

**THE DUTCH BANKING CODE**  
**'comply or explain'**

May 2016

# INTRODUCTION

In September 2009 the Netherlands' Bankers Association published a Banking Code (which took effect on 1 January 2010) ("Banking Code") and in its first meeting after this publication Credit Europe Bank NV ("CEB")'s Corporate Governance & Nomination Committee agreed that the bank's Managing Board should (arrange to) take all necessary steps to apply the guidelines and principles of the Banking Code. Since then, an analysis of the principles of the Banking Code and CEB's application thereof has been made on a yearly basis.

As per 1 January 2015 the package of documents titled 'Future Oriented Banking' entered into effect. This package comprises of a Social Charter, (an updated) Banking Code and a Bankers' Oath (with associated Rules of Conduct). The new Banking Code replaces the Banking Code 2010. In 2016 Dutch banks will for the first time report on their compliance with the new Banking Code.

Below, please find an overview of the status of the application of the principles of the Banking Code as per year-end 2015. Per chapter of the Banking Code (each chapter has been categorized in separate paragraphs by CEB) a description is given on whether and to what extent CEB complies with the Banking Code principles, and if it does not comply, it explains why not and whether actions or measures are taken to get to 'compliance'. Furthermore, in the overview – if and where appropriate – a description is given on progress made for a certain topic. It must be noted that except for the paragraph below, this document does not contain information on the application of the Banking Code principles in CEB's subsidiaries.

Also in 2015 CEB again fully complies with the principles of the Banking Code.

## **Group wide introduction of principles of the Banking Code**

On several occasions during the meetings with all General Managers/country heads of the subsidiaries of Credit Europe Bank, the implementation of the guidelines and principles of the Banking Code have been discussed. It has been agreed that subject to local rules and regulations, the guidelines of the Banking Code should be introduced into the subsidiaries to the fullest extent workable. In 2015 the implementation of the Banking Code principles in the respective subsidiaries is on satisfactory level.

## BANKING CODE

	Principle	Is Credit Europe Bank in COMPLIANCE or is EXPLANATION given?	CEB Notes
<b>1.</b>	<b>Sound and ethical operation</b>		
1.1	<p>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.</p> <p>A bank chooses its positioning such that its commercial interests and social role are extensions of each other. This is also expressed in the bank's governance structure and guides the implementation of its policy based on its mission, strategy and objectives.</p>	Compliance	<p>The Managing Board has set out the strategy of the bank for the period 2015 – 2018 in a Strategy Document. This document has been approved by the Supervisory Board. The bank's strategy is based on and reflects its vision, mission, core values and strategic objectives. The Strategy Document outlines the defined business strategy and the set of key objectives appropriate for the current landscape for the period until 2018. The strategy includes both financial and non-financial measures, it defines the implementation process and timeline. In addition to the above inter alia the following topics are covered by the Strategy Document: operating environment, outlook, financial targets, capital/funding strategy, HR, IT, Risk Management and Internal Control and Corporate Social Responsibility. The bank's strategy is embedded in the daily business of the different departments of the bank and included in the internal policies governing the activities of the respective departments (such as the capital management policy, risk appetite policy and remuneration policy).</p> <p>CEB recognizes the social and environmental responsibility as an integral part of its business strategy, corporate decision-making and day-to-day practice and gives high importance to the impact of its activities on its stakeholders as well as on society and the environment at large. In this respect the bank has established a social and environmental management framework, which is built on the basis of the bank's core values and underlying commitment to respect elementary ethical norms, such as values of human life, the right to work, fair working conditions, civil responsibility, equal opportunities and occupational health and safety. Social and environmental performance of the Bank is monitored through a system of established processes, such</p>

