on business continuity and, in its decision making, makes a balanced assessment of the interests of all stakeholders including customers, investors, employees and the shareholders. The Supervisory Board supervises the policy pursued by the Management Board, the Management Board's performance of its managerial duties and the company's general course of affairs, taking account of the interests of the bank's stakeholder.

NN Bank interacts actively with regulatory bodies, government representatives and peers on relevant developments with respect to corporate governance. Rules and regulations applicable to NN Bank are embedded in internal policies and procedures. These policies and procedures are published on the intranet (SAM) for every staff member to consult.

The Management Board has delegated several activities to specific committees within NN Bank. These committees have an advisory role to the Management Board or have been granted a delegated authority. Most of the committees are chaired by a member of the Management Board and/or have one or more member(s) of the Management Board as a member.

The Management Board however remains responsible for the policy regarding, and management of the risks NN Bank's runs.

The composition and the functioning of the Boards, as well as the functioning of the individual members, is assessed by the bank's Supervisory Board annually.

1.3 BANKING CODE

The Management Board and Supervisory Board are – with due regard for each other's duties and powers – responsible for developing, communicating and enforcing standards on integrity, morals and leadership in the bank. 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 Management Board and Supervisory Board.

NN Bank applies these principles.

Standards on integrity, morals, and leadership

All NN Bank employees have taken the Banker's Oath, including the members of the Management and Supervisory Board. NN Bank adheres to NN Group's statement in which the employees make a promise to NN's customers about how NN works.

All individual employees of NN Group are obliged to observe NN Group's Code of Conduct and the NN statement of 'Living our Values'. NN Group, and therefore NN Bank, expects exemplary behaviour from its entire staff, irrespective of their job description. Effective business contacts, both within and outside NN Group, should be based on honesty, integrity, and fairness. NN Group's Code of Conduct also includes a whistle-blower procedure, which ensures anonymity when reporting irregularities, albeit violations of laws and regulations.

Risk Management

In line with NN Group, the Three Lines of Defence model, on which NN Bank's risk management structure and governance are based, defines three risk management levels. Each line has distinct roles, decision authorities, execution responsibilities and oversight responsibilities. This framework ensures that risk is managed in line with NN Bank's risk appetite as defined by the Management Board, and ratified by the Supervisory Board, and that NN Bank's risk appetite is consistent with that of NN Group.

The First Line of Defence is formed by NN Bank Business Management and has primary accountability for the performance of the business, operations, compliance and effective control of risks affecting NN Bank's business. The Second Line of Defence consists of oversight functions, with a key role for the risk management organisation and the legal and compliance functions. The CRO (Chief Risk Officer) steers a functional independent risk organisation, which supports the commercial departments in their decision-making, but which also has sufficient countervailing power to prevent risk concentrations and other forms of unwanted or excessive risk. The Third Line of Defence is provided by Corporate Audit Services (CAS) and offers an independent assessment of the standard of internal control with respect to NN Bank's business and support processes, including governance, risk management and internal controls.

IT Infrastructure – data foundation

Data has become vital for customer-oriented and efficient banking. Continuing to invest in a strong data foundation for our customers ensures compliance with regulatory requirements, and strong data and AI capabilities to accelerate the growing number of data-driven projects in our organisation. The bank has continued to work on completing its 360° Customer View, which provides key customer insights and allows for more personalised solutions for the customer. The bank has broken down data silos to enable a true 360° Customer View across the organisation and product lines. This will allow for an improved view of the customer's (financial) situation, more personalised cross-sell and more efficient operations. A deeper understanding of the customer's points of (dis) satisfaction in a customer journey allows for process optimisation, with higher customer satisfaction (NPS). The 360° Customer View is set up in compliance with the General Data Protection Regulation (GDPR/AVG). In addition to the bank's strong data foundation and the 360° Customer View, it continues to apply AI models in existing operations and new propositions. Projects include AI models to assist then bank's operational teams in preventing mortgage fraud and to assist its arrears teams in predicting mortgage defaults. The bank also experiments with applying AI to summarise customer calls to make customer contact more efficient and customer friendly.

Compliance

NN Bank is committed to upholding its reputation and integrity through compliance with applicable laws, regulations and ethical standards in each of the markets in which the Bank operates. All employees are expected to adhere to these laws, regulations and ethical standards, and management is responsible for ensuring such compliance. Compliance is therefore an essential ingredient of good corporate governance. NN Bank has taken steps to strengthen its compliance function. In December 2021, a Head of Compliance was appointed, and the compliance function reporting line changed from CEO (Chief Executive Officer) to CRO. Additionally, the compliance function also has a functional line with the Chief Compliance Officer of NN Group.

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The compliance function has executed a programme to further enhance their Compliance cycle. This cycle effectively manages compliance risk by identifying, assessing, mitigating, monitoring and reporting business conduct risks. The compliance function provides advice to businesses to effectively manage their business conduct risks. NN Bank continuously enhances its business conduct risk management programme to ensure that NN Bank and its subsidiaries comply with applicable standards and laws and regulations.

1.4 BANKING CODE

The Management Board will promote responsible behaviour and a healthy culture both at the top of the bank and throughout its organisation. In this, it will consider the interests of the bank's customers and other stakeholders. The Supervisory Board supervises this.

NN Bank applies these principles.

The Management Board continuously makes a balanced assessment of the relevant interests of the stakeholders of NN Bank, including its customers, employees, and the society in which the bank performs its activities. By these means the Management Board promotes responsible behaviour and a healthy culture throughout the bank. In making decisions these considerations are to be made mandatory in line with relevant policies. This approach is supported by mandatory opinions of the involved second line functions in line with relevant policies such as the Second line opinions policy and procedures for product approval and review and risk management.

To help raise awareness, involve colleagues and oversee how NN's values are being implemented, in 2014 NN launched the 'Living our Values' programme. We use various tools to measure and monitor how effectively we are in living our values. Every NN employee is required to act in accordance with both the letter and intent of the NN statement of 'Living our Values'. NN's commitment to long-term value creation is anchored in the NN statement of 'Living our Values'.

