

Rules of procedure of the supervisory board

Table of contents

Subject/Article

1.Introduction

Rules of procedure article 1

2.Composition and appointment

Rules of procedure under the articles of association article 2
Appointments article 3
Remuneration article 4
Supervisory board profile article 5
Composition article 6
Reappointments article 7
Retirement schedule article 8
Interim retirement article 9
Additional positions article 10
Insider trading rules article 11
Rules of procedure for directors' credit facilities article 12

3.Procedure

Division of tasks article 13
Chairman article 14
Official secretary article 15
Meetings and decision-making process article 16
Extraordinary meetings article 17
Decisions taken outside of meetings article 18
Conflict of interests article 19
Confidentiality article 20

4.General supervisory tasks

General article 21
Interests article 22
Agenda article 23
Meeting to discuss strategy and risk article 24

5.Provision of information

Details article 25
Reports article 26
Reports on cooperative issues article 27
Request for information article 28
Expert article 29
Course of business article 30
Audit report and management letter article 31
Rating institutions article 32

6. Committees

| | |
|----------------------------------|------------|
| Institution of committees | article 33 |
| The audit & compliance committee | article 34 |
| The appointment committee | article 35 |
| The appeals committee | article 36 |
| The cooperative issues committee | article 37 |
| The remuneration committee | article 38 |

7. Specific supervisory tasks and powers

| | |
|---|------------|
| Credit risk | article 39 |
| Market risk | article 40 |
| Liquidity risk | article 41 |
| Operational risk | article 42 |
| Supervision of internal procedures and control mechanisms | article 43 |
| Approval | article 44 |

8. Relationship and tasks related to other bodies and other committees of Rabobank Nederland and the external auditor

| | |
|---|------------|
| Executive board | article 45 |
| General meeting | article 46 |
| Central delegates assembly and members meetings | article 47 |
| Coordination committee of the central delegates assembly | article 48 |
| Urgent cases committee of the central delegates assembly | article 49 |
| Committee on confidential matters of the central delegates assembly | article 50 |
| Internal auditor | article 51 |
| External auditor | article 52 |

9. Annual report and annual accounts

| | |
|---------------------------------------|------------|
| Report of the supervisory board | article 53 |
| Presentation to the supervisory board | article 54 |
| Audit | article 55 |
| Signature | article 56 |

1. Introduction

Article 1. Rules of procedure

1. These rules of procedure have been adopted by the supervisory board in addition to the application of statutory provisions, the provisions of the articles of association of Rabobank Nederland and other regulations.
2. These rules of procedure came into force on 14 October 2005 and superseded the rules of procedure dated 3 October 2002. The rules have been changed on 8 October 2007.
3. These rules of procedure can be amended by a resolution of the supervisory board following consultation with the executive board.
4. Where reference is made in these rules of procedure to the law, the articles of association of Rabobank Nederland or other regulations or to the stipulations contained therein and their text is amended at any given time after these rules of procedure have been adopted, the amended text of the relevant provisions shall take precedence.
5. In the event of conflicts between the provisions of these rules of procedure on the one hand and statutory provisions the articles of association or other internal or external regulations that are binding to the supervisory board on the other, the latter regulations shall prevail.
6. The text of these rules of procedure has been communicated to the executive board and the works council. The text of the rules of procedure shall be published on the external website of Rabobank Nederland.

2. Composition and appointment

Article 2. Procedure as laid down in the articles of association

The articles of association contain the relevant provisions on composition, appointments, remuneration, suspension and dismissal of members of the supervisory board and incompatible positions.

Article 3. Appointments

Upon nomination by the supervisory board, the members of the supervisory board are appointed by the general meeting, with due observance of the relevant provisions under the articles of association. The committee on confidential matters (*vertrouwenscommissie*, referred to below as: 'the committee on confidential matters') shall advise the chairman of the supervisory board on the candidate to be nominated.

In addition to the above, the following provisions are applicable.

Article 4. Remuneration

The remuneration of the members of the supervisory board shall be determined by the committee on confidential matters and shall not be related to the results of Rabobank Nederland.