			<p>as the customer due diligence process, the credit application process and the transaction due diligence process. Any issues identified are escalated to the appropriate stakeholders and addressed through regular Management Information Systems (e.g. risk dashboards). In addition CEB will do its utmost to meet the objectives set out in the Climate Statement issued by the Dutch Bankers Association in the coming years.</p> <p>CEB's business transactions are aligned with its goals to stimulate sustainable growth and social responsible entrepreneurship within the environment it operates. This is inter alia expressed in CEB's mission (i.e. providing financial services that create value for its customers) and its core values ('customer focus', 'integrity', 'professionalism' and 'transparency') and is also reflected in its strategy (for an explanation of our core values please click <a href="#">here</a>). With due regard for each other's responsibilities and authorities, the bank's Supervisory Board and Managing Board safeguard and promote a healthy culture within the bank in which the core values play a key role. Further this is integrated in the decision-making processes within the bank.</p>
1.2	<p>The executive board and supervisory board are – with due regard for each other's duties and powers – 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 executive board are setting an example each year.</p>	Compliance	<p>In order to ensure a proper governance structure CEB has instituted several committees in addition to the Supervisory Board and the Managing Board, such as the Asset &amp; Liability committee, IT Steering committee, Risk committees and Credit committees. These committees meet on a regular basis. Further weekly management meetings are organized and each quarter a General Managers' meeting is held (i.e. a meeting amongst CEB's Managing Board and the local CEO's of CEB's banking subsidiaries). The committees/meetings support the Managing Board in its daily management of the bank. The Supervisory Board monitors whether the bank's governance structure functions properly. This is inter alia done through the quarterly Supervisory Board meetings and the meetings of the sub-committees of the Supervisory Board (such as the Corporate Governance &amp; Nomination committee).</p>

			<p>To enable the members of the Supervisory Board and the Managing Board to be a role model for the bank's employees an introduction program for new board members has been developed. As a part of this program the members are trained on the bank's core values, its main policies (e.g. code of conduct) and the bank's culture. For the current Supervisory and Managing Board members regular awareness sessions are held during the board meetings and also trainings on this topic are organized. In connection with the annual evaluation of the members of the Managing Board the way in which they fulfil their exemplary role is assessed. The fulfilment of the exemplary role by the Supervisory board is reviewed in connection with their annual self-evaluation/suitability matrix and the external assessment.</p>
1.3 A	<p>The executive 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.</p>	Compliance	<p>The standards on integrity, morals and leadership are included in the bank's core values, different internal policies/guidelines and in the Charters of the Supervisory Board and the Managing Board. Further these standards are communicated through intranet, internal trainings (/e-learning), staff mailings and staff events. The monitoring of the duly application of these standards is embedded in the daily practice of the bank's departments. In addition monitoring takes place by the HR and the Compliance department, Managing Board, Supervisory Board (and its sub-committees including the Compliance Oversight committee) and the Internal Audit department.</p>
1.3 B	<p>In addition, they ensure there are proper checks and balances and they safeguard a solid IT infrastructure that is vital for the functioning of the bank. Among other things, thorough checks and balances mean that the compliance function is also safeguarded within the executive board and supervisory board.</p>	Compliance	<p>The Supervisory Board and Managing Board ensure proper checks &amp; balances. Within the bank the division director Compliance is a member of the bank's management team. The division director Compliance has a direct reporting line to the CRO and (the chairman of) the Compliance Oversight Committee of the Supervisory Board. CEB has adopted a Compliance Charter describing the governance, roles and responsibilities, operation of compliance risk management and defining the scope of the Compliance function at CEB. In addition the responsibility for/importance of Compliance is included in the Charters of the Supervisory Board and</p>

			<p>Managing Board.</p> <p>CEB acknowledges that a solid IT-infrastructure is vital for the functioning of the bank. Its system architecture is composed of industry proven technologies and payment systems supporting automated workflows. Transactions are secured with the latest encryption standards, while at the same time software vulnerabilities are continuously monitored, investigated and mitigated. This all enables CEB to process transactions and orders of customers fast, safe and accurate. Due to the use of technologies that are widely adopted within the financial industry and the service oriented basis of the application structure, CEB can quickly adapt to changing demands of its customers. The IT Steering Committee and the Supervisory Board supervise, discuss and decide on IT related matters. Within the Supervisory Board 'IT Management' is a recurring agenda-item. In the last years there is an increasing focus on security related activities (such as vulnerability management, data leakage prevention etc.). Additionally, modernization of infrastructure components and mobile device management are continuous focus areas. Regular IT related trainings are organized in connection with the continuing education program.</p>
1.4	<p>The executive board will promote responsible behavior and a healthy culture both at the top of the bank and throughout its organization. In this, it will consider the interests of the bank's customers and other stakeholders. The supervisory board supervises this.</p>	Compliance	<p>Within CEB a healthy culture and responsible behaviour are promoted through different means. Upon employment the bank's employees participate in an introduction program during which they are trained on the bank's core values, its main policies/regulations (including the code of conduct and the staff handbook) and the bank's culture. The new employees will also attend a Bankers' oath session and take the Oath/Affirmation. For all employees CEB organizes regular thematic awareness trainings and during the quarterly staff events the (desired) culture within the bank is highlighted/discussed. To further promote a healthy culture within the bank CEB has adopted 4 core values. These values are: customer focus, integrity, professionalism and transparency. The bank's employees have been thoroughly educated on these values and posters of the core values are placed throughout the buildings of the bank. Another way to</p>