All individual employees of NN Group are further obliged to observe NN Group's Code of Conduct.

NN Group, and therefore NN Bank, expects exemplary behaviour from its entire staff, irrespective of their job function. Effective business contacts, both within and outside NN Group, should be based on honesty, integrity and fairness. NN Group's Code of Conduct also includes a whistle-blower procedure, which ensures anonymity when reporting irregularities, albeit violations of laws and regulations

To ensure all employees know and live the values throughout their NN careers, the values are incorporated into our HR policies and processes. The values, are, for example, included in the selection, recruitment and development activities of the NN Group Traineeship, ensuring we attract and develop young leaders based on these behaviours. Our onboarding programme for new joiners was renewed in 2021 and explicitly covers the NN culture and values. The values are also the starting point in the renewed HR Framework Standard, which was launched in 2022.

NN's business centres around people and trust. Being entrusted with other people's financial matters is a responsibility NN takes very seriously.

These values therefore set the standard for conduct, provide a compass for decision making and help us create long-term value. Every single NN employee is responsible and accountable for living up to them.

Focused on the future of work, the bank is currently working on Workforce Transformation. The aim is to look at how the bank can move towards a future-proof organisation, to remain relevant for its customers and to be – and remain – an employer for whom people enjoy working. In this context, the employees need to understand where the bank wants to go and feel involved. NN Bank makes sure that it has the right employees, with the right skills, in the right place to achieve our strategic objectives. In this regard, the bank aims to achieve a transformation that will bring rapid and sustainable change to its digital ambitions. To do so, the bank creates a culture of learning by stimulating training, development and initiative. These initiatives are brought together in the 'Making NN' programme.

NN Bank believes it is vital to continuously improve its services and offer new ones. By offering an exceptional experience, NN Bank wants to strengthen its relationship with its customers and attract customers who choose NN products and services and want to remain an NN customer for the long term. NN Bank's efforts led to a further improvement in customer experience. The transactional NPS, a measure of customer satisfaction, in 2022 was 21.4. Although it decreased slightly in comparison to 2021, the bank anticipates that the improvements made will lead to higher scores in future.

The Supervisory Board was continuously informed about developments in this respect throughout the year.

1.5 BANKING CODE

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 organisation and the bank will include them in its contact with its stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Social Charter.

NN Bank applies these principles, which are connected to Principle 1.4.

NN Banks' own Digital Retail Bank strategy makes an important contribution to NN Group's strategy to be more relevant to its customers. It is NN Group's purpose to help people care for what matters most to them. Its ambition is to be an industry leader, known for its customer engagement, talented people and contribution to society. All parts of its business contribute to the delivery of this ambition. NN is committed to creating long-term value for all its stakeholders. The strategy aims to address the interests of all stakeholders, which is why there are both strategic and financial targets.

NN Group's five strategic commitments will help to achieve this ambition.

1. Customers and distribution - We see our customers as the starting point of everything we do.
2. Products and services - We develop and provide attractive products and services.
3. People and organisation - We empower our colleagues to be their best.
4. Financial strength - We are financially strong and seek solid,

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long-term returns for shareholders.

5. Society - We contribute to the well-being of people and the planet.

In this respect, NN Group's three core values: care, clear, commit, express what it holds dear, what it believes in and what it aims for. They are brought to life through NN Group's day-to-day work. These values, which are published under the name 'NN statement of Living our Values', set the standard for conduct and provide a compass for decision-making. Every single NN Bank employee is responsible and accountable for living up to them. More information is available in the 'Who we are' section of NN Group - Our values (nn-group.com).

NN Bank acknowledges that, banks need to be transparent about the products and services they offer and about the costs and risks involved. Products and services need to be geared to the needs and profile of the client. Furthermore, it shall be made transparent how the bank is focused on the interests of the customer. Digital and mobile banking services are more and more the predominant banking model. As a result, consumers have become more accustomed to digital processes and services, sometimes supported by Artificial Intelligence (AI), and they are experiencing the advantages of digital over old-fashioned manual processes. Advances in technology, big data and AI mean that customers are increasingly willing to switch to online services. Consequently, there is a need for banks to embrace data and AI and use them to enable personal customer relationships and offer relevant products. Given the greater transparency and comparability between products and providers, customers are more willing to switch to other financial service providers. Customers make more deliberate choices, in part based on a provider's brand or company identity and purpose.

One of NN Bank's key objectives therefore is to further improve services through digitalisation and automation. Building digital products requires not only knowledge and expertise, but also a way of working that aligns with this digital mindset. Nationale-Nederlanden calls this way of working 'Making NN'. At its heart are the 'makers': digital experts working in autonomous and empowered teams to build the Digital Retail Bank. Together, they work based on a shared direction on digital solutions for customers as well as for the business.

NN Bank acknowledges that all bank employees are expected to draw a careful balance between the interests of customers, society, the bank itself and its employees, providers of capital and the bank's other stakeholders. NN's commitment to long-term value creation is anchored in NN's statement of Living our Values. This stresses the importance of doing business with the future in mind. Amongst other things, it states that NN 'respect each other and the world we live in', 'value long-term objectives over short-term gains' and 'carefully balance the interests of our stakeholders'. Every NN employee, including those of subsidiaries and anyone representing NN in any capacity, is required to act in accordance with both the letter and intent of the NN statement of Living our Values. To help raise awareness, in 2014 NN launched the Living our Values programme. NN uses various tools to measure and monitor how effective NN is in living its values.

To ensure all employees know and live the values throughout their NN careers, the values are incorporated into our HR policies and processes. They form the starting point for hiring new employees, are embedded in NN's i-LEAD profile and form part of our Key

Talent Management process. NN's onboarding programme for new joiners was renewed in 2021 and explicitly covers NN's culture and values. The values are also the starting point in the renewed HR Framework Standard, which was launched in 2022. Please also refer to 1.4 and pages 125-137 of NN Group's Annual Report 2022.

