

# Application of the Banking Code by Nationale-Nederlanden Bank 2023

**Nationale-Nederlanden Bank N.V.**

**Legal & Tax Nationale-Nederlanden Bank**

## Abstract

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

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## 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.

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 now been incorporated into legislation and regulations, 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 herewith provides an overview on 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, a bank may provide a substantiated explanation of 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](http://www.nvb.nl)).

NN Bank 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 is continuing 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.**

#### ***Implementation by NN Bank.***

##### *NN Group strategy*

NN's purpose is to help people care for what matters most to them. Our ambition is to be an industry leader, known for our customer engagement, talented people and contribution to society. NN Group's strategy aims to help us achieve our ambition in the coming years and to create sustainable long-term value for our stakeholders.

Its strategy aims to address the interests of all stakeholders, which is why we have both financial and non-financial targets. NN's five strategic commitments will help achieve its 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, 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.

At the end of 2023, NN Group refined its five strategic commitments and introduced a new commitment on becoming a 'digital and data-driven organisation', while combining our commitments on customers and products and services into a single commitment, called 'engaged customers'. This update reflects our focus on transforming

our business by further simplifying our technology and operations, giving us room to grow our business further.

#### *NN Bank today*

NN Bank is a prominent retail bank in the Netherlands, serving approximately 1.25 million retail customers and ranking fifth in balance sheet size.

Its 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 and retail investment products and distribution of NN Non-life insurance products.

In addition, NN Bank provides administration and management services to other NN Group entities and institutional investors. It distributes its services via the direct channel and via distribution partners (intermediaries). NN Bank enables its customers to contribute to society by helping them make sustainable choices.

Based on our frequent interactions with customers, the bank supports NN's strategy to boost relevance and value for all its customers.

NN Bank is a distributor of NN Non-life insurance products. With this proposition, NN strengthens its relationships with customers. In addition, this creates synergies by integrating marketing, customer service, IT-related activities, and data that can be leveraged to enhance customer propositions.

NN Bank offers a motivating, healthy and inclusive workplace, where our talent can develop, colleagues enjoy their work and where their efforts are valued and respected. The bank believes that it can better serve its customers and achieve its business goals if all its people are encouraged, committed and dedicated to use their talents, skills and knowledge.

NN Bank will continue to fuel a diverse and inclusive working environment.

#### *NN Bank tomorrow*

NN Bank showed consistent performance in the realisation of our Digital Retail Bank strategy to achieve its ambition to be the sustainable living and financial companion for our customers. The bank further progressed on the implementation of an efficient, highly digitised and future-ready banking platform and completed the implementation of our new mortgages mid-office, which among other things, has automated mortgage applications via intermediaries. Furthermore, NN Bank continued to implement new technologies, such as process mining and generative AI, to support digital and seamless customer and broker experiences

The Digital Retail Bank strategy is given substance with four priorities:

1. Strong Customer Relations.
2. Digitalisation & data driven way of work.
3. Sustainable business & society.
4. Learning & agile organisation.

#### *Strong customer relationships*

The Bank continuously improves its services and offers new ones. Therefore, changes in customers' needs are constantly monitored. NN Bank responds to these changes by adapting products, services and customer processes. To become more relevant to its customers, the bank aspires to establish strong customer relationships through personal interaction. Collecting customers' data, with their consent, will be crucial to enable the bank to provide relevant and personalised services. Together with its knowledge of the customer.

#### *Digitalisation & data-driven way of work*

Data and digitalisation are the bank's key priority in becoming a customer-oriented and efficient bank. The bank invests in a strong data foundation that ensures compliance with regulatory requirements, and strong data and artificial intelligence (AI) capabilities to accelerate the growing number of data-driven projects in its organisation. The bank focuses on creating seamless customer journeys in its digital channels and has made significant progress in improving its digital platforms. The bank also improved efficiency in its customer operations through digitalisation and automation and reached an important milestone with the complete implementation of the new mid-office system for mortgages.