			promote a healthy culture is CEB's remuneration policy. Please see hereinbelow under principle 6.
1.5	A bank's culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank's organization and the bank will include them in its contact with its stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Charter.	Compliance	The guidelines of the Social Charter are covered by CEB's core values and its strategy and as such embedded in the bank's culture. CEB communicates this to its stakeholders in various ways, for example through disclosure in our annual report. We also communicate this through our corporate website.
1.6	All employees will comply with the formal regulations and self-regulation that apply to them. The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for this. The executive board is responsible for employees being and remaining familiar with all rules, values and standards applicable to the bank and will continue to pay attention to this. The supervisory board supervises this.	Compliance	At the end of 2015 all employees of CEB working in the Netherlands have taken the Banker's Oath/Affirmation (for new employees every three months a banker's oath session is organized). As a consequence the bank's employees (including the members of the Supervisory Board and Managing Board) are bound by the rules of conduct for the ethical and careful practice of his/her profession. The bank's employees have been extensively informed on the contents of the rules of conduct -and the disciplinary scheme attached to it - via trainings and presentations during staff events. These trainings will be regularly repeated to ensure that the employees remain sufficiently informed on and aware of these rules. In general the bank's employees are informed/trained on the applicable formal regulations/self-regulation through the sharing of knowledge by the different departments of the bank (such as Compliance, Legal, Internal Audit etc.). This takes place by trainings, presentations and publishing information on intranet. Additionally the employees have been thoroughly educated on the core values (see also hereinabove) which are also based on the formal regulations and self-regulation applicable to the bank/its employees. The Managing Board manages/monitors this through the weekly management meetings, the HR function and the different committees established within the bank. The Supervisory Board supervises this e.g. through its different sub-committees (such as the Corporate Governance and Nomination committee).

	Principle	Is Credit Europe Bank in COMPLIANCE or is EXPLANATION given?	CEB Notes
2.	<b>Supervisory board</b>		
2.1	<p>The supervisory board will be composed in such a way that it is able to perform its tasks properly. It will form a risk committee and an audit committee. 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.</p>	Compliance	<p>CEB's Supervisory Board consists of six members. Taking into account the bank's size and nature, and the complementary expertise of the members of the Supervisory Board, such a number is deemed sufficient to perform its tasks properly (the curriculum vitae of the members of the Supervisory Board can be reviewed <a href="#">here</a>). Each of the Supervisory Board members makes sufficient time available for the supervisory duties and exhibits effort and commitment. It is standard practice within the Supervisory Board that each member is physically present at all board- and subcommittee meetings. Only in exceptional circumstances a member of the Supervisory Board may be absent during a meeting. Since January 2013 three (3) of the Supervisory Board members qualify as independent – considering the conditions for independence set forth in the Dutch Corporate Governance Code (Principle III.2) and DNB's guidelines for independence. This '50/50'-rate (in)dependent Supervisory Board members is in line with DNB's current policy rules in this respect. In general the Supervisory Board/its members is/are considered to be critical and independent (in mind). This has been confirmed by the external assessment of the Supervisory Board that was performed in November 2015.</p> <p>The Supervisory Board has established an Audit &amp; Risk Committee. This committee advises the Supervisory Board on, and supervises the status of and developments in the bank's risk management system, internal control systems, including the internal audit function and compliance-related issues. The committee monitors the financial reporting process, oversees the accounting policies and practices and ensures that CEB maintains an adequate internal control system and process. This includes the activities of the risk management function and internal audit function. The committee also performs a review of CEB's financial</p>