NN Bank acknowledges to have a social responsibility to contribute to a sustainable economy. By signing the National Climate Agreement, NN committed to the collective goal to limit the global temperature increase to less than 1.5 degrees. As one of the largest mortgage providers in the Netherlands, NN Bank believes it has an important role in supporting and engaging customers to make their homes sustainable and healthy. Certainly, by raising awareness, but above all by joining forces to make a change. Our sustainability strategy is therefore aimed at genuinely helping customers and advisors and working together to make sustainability even easier. Because at NN Bank, we believe that you can only make this transition through collaboration.

Sustainability is one of the cornerstones of the bank's strategy and strategic decision-making. It is a core component of our Digital Retail Bank vision. The Bank focuses on two key topics that will have a profound impact on the lives of our customers and the way they make financial decisions:

1. Customer empowerment:

The bank wants to provide customers with the tools and resources needed to make better informed financial choices and exercise greater control over their personal financial situation. This includes helping them reduce individual housing and energy costs by providing insights and facilitating solutions.

2. Climate change and environment:

- The bank will steer its banking product portfolio, including our HQLA (High Quality Liquid Assets) investment portfolio, towards net-zero by 2050 or sooner, to align with the Paris Agreement 1.5°C pathway. To better serve our customers, we will proactively develop products and services that support our customers through the challenges of these transitions.
- The bank aims to reach net-zero in our own operations by 2040 or sooner, in accordance with NN Group's sustainability goals.

To achieve its sustainability ambitions, the bank has an organisational structure that ensures that its sustainability strategy is sufficiently embedded. In 2022, NN Bank set up an Environmental, Social and Governance (ESG) Office that provides ESG knowledge, programme management and monitoring of NN Bank's ESG strategy.

In addition to having a clear organisational structure, it is crucial to have a clear scope. Therefore, the bank has both a product- and a customer-activation scope for each of NN Bank's business lines. The customer activation scope aims to activate the bank's current and future customers to take steps towards sustainability. The product scope is focused on sustainably organising NN Bank's products and services. NN Bank is finalising key metrics for both scopes. This will enable it to monitor progress and performance as the bank works towards net-zero. The bank will also use these metrics continuously to evaluate its performance and progress in relation to our peers and other relevant benchmarks.

NN Bank acknowledges, that a socially responsible approach means that it, jointly or individually, should contribute to education and information to enhance the general level of public knowledge of money matters in order to support customers in making their own responsible financial decisions. In this context NN Bank focuses on helping people care for what matters most to them. The bank helps its customers to make conscious choices that have a positive impact on their lives and the world around them. The bank contributes to society by helping its customers make sustainable living choices and by supporting them in managing their daily financial matters. The bank invests in developing digital products, propositions and customer journeys in a secure and reliable banking platform. The bank provides a tailored approach including coaching and tools intended to generate more income, reduce living expenses, reduce monthly mortgage payments or a combination of all of these. The bank is involved in a coalition of creditors, the 'Schuldeiserscoalitie'. In this coalition, large Dutch businesses work together to combat poverty in the Netherlands. The participating businesses abide by an ethical manifesto about how to deal with customers who encounter payment difficulties. NN Bank also takes part in the 'Nederlandse schuldhulproute' (Dutch Debt Relief Route, NSR). Various organisations are part of the NSR, whose aim is to identify people with potentially problematic debts at an early stage. Companies such as banks, health and other insurers, telecom businesses, energy companies and housing corporations can identify actual or imminent payment arrears. The bank also strives for an excellent digital customer journey, although not everyone can or wants to deal with their bank matters digitally. That is why, for example, the bank set up an Onboarding Desk, where a team of specialised call agents help new customers through the onboarding process. In this way the bank wants to ensure that every customer feels welcome and included.

NN Bank employees are also given the opportunity to get involved in people's financial well-being outside of their role at the Bank. Colleagues can do volunteer work, for example, during Money Week, aimed at teaching students how to handle their money matters. Furthermore, colleagues have the option to request a donation to a charity that they support through our 'Stichting Wij en de Maatschappij' (Together for Society) foundation. Going forward, NN Bank will continue to work on our role in society through NN Group's global Community Investment Programme, which aims to support the financial, physical and/or mental well-being of 1 million people by 2025. For more information, please refer to the 2022 Community Investment Report, available on NN's corporate website, in the 'Financial Reports' section (nn-group.com).

NN Group, including NN Bank, takes a stand for diversity, inclusion and equal opportunities for all. When people inside the company represent the people outside it, NN can be more responsive to what they expect, want and need, also in changing circumstances. More information can be found in the Diversity and Inclusion section on page 41 of the 2022 NN Group Annual Report, our NN Statement on Diversity and Inclusion, and NN Group's 2021 Diversity and Inclusion Report. NN Group's 2022 Diversity and Inclusion Report will be published in the course of 2023.

1.6 BANKING CODE

All employees will comply with the formal regulations and self-regulations that apply to them. The Management Board and the Supervisory Board are – with due regard for each other's duties and powers – responsible for this. The Management

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.

NN Bank applies these principles.

NN Bank is committed to upholding its reputation and integrity through compliance with applicable laws, regulations and ethical standards. All employees are expected to adhere to these laws, regulations and standards. Management is responsible for ensuring this. Compliance is therefore an essential ingredient of good corporate governance.

Various initiatives emphasise that every employee needs to understand how their actions and behaviour can help earn and retain customer and stakeholder trust.

More specifically:

- NN Bank's employees working in the Netherlands, as well as the members of the Management Board Banking and the Supervisory Board, all take the Banker's Oath.
- Rules and regulations applicable to NN Bank can be found in the policies and procedures stated on NN Group's intranet (SAM), which serves as the single source of truth for all NN Bank employees.
- Awareness, expectations and changes to internal rules and standards are actively brought to employees' attention through various communication channels and e-learning modules. NN Bank's e-learning modules include aspects relating to policy content, values, and behaviours.
- All individual employees of NN Group are obliged to observe NN Group's Code of Conduct and the NN statement of Living our Values. NN Group, and therefore NN Bank, expects exemplary behaviour from its entire staff, irrespective of their job function. Effective business contacts, both within and outside NN Group, should be based on honesty, integrity and fairness. NN Group's Code of Conduct also includes a whistle-blower procedure, which ensures anonymity when reporting irregularities, albeit violations of laws and regulations.