Article 5. Supervisory board profile

1. The supervisory board consults with the committee on confidential matters on the proposal to be put forward by the supervisory board to the general meeting concerning its supervisory board profile. The supervisory board profile shall specify the integrity and - in the judgement of the supervisory board - the required expertise and availability of the members of the supervisory board deemed. The supervisory board shall evaluate the supervisory board profile once a year in order to draw conclusions regarding its own composition, size and operating procedure. The supervisory board profile shall be placed on the external website of Rabobank Nederland.
2. Both in case of appointment and reappointment the supervisory board profile shall be considered.

Article 6. Composition

1. The supervisory board shall be composed in such a way that its members can operate independently and critically in relation to each other and in relation to the members of the executive board and any other interest and that the supervisory board as a whole has a clear understanding of the risks faced by Rabobank Nederland and how those risks can be managed.
2. All members of the supervisory board, with the exception of one person, shall be independent within the meaning of paragraph 3 of this article¹.
3. A member of the supervisory board is deemed to be independent if he does not meet the criteria for dependence as set out below. The dependence criteria are that the member of the supervisory board in question and his or her spouse, registered partner or other life companion, foster child or blood relative or relative twice removed.
 - a. during the five years preceding the appointment has been employee or director of Rabobank Nederland (including affiliated companies as provided for in article 5 paragraph 48 sub 2 of the Act on Financial Supervision (*Wet op het financieel toezicht*));
 - b. receives a personal monetary fee from Rabobank Nederland or one of its affiliated companies other than a fee that is received for the work carried out as a member of the supervisory board and insofar as that is not in keeping with the usual professional practice;
 - c. in the year preceding the appointment has had a significant commercial relationship with Rabobank Nederland or one of its affiliated companies; including a case where the member of the supervisory board or an office where he is a shareholder, partner, employee or consultant, has acted as an advisor of Rabobank Nederland (consultant, external auditor, civil-law notary and lawyer) and a case where the member of the supervisory board is a director or employee of a banking institution with which Rabobank Nederland maintains an ongoing and significant relationship;
 - d. is a member of the board of a company in which a member of the executive board of Rabobank Nederland, which he supervises, is a member of the supervisory board;
 - e. has, during the preceding twelve months, temporarily acted as a director owing to the absence or inability to act of directors..
4. At least one member of the supervisory board must be a financial expert, which means that that person must have gained relevant knowledge and experience of financial administration and accounting matters at listed companies or at other large legal entities.
5. Once they have been appointed, all members of the supervisory board follow an introductory programme that covers at least general financial and legal matters, Rabobank Nederland's financial reporting procedures, the aspects that are specific to Rabobank Nederland and its commercial activities and the responsibilities of a member of the supervisory board. The supervisory board carries out an annual assessment to establish the areas in which members of the supervisory board require further training or education during their term of office. Rabobank Nederland plays a facilitating role in this regard and bears the costs of this training and education.

Article 7. Reappointment

¹ This provision is not applicable to persons who have been appointed as member of the supervisory board of Rabobank Nederland prior to 16 June 2005.

A nomination for reappointment of members of the supervisory board shall at all times be carefully considered and shall not be made automatically.

The deliberations on reappointment shall be held in the absence of those concerned and shall be conducted on the basis of the chairman's report on his meeting with the member who is due to step down. The above shall apply mutatis mutandis to the reappointment of the chairman, subject to the proviso that the role of the chairman is in that case taken by the deputy chairman (and in his absence: the longest-serving member of the supervisory board).

Article 8. Retirement schedule

The supervisory board has drawn up a retirement schedule to ensure a steady appointment process. The current retirement schedule is published on the external website of Rabobank Nederland.

Article 9. Interim retirement

Members of the supervisory board shall be required to step down prematurely from the supervisory board if their performance is inadequate, if there are structural differences of opinion, irreconcilable interests or if necessitated by any other circumstance.

