

This is a translation of the original text in Dutch. In case of divergences between the texts, the text of the Dutch version shall prevail.

Policy exercising of shareholders' rights

In accordance with the Trust Office Foundation for the Management of Financial Institutions Act ("NLFI Act"), NLFI exerts its shareholder rights in a way that protects its interests and stimulates long term value creation in the holdings. NLFI is a large investor but not an institutional investor in the strictest sense. Nevertheless, NLFI's engagement concerning the holdings can be described as similar to that of an involved shareholder, comparable to an institutional investor that respects the roles of the management and supervisory boards as defined in the articles of association. As a shareholder of a number of financial institutions, NLFI seeks to stimulate sustainable and accountable business practices. For this reason, NLFI has devoted considerable attention to ensure and promote the proper functioning of the corporate governance of its holdings. In addition to NLFI's Articles of Association, NLFI has concluded further agreements with its holding companies concerning the manner in which the stipulations contained in the articles shall be implemented.¹

The NLFI Articles of Association state that, in exercising rights associated with the shares, NLFI shall primarily focus on the financial and economic interests of the holder of the certificates for shares, taking into account the interests of the company, related undertakings and all the employees concerned. Following the provision in the Articles of Association, NLFI requires its holdings to ensure that they pursue a responsible corporate strategy in line with sound commercial business practices and the applicable rules of good corporate governance. The articles of association further state that NLFI shall exercise the rights associated with the shares in such a manner that the holdings can independently determine their commercial strategies and undertake daily operations without any coordination of commercial policy between the holdings and without any exchange of competition-sensitive information.²

NLFI is convinced that in the medium and long term the continuity and success of its holdings will be better safeguarded by being an involved investor and steward. NLFI takes the interests of all stakeholders into account. The shareholders' interest in terms of long term value creation prevails. NLFI exercises its shareholder rights in line with the relevant codes for corporate governance, such as those of the International Corporate Governance Network (ICGN) and the best practices of Eumedion, the association of Dutch institutional investors.

On the basis of the foregoing, NLFI aims to achieve the following related objectives in exercising its shareholder's rights:

- guarding the interests of the State of the Netherlands;
- monitoring and promoting good corporate governance of the holdings;
- improving long term value creation for all stakeholders; and
- improving the sustainable profile of the holdings.

¹ See the NLFI 2015 Annual Report below, page 5 and beyond.

² Article 3.2 of the NLFI articles of association.

Dialogue

NLFI is convinced that an active dialogue with its holdings is an important element of exercising its shareholders' rights and the pursuit of the above objectives. In its active dialogue with its holdings, NLFI addresses amongst others the long term strategy, the organization of the annual general meeting (AGM), the composition of the Board, remuneration, finance and risk management and corporate social responsibility (ESG).³ NLFI requires commitment of its holdings to a robust corporate governance policy and system in which strategic relevant risks and opportunities with regard to sustainability are taken into account.

Ministry of Finance

According to the NLFI Act the adoption of substantial or fundamental decisions that relate to the performance of duties by NLFI is subject to prior approval of the Minister of Finance. This is also expressed in the Articles of Association of NLFI.

The Minister may impose binding voting instructions on NLFI with respect to substantial or fundamental decisions. When giving a voting instruction, the Minister will have to assess the extent to which a voting instruction complies with the legal and statutory powers of the shareholder. NLFI will not act contradictory to a given voting instruction. Article 4, third paragraph of the NLFI Act, provides a list of substantial or fundamental decisions in which the Minister has a right of assent. The following decision are marked as substantial or fundamental decisions:

- decisions on remunerations at one of the companies, to the extent that these relate to the performance of duties by NLFI⁴;
- decisions that have essential consequences for the control, the risk and the capital requirement of the State;
- decisions that deviate from a strategy to sell shares as communicated by the Minister to NLFI, or decisions that complicate the performance of this strategy.

NLFI and the Minister can decide in concert to mark other decisions as substantial or fundamental as well. The Minister can also instruct NLFI if it is necessary for the State's compliance with international obligations or a consequence of recommendations from the Netherlands Court of Audit (Algemene Rekenkamer).⁵

³ See, for example, the NLFI 2015 Annual Report, p. 10 and beyond.

⁴ In view of the legal and statutory powers, this concerns the approval as a shareholder of the remuneration policy as proposed by the Board of Commissioners for the Management Board and the remuneration for the Board of Commissioners.

⁵ Article 6 of the NLFI articles of association.