2. Supervisory Board

2.1 Composition and areas of expertise

2.1.1 BANKING CODE

The Supervisory Board will be composed in such a way that it is able to perform its task properly. It will form a risk committee and an audit committee. The members of the Supervisory Board will be prepared and able to make sufficient time available for their duties and exhibit effort and commitment. They will at the same time be critical and independent.

NN Bank applies these principles.

The aim is to ensure that the Supervisory Board is always adequately composed to perform its duties. Members of the Supervisory Board have various backgrounds and areas of expertise, e.g., in banking, finance, risk, and operations management.

As part of the selection and appointment process, the Supervisory Board members are subject to a 'fit and proper' test by the DNB. This 'fit and proper' test also considers the composition and

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collective suitability of the Supervisory Board. In principle, the Supervisory Board assesses its suitability on an ongoing basis, ad hoc when necessary and at least as part of its annual self-evaluation. On a regular basis, also at least annually, the chairman of the Supervisory Board evaluates the performance of the individual Supervisory Board members.

The Supervisory Board consisted in 2022 of four members. The diversity in the composition of the Supervisory Board is reflected, among others, in gender, age, geography and professional background. The composition of the Supervisory Board of NN Bank further allows the board to fulfil its tasks properly. According to the Gender Diversity Act, which entered into force in the Netherlands on 1 January 2022, NN Bank is required to comply with a gender diversity quota of one third male and one third female for its supervisory board. Currently, the Supervisory Board is compliant.

NN Bank aims to have an appropriate and balanced composition of the Supervisory Board. The fact that the Supervisory Board is composed of two independent members, as laid down in the Dutch Corporate Governance Code, as well as two members occupying other functions within NN Group, contributes to the balanced composition of the Supervisory Board. Each member of the Supervisory Board has diverse and extensive experience in the financial sector and/or banking industry.

The Supervisory Board acts as a collegial body. While decisions are formally taken by majority, the board in principle acts on a consensus basis. Each year the Supervisory Board performs a self-assessment, which addresses, among other items, its composition.

The Supervisory Board members have proven to be quickly and sufficiently available for consultation. The availability of Supervisory Board members is also reflected in their high attendance during the Supervisory Board meetings.

The Supervisory Board has appointed an Audit & Risk Committee from amongst its members, responsible for preparing matters delegated to this committee.

Outside the regular board meetings many exchanges between the members of the Supervisory Board and the members of the Management Board and other staff members take place via e-mail, telephone and during extra meetings, when required.

The Supervisory Board members actively discussed, queried and challenged proposals put forward by the Management Board. The Supervisory Board members also asked in 2022 for additional clarification or deep dives into certain topics.

2.1.2 BANKING CODE

Each member of the Supervisory Board will be aware of the social role of a bank and of the interests of the various stakeholders. There are specific competence and 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.

NN Bank applies these principles.

This principle is reflected in the Rules of Procedure Rules of the Supervisory Board of Nationale-Nederlanden Bank N.V. and its appendices.

All members have the expertise to fulfil their role and are aware of the social context in which NN Bank operates. In performing their duty, the Supervisory Board balances the interests of NN Bank and its various stakeholders, including NN Bank's customers and employees. The Supervisory Board members combined have sufficient expertise and experience to permit a thorough assessment of risks and in-depth knowledge of financial reporting, internal control and audit.

2.1.3 and 2.1.4 BANKING CODE

The members of the Supervisory Board shall have a thorough knowledge of the bank's role in society and of the interests of all stakeholders. The Supervisory Board shall carefully consider the interests of all stakeholders, such as the bank's customers, its shareholders and its employees. Each member of the Supervisory Board shall be capable of assessing the main aspects of the bank's overall policy in order to form a balanced and independent opinion about the basic risks involved. Whenever a vacancy arises on the Supervisory Board, an individual profile shall be drawn up for the new member.

NN Bank applies this principle, as reflected in the bank's Rules of Procedure of the Supervisory Board and its appendices. All members had the expertise required to fulfil their role.

2.1.5 BANKING CODE

As part of the process to fill the vacancy of chairman of the Supervisory Board, an individual profile shall be drawn up that also focuses on the bank's requirements in terms of expertise and experience in relation to the financial sector and familiarity with the socio-economic and political culture and the social environment of the bank's main markets.

NN Bank applies this principle, as reflected in the bank's Rules of Procedure for the Supervisory Board and its appendices.

2.1.6 BANKING CODE

Each member of the Supervisory Board – the chairman in particular – shall be sufficiently available and accessible to properly perform their duties on the Supervisory Board and the Supervisory Board committees.

NN Bank applies this principle. The members are sufficiently available and accessible to properly perform their duties. The Supervisory Board members have proven to be quickly available for consultation if required.

2.1.7 BANKING CODE

Each member of the Supervisory Board shall receive suitable compensation for the amount of time that they spend on Supervisory Board activities. This compensation shall not depend on the bank's results.

NN Bank applies this principle.

The two independent members of the Supervisory Board received a fixed remuneration only. Each member of the Supervisory Board receives a fixed fee based on their role within the Supervisory

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Board and within its committee(s) (i.e., chairperson, vice chairperson or member). More information on remuneration of the Supervisory Board of is disclosed in NN Bank's 2022 Annual Report. This remuneration does not depend on NN Bank's results.

2.1.8 BANKING CODE

The chairman of the Supervisory Board will organise 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 the financial sector, corporate governance in general and in the financial sector in particular, to 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.

NN Bank applies this principle.

To maintain the expertise of the Supervisory Board and to improve their expertise where needed, the bank has a programme of lifelong learning for the Supervisory Board and the Management Board in place. The 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.