#### *Sustainable business & society*

Its contribution to society and the environment is one of the Bank's key ambitions. Climate change is one of the most urgent threats of our era. The bank's range of products and services comprises solutions that aid the shift towards a low-carbon economy. Customers need perspective for action and certainty to make sustainable choices more often and faster. NN Bank considers it its role to help both customers and intermediaries to make that transition. The bank is also conscious of its responsibility to help detect financial crime. NN Bank has also begun analysing its value chain to better understand and manage the impact of its business activities on the environment and society. Looking forward, NN Bank has planned to obtain and collect more information and data on material actors in its value chain to gradually develop a clearer view on how and to what extent its activities, relationships and resources are affected by or have influence on sustainability matters.

The Bank has identified its most important stakeholders and value chain actors, including upstream, own operations and downstream actors. IT suppliers, savings customers and funding providers are considered to be the Bank's main upstream actors, while its own people are the main actors within its operations. Mortgage customers and investors constitute the Bank's value chain downstream. Looking forward, NN Bank has planned to obtain and collect more information and data on material actors in its value chain to gradually develop a clearer view on how and to what extent our activities, relationships and resources are affected by or have influence on sustainability matters. This will enable the Bank to continue to foster more sustainable behaviour in alignment with our values (Care, Clear, Commit).

#### *Learning & agile organization*

By focusing on workforce transformation and through strategic workforce planning, the bank explores ways to anticipate the rapidly changing environment in which we live and work and remain future proof as an organisation and as individuals. As an organisation, we are transforming into a data-driven Digital Retail Bank. This impacts the bank's organisation, the way its people work together and the way its teams are led. The bank is moving increasingly towards working in empowered product teams with end-to-end responsibility to solve customer problems/friction points and developing a leadership style that supports this. To achieve this, the bank continues to monitor the way it works and instils a culture of learning. The bank encourages the development of craftsmanship through participation in NN-wide expert groups (so-called 'Guilds').

### 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.**

#### ***Implementation by NN Bank.***

NN Bank has a two-tier board system, which comprises a Supervisory Board (SB) and a Management Board (MB). NN Bank aims to have an appropriate and balanced composition of the Management Board and Supervisory Board. From among its members the Supervisory Board has appointed an Audit & Risk Committee (A&RC), 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. 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 activities to specific committees within NN Bank. These committees have an advisory role to the Management Board or have been granted delegated authority. 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 ultimately responsible.

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.**

#### ***Implementation by NN Bank.***

##### *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 internal employees of NN Group are obliged to observe NN Group's Code of Conduct and Manager Annex, and other underlying policies and standards. They must annually acknowledge that they understand the content of the NN Code of Conduct and can and will apply the underlying policies and standards. NN Managers must annually acknowledge the Manager Annex. External employees and/or contingent workers receive the Code of Conduct as part of their contract.

NN Group considers that Internal reporting of potential criminal and unethical conduct or breaches of (local and European Union (EU)) law by or within NN is vital for a safe working environment in which everyone feels welcome, valued and respected. NN uses the Speak Up system, which enables every employee and certain external parties to report, if they wish anonymously, a concern and/or breach outside regular reporting channels within NN Group. 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 major 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.

#### *IT Infrastructure – data foundation*

Please refer to paragraph 'Digitalisation & data-driven way of work' under Principle 1.1.

#### *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. The Head of Compliance reports directly to the CRO of NN Bank and has a functional line with the Chief Compliance Officer of NN Group.

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.**

#### ***Implementation by NN Bank.***

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.

Founded on our NN Group's values developed in 2019, NN Code of Conduct and Managers Annex, offers clear guidance in a single comprehensible document. The document aims to educate employees on appropriate and expected behaviour and actions. It is directly linked with the NN Statement of Living our Values, and other relevant underlying policies and standards on how we: interact with colleagues and customers; deal with information and (personal) data; deal with conflicts of interest, fraud, bribery and corruption, financial economic crime; use equipment and the internet; and report and deal with breaches.

Every year we review and update the Code of Conduct and Manager Annex, and the underlying policies and standards. All internal employees must annually acknowledge that they understand the content of the NN Code of Conduct and can and will apply the underlying policies and standards.