			statements and the reports of the external auditor. Moreover, it discusses the relationship with the external auditor, including his independence, remuneration and other permitted services executed for the bank.
2.2	Each member of the supervisory board will be aware of the social role of a bank and of the interests of the various stakeholders.	Compliance	All the members of the SB have a banking, investment- or legal background and the majority of them are still on a day-to-day basis active in their respective field of expertise. As such they are duly aware of the social role of a bank and of the interests of the various stakeholders of a bank. Developments, trends, and results of CEB are closely monitored and elaborately discussed during Supervisory Board meetings – every member contributing from his own (international) experience and expertise. The main stakeholders for CEB are its clients, employees and business partners as well as the shareholders. All their respective interests are taken into consideration while discussing and advising on (new) products, services and results of the bank. For these discussions, the input from the Supervisory Board and its subcommittees is vital.
2.3	There are specific competence and experience requirements for members of the supervisory board's risk and audit committees. Members of the risk committee must have thorough knowledge of the financial aspects of risk management or the necessary experience to permit a thorough assessment of risks. Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to permit thorough supervision of these subjects.	Compliance	The members of CEB's Audit & Risk Committee ("ARC") meet the specific requirements as described in this provision of the Banking Code (these requirements are also laid down in the Charter governing the Supervisory Board; please click <a href="#">here</a> to review this charter). The ARC is currently composed of Mr. Deiters (chairman), Mr Gulesci (vice-chairman) and Mr. Ilkorur.
2.4	The chairman of the supervisory board will organize a program 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 program will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, IT infrastructure, risk management, financial reporting and audit. Every member of the supervisory board will take part in the program and meet the requirements for lifelong learning. The assessment of the effectiveness of the program of lifelong learning will be part of the annual	Compliance	CEB has a continuing education program in place with the aim to maintain (and to the extent necessary expand) the expertise of the members of the Supervisory Board at the required level. As part of this program in 2015 e.g. trainings were organized on IT risks, Strategic Function of HR and the new Banking Code and an Update on Corporate Governance. All members of the Supervisory Board participate in the continuing education program and attended the required number of trainings. The trainings for the second part of 2016 are currently being organized and will inter alia take place in September (in April all members of the Managing Board and Supervisory Board participated in a board training

	evaluation performed by the supervisory board.		on credit risk management, credit rating models in particular, such as the Internal Rating based approach). The assessment of the effectiveness of the education program is part of the annual self-evaluation of the Supervisory Board.
2.5	In addition to the supervisory board's annual self-evaluation, the functioning of the supervisory board will be evaluated under independent supervision once every three years. The involvement of each member of the supervisory board, the culture within the supervisory board and the relationship between the supervisory board and the executive board will be part of this evaluation.	Compliance	Each year the Supervisory Board performs a self-evaluation. In addition, every three years the functioning of the Supervisory Board is evaluated by an external party. The last external evaluation was performed in November 2015. The external evaluation e.g. focused on the cooperation amongst the Supervisory Board members, the cooperation/relationship with the Managing Board, the culture within the board and the involvement of each board member.
2.6	Each member of the supervisory board will receive appropriate compensation for the amount of time that he or she spends on supervisory board activities. This compensation will not depend on the bank's results.	Compliance	In terms of compensation, each Supervisory Board member receives an appropriate amount of compensation. Only a fixed amount is paid – no variable pay (determined by the bank's results). The fixed compensation is considered appropriate taken into account the total number of hours spent for the tasks and the compensation paid to Supervisory Board members of companies of comparable size and business.
	<b>Principle</b>	<b>Is Credit Europe Bank in COMPLIANCE or is EXPLANATION given?</b>	<b>CEB Notes</b>
<b>3.</b>	<b>Executive board</b>		
3.1	The executive board will be composed in such a way that it is able to perform its tasks properly. Each member of the executive board will be aware of the social role of a bank and of the interests of the various stakeholders.	Compliance	The Managing Board of CEB consists of five (5) members. Taking into account the bank's size and nature, such a number is deemed sufficient to perform its tasks properly. To see the profiles of the Managing Board members, click <a href="#">here</a> . All members have gained thorough expertise and knowledge of banking, of our company, and of the locations in the various countries where the bank is active. This also makes that they are duly aware of the social role of a bank and of the interests of its various stakeholders. In order to ensure/enhance due balancing of the interests of the bank's stakeholders several committees (such as the Asset & Liability Committee, IT Steering Committee and Risk