Also, individual members are encouraged to follow training programmes individually during the year. Members of the Supervisory Board may also take part in optional third-party courses (or modules) relevant to their area of responsibility. In 2022 the Supervisory Board requested deep dives into specific topics not specifically covered by the programme of lifelong learning.

In general, the subjects discussed relate to topics addressed in the Banking Code but are not necessarily limited thereto. The lifelong learning programme reflects the bank's daily practice as much as possible and that it responds to the latest developments in the banking industry.

2.1.9 BANKING CODE

The assessment of the effectiveness of the programme of lifelong learning referred to in principle 2.1.8 shall be part of the annual evaluation performed by the Supervisory Board.

NN Bank applies this principle. The assessment of the effectiveness of the permanent education programme was part of the Supervisory Board's assessment over 2022.

2.1.10 BANKING CODE

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 Management Board will be part of this evaluation.

NN Bank applies this principle.

Annually, the functioning of the Supervisory Board is evaluated through a self-assessment process. In 2023 the Supervisory Board's annual self-assessment will be facilitated by an independent external party, with input from several executives who regularly interact with the Supervisory Board and/or attend Supervisory Board meetings.

2.1.11 BANKING CODE

As part of its supervisory tasks, the Supervisory Board shall pay special attention to the bank's risk management processes. All discussions about risk management shall be prepared by a risk committee or a similar committee, which committee shall be appointed by the supervisory board from its ranks for this purpose.

NN Bank applies this principle.

From amongst the members of the Supervisory Board an Audit & Risk Committee, responsible for preparing matters delegated to this committee, has been appointed.

2.1.12 Banking Code

Both the risk committee and the audit committee shall be subject to specific requirements as regards competency and experience. For example, a number of members of the risk committee must have sound knowledge of the financial aspects of risk management or the experience needed to make a thorough assessment of risks. A number of members of the audit committee must have sound knowledge of financial reporting and internal control systems and audits or the experience needed to thoroughly supervise these areas.

NN Bank applies this principle.

All members of the Audit & Risk Committee meet the specific requirements regarding competence and experience which correspond with the tasks laid down in the charters of the Audit & Risk Committee and the Supervisory Board. All audit committee members had sound knowledge of financial reporting and internal control systems and audits, and the experience needed to thoroughly supervise these areas.

3. Management Board

3.1 Composition and expertise

3.1.1 BANKING CODE

The executive board shall be composed in such a way that it is able to perform its duties effectively, i.e., the board shall be complementary, collegial and diverse.

NN Bank applies this principle.

Members of the Management Board have various backgrounds and areas of expertise in e.g., banking, finance, risk, IT and operations management. As part of their selection and appointment process, Board members are subject to a "fit and proper"-test by DNB to ensure that the composition of the Management Board is sufficiently fit and proper. This 'fit and proper' test also considers the composition and collective suitability of the Management Board. The Management Board recognises the importance of gender diversity within the Management Team. The Management Board acts as a collective body and strives to make decisions consensus.

Banking Code continued

In performing its duties, the Management Board considers and acts in accordance with the interests of NN Bank, considering those of NN Bank's stakeholders. When considering these interests, the Management Board shall take especially into account the continuity of the company, the environment in society in which NN Bank operates, as well as the applicable legislation, regulations and codes of conduct. On a regular basis and at least annually, the Supervisory Board evaluates the performance of the individual members of the Management Board. The Supervisory Board has evaluated the functioning of the individual members of the Management Board in 2022.

3.1.2 BANKING CODE

The chairman of the executive board shall organise a programme of lifelong learning, with the aim of keeping the expertise of the members of the executive board at the required standard and improving their expertise where necessary. The programme of lifelong learning shall 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 to customers, integrity, risk management, financial reporting and audits.

NN Bank applies this principle. A programme of lifelong learning for the members of the Management Board is in place. This programme is a joint programme with the Supervisory Board.

3.1.3 BANKING CODE

Every member of the executive board shall take part in the program referred to in 3.1.2 and meet the requirements of lifelong learning. Every member has to satisfy this condition in order to sit on the executive board. The supervisory board shall ascertain whether the members of the executive board continue to fulfil the expertise requirements developed by the Dutch Central Bank DNB.

NN Bank applies this principle. The Supervisory Board reviewed the functioning of NN Bank's Management Board in 2022.

3.1.4 BANKING CODE

Taking into account the risk appetite approved by the supervisory board, the executive board shall ensure a balanced assessment between the commercial interests of the bank and the risks to be taken.

NN Bank applies this principle. The Management Board determined in the course of 2022 the bank's desired risk profile, the corresponding risk appetite and risk policies. These were subsequently submitted to and approved by NN Bank's Supervisory Board.

3.1.5a BANKING CODE

One member of the executive board shall be responsible for preparing the decision-making on risk management. This member shall be involved, in a timely manner, in the preparation of decisions that are of material significance for the bank as regards the risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board. Risk management shall also include a focus on the interests of financial stability and on the impact that systemic risk could have on the risk profile of the bank.

NN Bank applied this principle.

The CRO is responsible for the management and control of risks to ensure that the bank's risk profile is consistent with its financial resources and its risk appetite.

The CRO is also responsible for establishing and maintaining a robust organisational basis for the management of risk throughout the organisation. The risk framework of NN Bank is based on the concept of 'Three Lines of Defence'. This ensures that risk is managed in line with the risk appetite as defined by the Management Board and approved by the Supervisory Board. The CRO does not combine this role with any commercial responsibility. The CRO is actively involved in risk matters and the preparation of decisions that may have a material impact on the bank's risk profile, especially when these decisions may lead to a deviation from the risk appetite boundaries as approved by the Supervisory Board. Furthermore, the CRO chairs, or is a member of, various key risk committees of the bank in which the methodologies, policies and procedures are discussed and approved to manage and mitigate those aspects that may impact the bank's risk profile.