In 2023, NN Bank continued to improve its role as gatekeeper for the financial system and prevented NN Bank from becoming involved in financial and economic crime. Furthermore, the bank continued to find the right balance between fighting financial and economic crime and accessibility of NN Bank's banking services. In this context, the bank considers it to be of great importance that it does not exclude customers categorically, but that it applies tailor-made solutions based on the integrity risks of an individual customer. To optimise this, NN Bank centralised its first-line Financial Economic Crime and Anti-Money Laundering organisation in 2022 as one shared service and knowledge centre. Furthermore, to decrease the related risks, the bank increased the staffing regarding these activities in 2023.

Also, NN Bank continued to invest in strengthening its compliance function. Please refer to 1.3 above.

The Supervisory Board was informed during the year about the steps NN Bank takes in this context.

## 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.**

### ***Implementation by NN Bank, which is connected to Principle 1.4***

Reliability, service orientation and transparency are crucial for NN Bank to reach its strategic goals. To represent its customers' interests and other stakeholders, NN Bank's employees act in an ethical and professional manner.

#### *ESG*

NN Bank aims to be a sustainable business leader in the markets in which it operates. That includes creating long-term value for our customers, colleagues and society. This offers us an opportunity to fulfil our purpose of helping people care for what matters most to them, now and in the future.

#### *The bank's sustainable strategy*

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 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.
- The bank is incorporating climate action across its business. This approach will not only benefit the environment, but also create sustainable long-term value for all its stakeholders. The risks associated with climate change present significant challenges, which the financial sector can help address. At the same time, those risks also present opportunities for innovation, growth and positive impact to help accelerate the transition to a low-carbon economy. NN Bank has identified five areas of action in which to contribute to sustainability:
  - Engage with customers and steer our investment portfolio to reduce greenhouse gas (GHG) emissions.
  - Develop new propositions and services.
  - Leverage NN Bank's Green Bond Framework.
  - Evaluate and adjust all products to help customers in their sustainability journey.
  - Contribute to (sector-) specific initiatives and partnerships. As a large mortgage provider in the Netherlands, mortgages are a key focus of NN Bank's sustainability strategy. NN Bank has set an interim target of a 34% reduction in emissions (base year: 2021) by 2030, to guide the bank's mortgage portfolio towards net zero in 2050.

#### *Governance*

NN Bank's CEO leads the sustainability governance structure and is accountable for sustainability matters. The Bank's Management Team (MT) is responsible for strategic direction and for implementing the strategy. On the Board level, our Supervisory Board (SB) performs structural oversight on sustainability matters by ensuring sustainability, including climate and environment (C&E) is a standard item on SB meeting agendas and by integrating sustainability into existing consultation and reporting structures. All MT members are responsible for integrating sustainability into their respective domains and functions.

Sustainability objectives are part of each MT members' performance scorecard. Furthermore, a dedicated Environmental, Social and Governance (ESG) Office is in place to support all domains with our sustainability strategy implementation.

In addition to having a clear organisational structure NN 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 its current and future customers to take steps towards sustainability. In this context directs and engages NN Bank with customers to actively work on reducing their carbon footprint and developed several propositions (e.g., Woonnu, Powerly) and services (e.g., direct execution funnel to installation partners, Business to Business to Consumer service concept for intermediaries) to spark customer activation. Propositions like these provide customers with actionable insights and professional assistance as they implement sustainable and healthy living solutions in and around their homes.

#### *Social responsibility*

The 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 choices around living 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 is also there for people who have financial difficulties. The Bank provides coaching and tools intended to generate more income, reduce living expenses, reduce monthly mortgage payments or a combination of all of these. Furthermore, it 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. But at the same time, not everyone can or wants to deal with their bank matters digitally. That is why, for example, an Onboarding Desk has been set up, consisting of a team of specialised call agents, who help new

customers through the onboarding process in a personal way. This is how the bank wants to ensure that every customer feels welcome and included.

#### *Employees*

NN Bank employees are given the opportunity to get involved in people's financial well-being outside of their role at the Bank. Employees can do volunteer work, for example, at the Money Week, aimed at learning students how to handle their money matters. Furthermore, employees have the option of requesting a donation to a charity that they support, through our foundation 'Stichting Wij en de Maatschappij' (Together for Society). Going forward, the bank will continue to work on its role in society through NN Group's global Community Investment Programme, which aims to support the financial, physical and/or mental well-being of one million people by 2025. For more information, please see the 2023 Community Investment Report, available on NN's corporate website, in the 'Financial Reports' section (nn-group.com).