			Committee) and weekly (management) meetings have been formed. Additionally the Managing Board organizes regular General Managers' meetings for which the General Managers of CEB's banking subsidiaries are invited. In these General Managers meetings group updates/topics are discussed in areas of risk management, compliance, IT etc. The contributions of these meetings add to the Managing Board's due balancing of the interests of its clients, business partners, employees, supervisors and shareholders.
3.2	One member of the executive board will have the duty of preparing decision-making by the executive board on risk management. This member will be involved in good time in the preparation of decisions that are of material significance for the bank's risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board. This member may combine his or her function with other responsibilities, provided that he or she does not bear any individual commercial responsibility and operates independently from commercial areas.	Compliance	As of 2010 Credit Europe Bank has a Chief Financial Officer ("CRO") in the Managing Board. Without detriment to the collective responsibility of the Managing Board as a whole, the CRO, Mr. Cheung, is responsible for financial and non-financial risk management matters within the bank. Mr. Cheung's task is to prepare the decision-making process for risk management related issues. The CRO does not bear any individual commercial responsibility for and operates independently from commercial areas.
3.3	Risk management will also include a focus on the impact that systemic risk could have on the bank's risk profile.	Compliance	CEB maintains a 'Recovery Plan' where it describes possible scenarios (driven by bank specific or systemic factors) and quantifies possible impacts. This plan also illustrates the capacity of CEB to counterbalance the negative consequences (i.e. 'the tool-set') and how long it would take to go back to 'business as usual' levels. CEB's recovery plan contains systemic stress components directly affecting the Bank's liquidity and solvency profile.
3.4	The chairman of the executive board will organize a program of lifelong learning for all members of the executive board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning program will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, risk management, financial reporting and audit. Every member of the executive board will take part in the program and meet the requirements for lifelong learning.	Compliance	The CEO ensures that a continuing education program is in place with the aim to maintain the expertise of the members of the Managing Board at the required level (and to the extent necessary expand their expertise). This program meets the requirements as included in the Banking Code. In principle the Managing Board joins the trainings organized for the Supervisory Board in connection with their continuing education program. Additionally, the Managing Board (and senior management members) attends other events and trainings to maintain their knowledge within the financial services industry. All members of the Managing Board participate in the continuing education program and

			attended the required number of trainings in 2015. The trainings for the second part of 2016 are currently being organized and will inter alia take place in September (in April all members of the Managing Board and Supervisory Board participated in a board training on credit risk management, credit rating models in particular, such as the Internal Rating based approach).
	<b>Principle</b>	<b>Is Credit Europe Bank in COMPLIANCE or is EXPLANATION given?</b>	<b>CEB Notes</b>
<b>4.</b>	<b>Risk policy</b>		
4.1	A bank's risk policy is characterized by a comprehensive approach, is transparent and has both a short- and long-term focus. The risk policy also takes reputational risks and non-financial risks into account.	Compliance	CEB's risk management framework (or policy) is comprehensive (covering all risk types, business lines and relevant risks) and managed by an independent risk management function under the direct responsibility of the CRO. This policy (consisting of responsibilities, risk appetite, limit framework, etc.) is well documented, updated as appropriate and subject to independent review (financial audits, external validation and benchmarking exercises). CEB's risk management framework takes into account both financial and non-financial risks using both bottom-up and top-to bottom views (i.e. self-risk assessments).
4.2	A bank's executive board will be responsible for its risk policy and ensure proper risk management. The executive board will propose the risk appetite to the supervisory board for approval at least once a year. Any material changes to the risk appetite in the interim will also require the supervisory board's approval.	Compliance	The CRO and the Risk Management Division are the main sponsors on consolidated level for the bank's Risk Appetite, ICAAP, ILAAP and other requirements. CEB's risk appetite forms an integral part of strategy discussions. The bank's risk appetite statement is discussed and reviewed annually in the SB meeting. CEB considers the risk appetite statement as a building tool as well as monitoring tool: new, intended business activities are tested against the risk appetite statement and during the lifecycle of a product, the results and developments can be set off against the risk policy. Any material changes in the risk management policy, particularly with respect to the limit framework (such as country, sector or single-name concentrations) are proposed to and discussed within the ARC.