Risk Management considers the importance of financial stability and the impact that systemic risk may have on the risk profile of NN Bank. The CRO is actively involved in risk matters and decisions that may have a material impact on NN Bank. The risk appetite set by NN Bank's Management Board needs to be consistent with NN Group's risk appetite and must be endorsed by NN Bank's Supervisory Board.

Through regular and ad hoc stress tests, the risk management function examines the vulnerability of the bank, or some portfolios, to specific negative events or economic changes. This focuses attention on the impact that systemic risk could have on the bank's risk profile. The scope of the stress tests may vary from the bank to a specific country, asset class or risk type, and represent various economic situations from a mild recession to an extreme shock.

The Supervisory Board supervises NN Bank's execution of the risk policies and verifies that they are in accordance with the set risk appetite.

3.1.5b BANKING CODE

This board 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.

NN Bank applies this principle. The CRO is exclusively responsible for the management and control of risks to ensure that the bank's risk profile is consistent with its financial resources and its risk appetite. The CRO does not bear any individual commercial responsibility and operates independently from commercial areas.

3.2 Duties and working practices

3.2.1 BANKING CODE

In all of its actions, the bank's executive board shall ensure that it carefully considers the interests of all stakeholders, such as the bank's customers, its shareholders and its employees. These considerations shall take into account the continuity of the bank, the social environment in which the bank operates and the legislation, regulations and codes that apply to the bank.

NN Bank applies this principle.

Banking Code continued

The Management Board is aware of this principle and acts accordingly. This principle is included in the Bankers' Oath.

3.2.2 BANKING CODE

The Audit & Risk Committee (A&RC (Audit & Risk Committee) (Audit & Risk Committee)) shall be subject to specific requirements as regards competency and experience. For example, a number of the members of the A&RC must have sound knowledge of the financial aspects of risk management or the experience needed to make a thorough assessment of risks. Other members of the A&RC must have sound knowledge of financial reporting and internal control systems and audits, or the experience needed to thoroughly supervise these areas.

NN Bank applies this principle.

The requirements with respect to this principle are reflected in NN Bank's Charter for the Audit & Risk Committee.

3.2.3 BANKING CODE

The members of the executive board shall perform their tasks in a meticulous, expert and fair manner, taking into account the applicable laws, codes of conduct and regulations. Each member of the executive board shall sign a declaration of moral and ethical conduct. A model declaration has been included in the explanatory notes to this code and each bank can supplement it as appropriate.

NN Bank applies this principle.

The principle is also included in the Bankers' Oath. All members of the Management Board and the Supervisory Board took the Bankers' Oath, which mirrors the text of the declaration of moral and ethical conduct referred to in the Banking Code.

3.2.4 BANKING CODE

The executive board shall ensure that the declaration referred to in principle 3.2.3 is translated into principles that form guidelines for the behaviour of all the bank's employees. The content of these principles shall be expressly pointed out to every new bank employee when they join the bank by inserting a reference to these principles in the new employee's contract of employment. Every new employee shall be required to comply with these principles.

NN Bank applies this principle.

The Duty of Care to customers is embedded in the policies and procedures of NN Group and, therefore, in those of NN Bank, as well as in the relevant communication and marketing documentation. This principle is also included in the Bankers' Oath. Every person working for NN Bank, including management and the members of the Management Board and the Supervisory Board, have taken the bankers' oath, which mirrors the text of the declaration of moral and ethical conduct referred to in the Banking Code.

4. Risk Policy

4.1 BANKING CODE

A bank's risk policy is characterised 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.

NN Bank applies these principles.

Risk management is a fundamental part of the banking business that must be addressed appropriately to enable NN Bank to successfully meet its obligations towards customers, regulators, and other stakeholders. Accepting risk is an integral part of NN Bank's business: having the right functions, risk culture and systems in place to manage risks is important. The risk policy also takes reputational and non-financial risk into account.

In line with NN Group, the Three Lines of Defence model, on which NN Bank's risk management structure and governance are based, defines three risk management levels. Each line has distinct roles decision authorities, execution responsibilities and oversight responsibilities. This framework ensures that risk is managed in line with NN Bank's risk appetite as defined by the Management Board, and ratified by the Supervisory Board, and that NN Bank's risk appetite is consistent with that of NN Group.

The First Line of Defence is formed by NN Bank Business Management and has primary accountability for the performance of the business, operations, compliance, and effective control of risks affecting NN Bank's business. The Second Line of Defence consists of oversight functions, with a key role for the risk management organisation and the legal and compliance functions. The CRO steers a functional independent risk organisation, which supports the commercial departments in their decision-making, but which also has sufficient countervailing power to prevent risk concentrations and other forms of unwanted or excessive risk. The Third Line of Defence is provided by Corporate Audit Services (CAS) and offers an independent assessment of the standard of internal control with respect to NN Bank's business and support processes, including governance, risk management and internal controls.

4.2 BANKING CODE

The executive board shall 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 shall also require the supervisory board's approval.

NN Bank applies these principles.

The Management Board determined the risk profile, risk appetite and risk policy. The risk profile and corresponding appetite was approved by the Supervisory Board. At each regular meeting of the Supervisory Board, the financial risk and the non-financial risk reports were discussed in detail, as well as the Risk Appetite Statements. The ICAAP/ILAAP, including the stress test scenarios, are discussed annually. NN Bank's risk policy framework ensures that risks are managed consistently and that NN Bank operates within its risk tolerances. The policies focus on risk measurement, risk management and risk governance. To ensure that policies are efficient and effective, they are governed by a Board Committee structure. Potential policies waivers must be approved by the Management Board or its Board Committees and if applicable the functional line within NN Group.

4.3 BANKING CODE

The Supervisory Board will supervise the risk policy pursued by the Management 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 its risk committee formed from the ranks of the supervisory board for this purpose.

NN Bank applies this principle.

The Management Board determined the risk profile, risk appetite and risk policy. The risk profile and corresponding appetite was approved by the Supervisory Board.