#### *Diversity*

NN Group, including NN Bank, takes a stand for diversity, inclusion and equal opportunities for all. Since 1 January 2021, NN Group has aimed to have a gender balance of at least 40% women and 40% men for its boards. Since 2021, NN Group has also had a target to have at least 40% women in senior management positions. From 2022, these positions include the NN Group Management Board, managerial positions reporting directly to an NN Group Management Board member and all senior managerial positions reporting to a business unit CEO. In addition, in 2022, a target was set to have at least 40% women in management team positions within each Dutch NN Group company in scope of the Gender Diversity in Boards of Dutch Companies Act (Wet tot wijziging van Boek 2 van het Burgerlijk Wetboek in verband met het evenwichtiger maken van de verhouding tussen het aantal mannen en vrouwen in het bestuur en de raad van commissarissen van grote naamloze en besloten vennootschappen, (the Act on Gender Diversity)), which entered into force on 1 January 2022. In support of these ambitious gender diversity targets, NN Group has set an action plan that all NN Group companies in scope of the Act on Gender Diversity have adopted. This action plan supports a healthy and diverse succession pool for senior management throughout the organisation, as part of our Diversity & Inclusion (D&I) and Key Talent Management policy and processes.



## 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.

### *Implementation by NN Bank.*

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 emphasize 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 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 as well as NN Bank’s 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.

Employee engagement is crucial, which is why we conduct employee engagement surveys regularly. The engagement score was 7.6 in 2023. The engagement score and the underlying scores are important input for us to further improve our employee engagement.

## 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.

### *Implementation by NN Bank.*

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 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.

In 2023, NN Bank’s Supervisory Board consisted of four members. 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. The diversity in the composition of the Supervisory Board is reflected, among others, in gender, age, geography and professional background. Currently, the Supervisory Board consists of two male and two female members. Its composition allows the board to fulfil its tasks properly.

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 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 got 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. In 2023 the members of Supervisory Board almost always fully participated in the deliberations of the Supervisory Board.

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

Outside regular board meetings, manifold exchanges between the members of the Supervisory Board and the members of the Management Board and other staff members take place via e-mail, by phone and during meetings, if needed.

The Supervisory Board members actively discussed, queried and challenged proposals put forward by the Management Board. The Supervisory Board members also asked in 2023 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.**

#### *Implementation by NN Bank.*

This principle is reflected in the Rules of Procedure of the Supervisory Board of Nationale-Nederlanden Bank N.V. and the Charter of the Audit & Risk Committee.

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 stakeholders, including NN Bank's customers and employees. The Supervisory Board members and consequently the members of the bank's A&RC 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. To this end, whenever a vacancy arises on the Supervisory Board, an individual profile shall be drawn up for the new member.**

#### *Implementation by NN Bank.*

This principle is reflected in the bank's Rules of Procedure of the Supervisory Board and its appendices. All members have 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.**

#### *Implementation by NN Bank.*

This principle is 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.**

#### *Implementation by NN Bank.*

The members of the Supervisory are sufficiently available and accessible to properly perform their duties. They 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.**

#### *Implementation by NN Bank.*

Two independent members of the Supervisory Board received a fixed remuneration only. These members receive a fixed fee, based on their role within the Supervisory Board and its committee(s) (i.e. chairperson, vice chairperson or member). More information on the remuneration of the

Supervisory Board is disclosed in NN Bank's 2023 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.

##### *Implementation by NN Bank.*

To maintain the expertise of the Supervisory Board and to improve its expertise where needed, the bank has a Permanent Education programme for the Supervisory Board and the Management Board in place. The programme covers relevant developments within the bank and 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. Additionally, individual members are encouraged to follow training programmes on an individual basis 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 2023 Supervisory Board members requested deep dives into specific topics not specifically covered by the Permanent Education programme.