4.3	The supervisory board will supervise the risk policy pursued by the executive board. As part of its supervision, the supervisory board will discuss the bank's risk profile and assess at a strategic level whether capital allocation and liquidity requirements are generally in line with the approved risk appetite and whether operations in general are in line with the bank's risk appetite. In the performance of this supervisory role, the supervisory board will be advised by its risk committee.	Compliance	Further to the annual review of CEB's risk appetite statement in the SB meetings, the ARC discusses the bank's risk profile and risk policy. All relevant risks are reviewed and discussed with respect to capital allocation, liquidity buffers and limit framework. The conclusions and decisions are shared with the SB for further elaboration and evaluation of the risk profile and risk policy of the bank.
	<b>Principle</b>	<b>Is Credit Europe Bank in COMPLIANCE or is EXPLANATION given?</b>	<b>CEB Notes</b>
5.	<b>Audit</b>		
5.1	A bank's executive board will ensure that a 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 executive board and also have a direct reporting line to the chairman of the supervisory board's audit committee.	Compliance	<p>The Internal Audit Department (IAD) plays an important role in ensuring ever-better governance at the bank level. It represents an independent and objective assurance function as a third line of defense. Through the application of a risk-based methodology, IAD evaluates and examines whether proper measures are taken to ensure 'control' in the organization and its activities. On the basis of the Internal Audit Plan, the bank's IAD performs risk based audits. The audits are performed in line with the requirements set forth in the Group Internal Audit Manual. The quality of the IAD is periodically assessed and appraised in compliance with the IIA's International Standards for the Professional Practice of Internal Auditing.</p> <p>CEB has an independent Internal Audit function with local internal auditors in its banking subsidiaries. The Division Director Internal Audit (Chief Audit Executive) has a direct reporting line to the Chairman of the ARC and administratively reports to the CRO.</p>
5.2	The internal audit department, external auditor and supervisory board's audit committee will consult periodically.	Compliance	Exchange of information between IAD, the ARC and the external auditor inter alia takes place in the meetings of the ARC during which e.g. the risk analysis, audit plan and findings are presented and discussed. Also outside these

			meetings IAD, the members of the ARC and the external auditor have regular contact to share information and discuss and consult on specific topics.
5.3	The internal audit department will take the initiative in arranging talks with DNB (the Dutch central bank) and the external auditor at least once a year to discuss each other's risk analyses, findings and audit plans at an early stage. 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.	Compliance	At least once a year, representatives of the Dutch Central Bank, the bank's external auditor and the IAD organize a meeting in which the risk analysis and findings and each other's audit plan are discussed (i.e. the so-called tripartite meeting). The last tripartite meeting -to discuss each other's risk analysis- was held in November 2015.
	<b>Principle</b>	<b>COMPLIANCE or EXPLANATION ?</b>	<b>CEB Notes</b>
<b>6.</b>	<b>Remuneration policy</b>		
6.1	The bank will implement a detailed, restrained and long-term remuneration policy that is unambiguous and transparent and in line with national and international regulations.	Compliance	CEB's remuneration policy is in line with national and international regulations (such as the Banking Code, DNB's regulation on sound remuneration, the Financial Supervision Act and the relevant provisions included in CRDIV). The bank's Group Remuneration Policy contains the key elements of its remuneration policy. For detailed information on CEB's remuneration policy reference is made the Remuneration Report included in CEB's Annual Report and on CEB's website. In order to ensure that the bank's remuneration policy remains in line with the applicable regulations, CEB's remuneration policy is regularly being reviewed.
6.2	The remuneration policy will have a primarily long-term focus and be in line with the bank's risk policy. It will incorporate an internal and external 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.	Compliance	This Banking Code principle is one of the prevailing principles of CEB's Group Remuneration Policy. In the remuneration policy the rules and requirements for setting/granting fixed and variable remuneration are described in detail. In respect of variable remuneration prior to the distribution, exercise or pay out ex-ante and ex-post assessments are performed by the relevant monitoring functions, being Risk Management, Compliance, Human Resources and Audit. As also mentioned hereinabove more information on CEB's remuneration policy can be found in CEB's Annual Report and on CEB's website (please click <a href="#">here</a> ).

6.3	The total income of a member of a bank's executive 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.	Compliance	The total income of a member of the Managing Board is -at the time it is set- below the median for comparable positions within and outside the financial industry.
6.4	The variable remuneration of a member of the executive board will be set in accordance with national and international regulations.	Compliance	Any variable remuneration paid to the Managing Board members is set in accordance with the applicable national and international regulations.