The A&RC's task is to oversee the developments and control of the risks NN Bank runs in connection with its running business. The Committee advised the Supervisory Board on many issues, including financial reporting, the internal control system and financial risks management. The A&RC will also assist the Supervisory Board with the decision-making process and help the said board to monitor the development and management of risks to which the bank is exposed. The A&RC does this by carrying out preparatory work in relation to the supervision of the Management Board, the enforcement and effectiveness of the bank's risk management systems and its risk appetite. The A&RC also oversees compliance with laws and regulations as well as the procedures for the preparation and disclosure of the bank's financial statements. The full Supervisory Board remains collectively responsible for the overall supervision.

During the meetings of the Supervisory Board and the Audit & Risk Committee the financial risk and the non-financial risk reports are discussed, as well as the Risk Appetite Statement, next to a comparison of the actual risk profile versus the approved risk appetite. Updates of the Capital, Funding and Liquidity Plans, the Recovery Plan, ICAAP/ ILAAP, including the stress test scenarios, are reviewed annually as well.

4.4 BANKING CODE

The supervisory board shall periodically assess at a strategic level whether the commercial activities in general are appropriate in the context of the bank's risk appetite. The executive board shall provide the supervisory board with the relevant information for this assessment in such a way that the supervisory board is able to form a sound opinion.

NN Bank applies this principle.

The Supervisory Board and A&RC regularly discussed and assessed whether NN Bank's commercial activities are appropriate in the context of its risk appetite.

4.5 BANKING CODE

The executive board shall ensure that the bank's risk management processes are structured in such a way that the executive board is aware in good time of any material risks the bank runs so that these risks can be managed properly. The executive board shall take any decisions that are of material significance for the bank's risk profile, its capital allocation, or the liquidity impact.

NN Bank applies this principle.

This principle is embedded in the risk policies and the processes within NN Bank. Please refer further to point 4.2 above and/or to the relevant pages in NN Bank's Annual Report 2022. Members of the Management Board partake in the deliberation of these board committees. Issues which have such a material impact on the bank's risk profile that they exceed the mandate of the risk committees, are discussed, and decided upon by the Management Board, or by individual members of the Management Board participating in said board committees.

4.6 BANKING CODE

Every bank shall have a product approval process. The executive board shall organise the product approval process and shall be responsible for the process working properly. Products that go through the product approval process at the bank shall not be launched on the market or distributed without careful consideration of the risks by the bank's risk manager and a careful assessment of any other relevant factors, including the duty of care to customers. Based on an annual risk analysis, the internal auditor shall check whether the product approval process has been designed properly, is present and is working effectively, and shall then inform the executive board and the relevant supervisory board committee (risk committee or similar committee) about the results.

NN Bank applies this principle.

NN Bank's product approval and review process (PARP) was developed to enable effective design, underwriting and pricing of all products and to ensure they can be managed throughout their lifetime. This process establishes requirements as to the product risk profile features to ensure that products are aligned with NN Bank's strategy. The PARP considers customer benefits and product suitability, expected sales volumes, value-oriented pricing metrics and relevant policies. It includes requirements and standards to assess risks as per the risk categories, as well as the assessment of the administration and accounting aspects of the product.

5. Audits

5.1 BANKING CODE

A bank's Management Board will ensure systematic audit is conducted of the management of the risks related to the bank's operations. To this end, a bank will have its own internal audit department with an independent position within the bank. The head of the internal audit department will report to the chairman of the Management Board and also have a direct reporting line to the chairman of the Supervisory Board's audit committee.

NN Bank applies this principle.

Banking Code continued

NN Bank makes use of the internal audit function of NN Group. CAS NN Group is independently positioned within the organisation. CAS NN Group staff report to the General Manager of CAS NN Group, who reports directly to the chair of the Management Board of NN Group and functionally to the Supervisory Board of NN Group. Respective audits for NN Bank specific are also reported to the Management Board and the Supervisory Board of NN Bank.

CAS NN Group prepares a yearly risk-based audit plan discussed with the Management Board of NN Group and the Audit Committee of the Supervisory Board of NN Group before its finalisation. The realisation of the plan, both in process of execution as in findings, is periodically discussed with and reported to these bodies. Results of respective audits are discussed with the Management Board of NN Group and the Audit Committee of the Supervisory Board of NN Group on an individual basis when so escalated and on aggregated level via quarterly reporting.

The yearly risk-based audit plan for NN Bank specific is also discussed with the Management Board and the Supervisory Board of NN Bank prior to its finalisation. CAS NN Group informs the Supervisory Board of NN Bank on its progress regarding the audit plan, key audit findings and changes to the audit plan. Results of respective audits for NN Bank specific are also reported to the Management Board and the Supervisory Board of NN Bank.

5.2 BANKING CODE

A bank will have its own internal audit department with an independent position within the bank. The head of the 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.

NN Bank partly applies this principle. NN Bank makes use of the internal audit function of NN Group as described in 5.1 above.

5.3 BANKING CODE

The internal auditor shall be tasked with assessing whether the internal control measures have been designed properly, are present and are working effectively. This assessment shall include the quality and effectiveness of the system of governance, risk management and the bank's control procedures. The internal auditor shall report their findings to the executive board and the audit committee.

NN Bank applies this principle.

NN Bank makes use of the internal audit function of NN Group as described in 5.1 above. The Group Audit Charter defines the mandate for the internal audit function and states that both the design and operating effectiveness of internal controls should be assessed. This assessment includes the quality and effectiveness of the system of governance, risk management and the bank's control procedures.

5.4 BANKING CODE

The internal auditor, the external auditor and the supervisory board's risk committee and/or audit committee shall consult periodically, including as regards the risk analysis and the audit plan of both the internal auditor and the external auditor.

NN Bank applies this principle.

The bank makes use of the internal audit function of NN Group. CAS NN Group prepares and discusses its risk analysis and audit plan with the Management Board and Supervisory Board of NN Bank, the external auditor as well as other relevant in- and external stakeholders.