In general, the subjects discussed relate to topics addressed in the Banking Code but are not necessarily limited thereto. The intention is to ensure that the Permanent Education programme reflects the bank's daily practice as much as possible and that it responds to the latest developments in the banking industry. Generally, the programmes cover national and international developments regarding the financial sector and corporate governance.

#### 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.

##### *Implementation by NN Bank.*

The assessment of the effectiveness of the programme of lifelong learning was part of the Supervisory Board's assessment for 2023.

#### 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.

##### *Implementation by NN Bank.*

Annually, the functioning of the Supervisory Board is evaluated through a self-assessment process. In 2023 the Supervisory Board's annual self-assessment was evaluated under and facilitated by an independent supervision, 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.

##### *Implementation by NN Bank.*

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

#### 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.

##### *Implementation by NN Bank.*

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. In 2023 all members of the A&RC had sound knowledge of financial reporting and internal control systems and audits as well as 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.

##### *Implementation by NN Bank.*

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 at consensus.

In performing its duties, the Management Board considers and acts in accordance with the interests of NN Bank and considering those of NN Bank’s stakeholders. In this context, the Management Board should consider the continuity of the company, the environment in society in which NN Bank operates, and applicable legislation, regulations and codes of conduct. Regularly and annually, the Supervisory Board evaluates the performance of individual Management Board members. The Supervisory Board has evaluated the functioning of the members of the Management Board in 2023.

##### 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.

##### *Implementation by NN Bank.*

A Permanent Education programme for the members of the Management Board is in place. The Permanent Education 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.

##### *Implementation by NN Bank.*

The Supervisory Board reviewed the functioning of NN Bank’s Management Board in 2023.

##### 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.

##### *Implementation by NN Bank.*

The Management Board determined in 2023 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.

##### *Implementation by NN Bank.*

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 closely 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 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 closely 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 is consistent with NN Group's risk appetite and is 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.**

#### *Implementation by NN Bank.*

Please refer to 3.1.5a.

## 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.**

#### *Implementation by NN Bank.*

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) 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.**

#### *Implementation by NN Bank.*

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.**

#### *Implementation by NN Bank.*

The principle is 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 behavior 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.**

#### *Implementation by NN Bank.*

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.

#### *Implementation by NN Bank.*

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.

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 major 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. The CRO and the Risk Management and Control functions are responsible for the implementation and management of an adequate Risk Management Framework in accordance with the EBA Guidelines on Internal Governance. The aim is to ensure that NN Bank's risk appetite, product offering, and operations are within statutory limits set by the supervisors e.g., De Nederlandsche Bank (DNB), Autoriteit Financiële Markten (AFM), Autoriteit Consument en Markt (ACM), Autoriteit Persoonsgegevens (AP) and compliant with the frameworks set by the NN Group and the business principles of NN Group.

### 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.

#### *Implementation by NN Bank.*

The Management Board determines the risk profile, risk appetite and risk policy framework. Twice a year the financial risk and non-financial risk reports and the Risk Appetite Statements are discussed by the Supervisory Board.

### 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.

#### *Implementation by NN Bank.*

Please refer to Principle 4.2.

### 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.

#### *Implementation by NN Bank.*

The Supervisory Board and A&RC regularly discuss and assess 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.

#### *Implementation by NN Bank.*

This principle is embedded in the risk policies and the processes within NN Bank. Please refer also to point 4.2

above and/or to the relevant pages in NN Bank's Annual Report 2023. Members of the Management Board partake in the deliberation of these 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.

##### *Implementation by NN Bank.*

The Product Approval & Review Committee of NN Bank (PARC NN Bank) has been established to support the MB with product approval and review. NN Bank's product approval and review process (PARP) was developed to enable effective design, underwriting and pricing of all products. The PARC is responsible for coordination and oversight of approval and review of products of NN Bank. The PARC meets at least four times a year.

### 5. Audit

#### 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.

##### *Implementation by NN Bank.*

NN Bank has appointed a head of internal audit. The operational tasks of the Internal Audit Function of NN Bank have been outsourced to NN Group's Corporate Audit Services (CAS). The CAS standards as mentioned in the Internal Audit Charter NN Group are applicable. This outsourced Internal Audit Function, including its Head, is accountable via an internal outsourcing agreement and NN Bank's Audit Charter to NN Bank's MB.