Corporate Governance Code

In 2009, the Frijns Committee published the updated Dutch Corporate Governance Code ("Code"). The code can be seen as a code of conduct and contains both principles and concrete provisions that the actors (among other directors and supervisory board members) and parties (among other institutional investors) should take in consideration concerning each other. The principles are seen as the modern and widely supported general views on good corporate governance. Section IV. 4 of the Code, ("Shareholders' responsibility") relates to institutional investors. Although NLF I is not a formal institutional investor, NLF I does strive to be compliant with the provisions of the Code relating to institutional investors/shareholders. The relevant provisions are divided into two principles, each of which are worked out in three best practice provisions.

The first principle relates to institutional investors.

Principle

Institutional investors shall act primarily in the interests of the ultimate beneficiaries or investors and have a responsibility to the ultimate beneficiaries or investors and the companies in which they invest, to decide, in a careful and transparent way, whether they wish to exercise their rights as shareholder of listed companies.

Best practices stipulations

IV.4.1 Institutional investors (pension funds, insurers, investment institutions and asset managers) shall publish annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies.

IV.4.2 Institutional investors shall report annually, on their website and/or in their annual report, on how they have implemented their policy on the exercise of the voting rights in the year under review.

IV.4.3 Institutional investors shall report at least once a quarter, on their website, on whether and, if so, how they have voted as shareholders at the general meeting.

Application of best practices stipulation by NLF I

NLF I uses an internal voting policy pertaining to the regular agenda items. In addition, points in which the voting policy do not provide are sometimes also voted on in a shareholders' meeting. This in general relates to (complex) proposals that cannot simply be grouped in a previously defined framework. The consideration how to vote on such agenda items is made by the Board of NLF I after examining the relevant documents and in close consultation with the relevant specialists and, where necessary, after consultation with the Ministry of Finance. In view of the special position of NLF I, NLF I chooses not to disclose the voting policy. NLF I is however transparent on the voting decision by publishing the voting decision and explanation quarterly. The following documents concerning the exercise of shareholders' rights are available on the website of NLF I:

- Accountability of the voting behaviour: Quarterly reporting in which NLF I reports on the voting behaviour (plus an explanation thereto) on both AGMs, EGMs and shareholder decisions that were taken outside of meetings.
- The annual report: In its Annual Report NLF I describes how it has executed its shareholder rights in the prior year. Information is provided in the annual report on the work of NLF I over the last year and an explanation ('comply or explain ') relating to the compliance by NLF I with or deviation of the Code and the best practices.

The second principle relates to all shareholders.

Principle

Shareholders shall act in relation to the company, the company bodies and their fellow shareholders in keeping with the principle of reasonableness and fairness. This includes the willingness to engage in a dialogue with the company and their fellow shareholders.

Best practices stipulations

IV.4.4 A shareholder shall exercise the right of putting an item on the agenda only after consulting the management board about this. If one or more shareholders intends to request an item be put on the agenda that may result in a change in the company's strategy, for example through the dismissal of one or more management or supervisory board members, the board shall be granted the opportunity to stipulate a reasonable period in which to respond (the response time). This shall also apply to any above-mentioned intention involving the legal right to call a general meeting pursuant to Section 2:110 of the of the Dutch Civil Code. The shareholder shall respect the response time stipulated by the Board within the meaning of best practice provision II.1.9.

IV.4.5 A shareholder shall vote as he sees fit. A shareholder who makes use of the voting advice of a third party is expected to form his own judgement on the voting policy of this adviser and the voting advice provided by him.

IV.4.6 If a shareholder has arranged for an item to be put on the agenda, he shall explain this at the meeting and, if necessary, answer questions about it.

Application of best practices stipulation by NLF

NLF does not make any use of voting advisors. . Every voting decision is taken by the Board of NLF after examining the relevant documents and in close consultation with the relevant specialists and, where necessary, after consultation with the Ministry of Finance.

In the event that NLF wishes to file a shareholder resolution, NLF will first seek a dialogue with the company's management board. The response time that we will take into account is consistent with the statutory period of 60 days (§ 2:114a Dutch Civil Code) and not 180 days as required by the Code. NLF feels that, within the existing relations, the 60-day period is sufficient. NLF wants to avoid the use of the 180-days response time period to obstruct the scheduling process unnecessarily. In case NLF has placed an item on the agenda of the general meeting, NLF will also explain this item during the meeting and will answer relating questions.

NLF has no securities lending program and does not lend out any shares, other than for possible stabilization transactions in the context of an initial public offering. The retrieval of shares in order to vote on them is therefore not an issue. So, in principle, NLF votes on all shares it holds.