Article 10. Additional functions

1. Notwithstanding the provisions of article 60 of the articles of association, persons who hold so many other functions that in their case and depending on the nature and scope of those functions it is reasonable to suppose that it cannot be guaranteed that they will be able to adequately perform their duties as members of the supervisory board, shall not be nominated to the general meeting for (re)appointment as members of the supervisory board.
The number of functions on supervisory boards of listed companies shall be restricted for each member of the supervisory board in such a way that adequate performance of their duties is guaranteed and shall not exceed five, with chairmanship counting double.
2. Additional functions held by members of the supervisory board must at all times be reported to the chairman of the supervisory board in good time before their acceptance, providing all relevant information about that additional function. If the chairman of the supervisory board takes the view that there is or could be (an appearance of) a conflict of interests, the written permission of the supervisory board shall be required to hold such additional function. If the supervisory board determines that there is a conflict of interests or an appearance thereof, the additional function shall not be practiced. The supervisory board can set conditions for the practice of an additional function in order to avoid a conflict of interests or an appearance thereof.
The reported additional functions and the decision concerning such additional function shall be recorded in the minutes.
3. If the additional function concerns the chairman, the chairman's role shall for the purpose of this article be assumed by the deputy chairman, and in his absence the longest-serving member of the supervisory board.

Article 11. Insider trading rules

The members of the supervisory board are subject to the provisions of the Regulations governing private investment transactions (*Regeling privé-beleggingstransacties*) and shall act in accordance with those regulations in their private investment transactions in general and private securities transactions in particular.

Article 12. Rules of procedure for directors' credit facilities

1. The Regulations governing directors' credit facilities Rabobank Nederland (*Regeling Bestuurderskredieten Rabobank Nederland*) is applicable to the members of the supervisory board.
2. Credit facilities shall be issued to members of the supervisory board and members of the executive board in accordance with the Regulations governing directors' credit facilities Rabobank Nederland.

3. Supervisory Board procedure

Article 13. Division of tasks

1. The supervisory board shall determine how its powers are exercised and tasks carried out.
2. The division into committees determines the division of tasks among the members of the supervisory board.
3. The division of tasks provided for in paragraph 2 shall be made under the maintenance of collective responsibility of the supervisory board for the fulfilment of its tasks.

Article 14. Chairman

1. The supervisory board shall appoint from its midst a chairman, a secretary and their deputies.
2. The chairman of the supervisory board shall not be a former director of Rabobank Nederland.²
3. The chairman is responsible for the effective performance of the supervisory board.
In that context, he sees to it that:
 - a. the members of the supervisory board complete their introductory course and education or training programme;
 - b. the members of the supervisory board receive in good time all information they require for the correct performance of their duties;
 - c. there is sufficient time for deliberation and decision-making processes of the supervisory board;
 - d. the supervisory board's committees perform correctly;
 - e. the directors and the members of the supervisory board are subject to performance appraisals at least once a year;
 - f. the supervisory board elects a deputy chairman;
 - g. the contact between the supervisory board and the executive board and the (group) works council runs properly.
4. The chairman shall coordinate contacts between the supervisory board and the executive board. He shall maintain frequent contact with the chairman of the executive board.
5. If individual members of the supervisory board maintain contact with members of the executive board for the performance of their duties, they must report that to the chairman of the supervisory board.
6. The chairman of the supervisory board shall in principle act as the spokesman of the supervisory board.
7. The chairman of the supervisory board shall decide in consultation with the supervisory board which of its members maintain contact with the works council as provided for in the Dutch Works Councils Act (*Wet op de ondernemingsraden*) (or the legislation superseding that Act).

² This provision is not applicable to the person who was chairman of the supervisory board on 1 December 2005.

Article 15. Company secretary

1. The supervisory board shall be assisted by the company secretary.
The company secretary shall be appointed and dismissed by the executive board, which may or may not be done on the initiative of the supervisory board, after receipt of the approval of the supervisory board. The supervisory board shall not make its decision on whether to grant its approval until the chairman of the supervisory board has been given the opportunity to interview the official secretary.
2. The company secretary sees to it that the correct procedures are followed and that the members of the supervisory board act in compliance with statutory requirements and the obligations laid down in the articles of association. He assists the chairman of the supervisory board with the actual organisation of the supervisory board (including information, setting the agenda, evaluation, training programme).
3. The company secretary can delegate his tasks or parts thereof to persons who work at the administrative secretariat.