The Internal Audit Function is annually assessed by the bank's MB, in consultation with the bank's A&RC. Direct reporting to NN Bank's MB takes place on a quarterly basis and via an annual Audit Plan. The Audit Head has access to the CEO and the other members of the bank's Management

Board and to the Chair of the Audit and Risk Committee. In this way, CAS Audit Head reports directly to NN Bank's CEO and/or MB and has a direct reporting line to the chairman of the supervisory board's audit committee.

#### 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.

##### *Implementation by NN Bank.*

NN Bank has appointed an Audit Head for NN Bank, who directly reports to the bank's CEO and the Chair of the Audit & Risk Committee of NN Bank. The Audit Head has access to members of the bank's Management Board and the Chair of the Audit and Risk Committee.

#### 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.

##### *Implementation by NN Bank.*

The Internal Audit Charter NN Group defines the mandate for the internal audit function. It 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. The Audit Head NN Bank has access to individual NN Bank Board members and periodic meetings take place to inform and to pre-discuss the audit documents which are regularly discussed during meetings of the bank's Management Board and its Audit & Risk Committee. When deemed necessary, the Audit Head may at any time inform the Chair of the Audit & Risk Committee directly. Periodic meetings are scheduled to pre-discuss the Internal Audit documents, tabled in the Audit & Risk Committee.

#### 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.

##### *Implementation by NN Bank.*

The internal audit function of NN Bank prepares and discusses its risk analysis and audit plan with the bank's

Management Board and Audit & Risk Committee, the external auditor as well as other relevant in- and external stakeholders.

The internal audit function periodically exchanges information between these stakeholders to update the risk analysis and its audit plan. Furthermore, members of the internal audit function and the external auditor also attend meetings of the Audit & Risk Committee and of the Supervisory Board of NN Bank.

Representatives of NN Bank's external auditor have attended three Supervisory Board meetings in 2023. The external auditor and the internal audit function maintained regular contact and exchanged 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.**

##### ***Implementation by NN Bank.***

The external auditor issues annually a management letter and an audit report to the Management Board and the Supervisory Board, which include relevant findings relating to governance, risk management and control procedures. The audit reports of the internal audit function are shared with the external auditor.

#### 5.6 BANKING CODE

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

##### ***Implementation by NN Bank.***

Please refer to Principles 5.4 and 5.5 above.

#### 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.**

##### ***Implementation by NN Bank.***

In 2023, like in other years, meetings between DNB, the external auditor and the internal auditor took place, where risk analyses, findings and audit plans were discussed.

## 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 a 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.**

##### ***Implementation by NN Bank.***

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) as follows:

- 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 sustainable long-term value creation for all stakeholders.
- Be mindful of the role of the financial sector in society.
- Support NN Group's ambition to be an industry leader, focusing on customer engagement, attraction and retention of talent, and contributing to 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, sustainable 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, strategic/non-financial.

NN Group's Supervisory Board reviewed and evaluated the remuneration policies of NN Group as laid down in the NN Group Remuneration Framework. More information on NN Group's Remuneration Framework can be found in NN Group's Annual Report 2023.

## 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.**

### *Implementation by NN Bank.*

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 aims to apply 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 sustainable 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, such as the Act on the Remuneration Policies of Financial Undertakings (Wet belongingsbeleid financiële ondernemingen).

Gender equality contributes to an inclusive working environment by ensuring equal opportunities, working conditions and equal pay for equal work. NN Group constantly strives to promote and achieve equal pay for equal work, or work of equal value, for all employees, as this is a key component of supporting equal opportunities for all genders. To this end, NN Group has implemented remuneration policies that do not differentiate for gender. This means that, in principle, all aspects of NN Group's remuneration policies and processes are aimed to be gender neutral, such as the determination of salary levels for our employees and the process in relation to setting the award and pay-out levels for variable remuneration. NN Group's pay is analysed annually with a focus on gender equality.

When comparing similar compensation grades and job profiles, it can be concluded that we offer equal pay for equal work. Once again NN Group has been included in the Bloomberg Gender Equality Index, given that equal pay & gender pay parity are topics that are considered in the Bloomberg assessment.