CAS NN Group then periodically exchanges information between these stakeholders to update its risk analysis and audit plan. Furthermore, CAS NN Group and the external auditor also attends meetings of the Supervisory Board and the Audit & Risk Committee of the Supervisory Board of NN Bank.

KPMG Accountants N.V. is NN Bank's external auditor for the year 2022. They have attended two Supervisory Board meetings in 2022. The external auditor and the internal audit function maintained regular contact and exchange information.

5.5 BANKING CODE

As part of the general audit assignment for the financial statements, the external auditor shall produce a report for the executive board and the supervisory board which shall contain the external auditor's findings concerning the quality and effectiveness of the system of governance, risk management and the bank's control procedures.

NN Bank applied this principle.

The external auditor issues annually a management letter and an audit report to the Management Board and the Supervisory Board, which included relevant findings relating to governance, risk management and control procedures. CAS NN Group shared its audit reports with the external auditor.

5.6 BANKING CODE

The internal audit department, external auditor and Supervisory Board's audit committee will consult periodically.

NN Bank applies this principle.

NN Bank makes use of the internal audit function of NN Group. CAS NN Group prepares and discusses its risk analysis and audit plan with the Management Board of NN Bank, the Supervisory Board of NN Bank, the external auditor and with DNB. Subsequently, CAS NN Group exchanges periodically information between these stakeholders to update its risk analysis and audit plan (at least quarterly).

Furthermore, CAS NN Group is present in meetings of the Audit & Risk Committee and the Supervisory Board, when internal/external auditor subjects are discussed.

5.7 BANKING CODE

The internal auditor shall arrange a meeting with DNB and the external auditor at least once a year to discuss each other's risk analysis and findings and each other's audit plan at an early stage. 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.

NN Bank applies this principle.

The internal audit department took the initiative and arranged a meeting with DNB and the external auditor in 2020 to discuss each other's risk analyses, findings, and audit plans.

6. Remuneration Policy

6.1 BANKING CODE

The bank will implement a meticulous, restrained, and long-term remuneration policy that is unambiguous and transparent and in line with national and international regulations. The remuneration policy will have primarily long-term focus and be in line with the bank's risk policy. It will incorporate an internal and external 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. The bank shall implement a meticulous, restrained, and long-term remuneration policy that is in line with its strategy and risk appetite, objectives, and values, taking into account the long-term interests of the bank, the relevant international context and wider societal acceptance. The supervisory board and the executive board shall take this into account when performing their duties in relation to the remuneration policy.

NN Bank applies this principle.

As a subsidiary of NN Group, NN Bank falls within the scope of the NN Group Remuneration Framework.

NN Bank is aware of the public debate about remuneration in the financial industry. NN Group's Remuneration Framework considers all applicable regulations and codes, including the Banking Code. The NN Group Remuneration Framework strikes a balance between the interests of its customers, employees, shareholders, and society at large. NN Group's Remuneration Framework supports NN Group's overall ambition to be an industry leader, known for our customer engagement, talented people, and contribution to society.

The general principles underpinning the NN Group Remuneration Framework are (amongst others) the following:

- Support the attraction, motivation, and retention of Employees, while being compliant with applicable legislation and with the aim of applying best practices within the financial industry.
- Consider NN Group's business strategy, objectives, its role in society, values and risk appetite, and long-term value creation for all stakeholders.
- Be mindful of the role of the financial sector in society.
- Contribute to an inclusive working environment by ensuring equal opportunities, working conditions and equal pay for equal work.
- Promote robust and effective risk management, including risk management of sustainability risks (such as environment, society, governance, and Employee related matters) in the integration thereof in the risk management system and procedures. It supports balanced risk-taking, long-term value creation and the protection of a sound Capital Base. This will amongst others be supported by performance objective setting processes.
- Avoid improper treatment of customers and Employees.
- The variable remuneration is linked to clear targets. These targets are, for a large part, non-financial.

NN Group's Remuneration Committee reviewed and evaluated the remuneration policies of NN Group as laid down in the NN Group Remuneration Framework. No changes were required in terms of the Act on further remuneration measured for financial undertakings (Wet nadere beloningsmaatregelen financiële ondernemingen), which came into force on 1 January 2023, because the NN Group Remuneration Framework was already fully incorporating these requirements as from 2021. More information on NN Group's Remuneration Framework can be found in NN Group's Annual Report 2022.

6.2 BANKING CODE

The total income of a member of a bank's Management Board will at the time it is set be below the median for comparable positions inside and outside the financial industry, taking into account the relevant international context. The variable remuneration of a member of the Management Board will be set in accordance with national and international regulations.

NN Bank applies this principle.

NN Group has an overall remuneration policy, as described in the NN Group Remuneration Framework, which sets out guidelines and principles for the business unit remuneration policies within NN Group. NN Group applies a clear and transparent remuneration policy that is adequate to attract and retain expert leaders, senior staff, and other highly qualified employees. The remuneration policy is also designed to support NN Group's employees to act with integrity and to carefully balance the interests of our stakeholders. It supports doing business with the future in mind and aims to focus on creating long-term value for all stakeholders. At the same time, NN Group is conscious about its role in society, which is considered and embedded in the remuneration policies and practices as applicable to NN Group employees. These policies promote robust, balanced, and effective risk management, including risk management of sustainability risks (such as environment, society, governance, and employee-related matters) in the integration thereof in the risk management system and procedures. This will amongst others be supported by performance objective setting processes. NN Group's remuneration policy for executives and senior staff is based on a total compensation approach and is benchmarked on a regular basis with relevant national and international peers, both within the financial sector and outside the financial sector.

Clear performance objectives are set and assessed which are aligned with the overall strategy of NN Group, both in the short term and the long term, to ensure that remuneration is properly linked to individual, team and NN Group performance. The remuneration policy supports a focus on the company's long-term interests and the interests of its customers and various stakeholders by ensuring that, by linking remuneration to the company's long-term objectives, that staff are not encouraged, via remuneration, to take excessive risk. In addition, the remuneration policy ensures that NN Group complies with all the relevant (inter)national regulations on remuneration.