Article 16. Meetings and decision-making process

1. The supervisory board shall meet at least six times a year.
Other than that, the supervisory board meets as frequently as considered necessary by the chairman in the interest of Rabobank Nederland or at least one third of the members of the supervisory board have requested that a meeting of the supervisory board be convened. The supervisory board also meets if such meeting is requested by the chairman of the executive board.
2. The supervisory board shall be convened by the chairman with due observance of a notice period of eight days. In urgent cases, this period can be reduced to three working days. If the chairman fails to send a notice convening a meeting within three days of receiving a request to that effect as provided for in the previous paragraph of this article, the requesting parties can convene the meeting themselves.
3. Following consultation with the chairman of the executive board, the chairman of the supervisory board shall determine the time and place of the meeting and how it will be held (including the holding of meetings by means of teleconferencing or video conferencing facilities).
The agenda shall be determined by the chairman of the supervisory board following consultation with the chairman of the executive board.
4. The members of the appointment committee shall receive the agenda and the accompanying documents for the meeting in question at the latest seven days before the meeting is held.
In urgent cases the chairman of the supervisory board may decide to have the agenda and/or the accompanying documents forwarded within a shorter period of time.
5. The chairman shall chair the meetings of the supervisory board. In his absence, the meetings shall be chaired by the deputy chairman. If the deputy chairman is absent, the meeting shall be chaired by the longest-serving member.
6. The chairman shall determine the order of the meeting and shall raise the incoming correspondence.
7. The supervisory board shall take its decisions with an absolute majority of the valid votes cast in a meeting at which at least half of the members of the supervisory board are present or represented. Members of the supervisory board may be represented by another member of the supervisory board. A member of the supervisory board can only represent one other member of the supervisory board at meetings of the supervisory board.
Blank votes are deemed not to have been cast. If no decision is brought about on the first vote, a second round of voting shall be held. If no decision is brought about by that second round of voting, the provisions of article 25, paragraph 3 of the articles of association shall be applicable *mutatis mutandis* to votes on persons.
8. The members of the executive board shall attend the meetings of the supervisory board unless otherwise decided by the supervisory board.

9. The chairman of the supervisory board may invite other persons to attend a meeting of the supervisory board. If one or more members of the supervisory board object to the presence of such person, a decision is made by the supervisory board.
10. Minutes shall be taken of the subjects discussed at the meeting. The minutes shall be copied and sent to all members of the supervisory board as soon as possible but at the latest before the next meeting. The minutes, which may or may not have been amended, shall be signed by the chairman and the company secretary at the next meeting. A copy of the minutes of the meetings of the supervisory board shall also be sent to the members of the executive board unless a decision to the contrary is made by the supervisory board.

Article 17. Extraordinary meetings

1. At least once a year the supervisory board discusses its own performance without the members of the executive board present, regarding the performance of both the board as a whole and of each of its members individually, the relationship with the executive board, the composition and assessment of the executive board, both the board as a whole and each individual member of the executive board, as well as the conclusions regarding the performance of the executive board and the supervisory board and their members. Also, the desired profile and competence of the supervisory board is discussed.
2. In the context of the discussion of the performance of the supervisory board and its members, the attendance of the various members of the supervisory board at the meetings shall also be discussed.

Article 18. Decisions taken outside of meetings

The supervisory board may also take decisions outside of meetings provided that this shall be done in writing, by telefax or other written and replicable means and at least half of the members speak in favour of the proposal. Such decision shall be recorded by the company secretary in the minutes register and all members of the supervisory board and all members of the executive board shall be notified of such decision.

Article 19. Conflict of interests

1. A members of the supervisory board shall report to the chairman of the supervisory board without delay any (potential) conflict of interests of material significance to Rabobank Nederland and/or the member of the supervisory board in question and shall provide immediately all relevant information, including relevant information concerning his or her spouse, registered partner or other life companion, foster child or blood relative or relative up to twice removed..
The supervisory board shall decide on whether a conflict of interests is present in the absence of the member in question.
2. A conflict of interests shall in all cases be deemed to be present if Rabobank Nederland intends to enter into a transaction with a legal entity:
 - a. in which a member of the supervisory board personally has a material financial interest;
 - b. of which a member of the board has a familial relationship with a member of the supervisory board;
 - c. at which a member of the supervisory board holds a directorship or supervisory position, subject to the proviso that transactions with
 - i) group companies of Rabobank Nederland at which a member of the supervisory board holds a directorship or supervisory position, and
 - ii) legal entities with which Rabobank Nederland has a strategic form of cooperation in which members of the supervisory board also hold the position of member of the supervisory board, do not form a conflict of interest as provided for in subsection c of this article.
3. A member of the supervisory board shall not take part in the decision-making process on subjects or transactions in which he has a conflict of interest.

4. All transactions in which there are conflicts of interest of members of the supervisory board shall be entered into under conditions that are customary business practice in the relevant sector. Decisions to enter into transactions in which there are conflicts of interests of members of the supervisory board that are of material significance to Rabobank Nederland and/or the members of the supervisory board in question, require approval of the supervisory board.
5. If the conflict of interest concerns the chairman, the chairman's role shall for the purpose of this article be assumed by the deputy chairman, and in his absence the longest-serving member.

Article 20. Confidentiality

1. Notwithstanding the other provisions of these rules of procedure, the deliberations of the supervisory board shall be confidential.
2. Insofar as any notifications concerning the deliberations need be made to third-parties, that shall be done by or after consultation with the chairman of the supervisory board.
3. Upon retirement from their positions, members of the supervisory board submit to the chairman all documents concerning the deliberations of the supervisory board. In the event of a member or former member of the supervisory board deceases, the chairman shall take the measures necessary to ensure that the documents relating to the deliberations of the supervisory board are submitted to him.

4. General supervisory tasks

Article 21. General

1. The supervisory board shall supervise the policy of the executive board, the general course of business at Rabobank Nederland and its affiliated companies. The supervisory board also supervises compliance with the regulations laid down by the law, in the articles of association and in the regulations (Huishoudelijk Reglement). It assists the executive board by providing advice.
2. The task of the supervisory board shall also extend to supervising and advising on the policy for personnel and remuneration.
3. The supervisory board shall supervise how the executive board carries out the supervision imposed on Rabobank Nederland pursuant to the Dutch Act on the Financial Supervision (or legislation that supersedes it).
4. The supervisory board shall be responsible together with the executive board for the corporate governance structure of Rabobank Nederland.
5. The supervisory board shall function as a commission of appeal or a binding advisor in the cases specified in, by virtue of, or pursuant to the articles of association of Rabobank Nederland and the articles of association of the Onderlinge Waarborgmaatschappij Rabobanken B.A..

Article 22. Interests

The supervisory board shall perform its tasks from the broad perspective of the continuity of Rabobank Nederland and the affiliated enterprises in the interest of all stakeholders. The supervisory board shall perform its tasks without any mandate or (regional) representation and independently of the individual interests of the Rabobank Nederland and its affiliated enterprises. Part of the supervision of the executive board shall involve establishing whether all of the interests of Rabobank Nederland and its affiliated enterprises have been taken into account sufficiently.

Article 23. Agenda

1. The agenda of the supervisory board shall contain the following items for each periodic meeting:
 - minutes of the previous meeting;
 - financial key figures of the most recently concluded period as well as the information provided for in article 30 of these rules of procedure;
 - the course of business;
 - takeovers and disposals;
 - notifications and questions.
2. In addition to the above and as often as is desirable or necessary pursuant to the provisions set out below, the agenda of the supervisory board shall contain – among other things - the following items:
 - the discussion of the reports of the executive board as provided for in articles 24 and 26 of these rules of procedure.
 - the discussion of the audit report and management letter provided for in article 31 of these rules of procedure.
 - the reports of rating institutions as provided for in article 32 of these rules of procedure;
 - the nomination for the appointment of the external auditor;
 - the reports of all committees of the supervisory board as provided for in article 33, paragraph 4 of these rules of procedure;
 - the annual reports in the context of the Regulations governing directors' credit facilities pursuant to article 12 of these rules of procedure;
 - approval pursuant to articles 39, 40, 41 and 42 of these rules of procedure;
 - approval for decisions specified in article 44 of these rules of procedure;
 - decisions concerning appeals as specified in article 21, paragraph 5 of these rules of procedure;
 - decisions concerning the matters specified in article 45, paragraphs 1 to 6 of these rules of procedure;
 - the annual figures or interim figures (halfjaarcijfers) as specified in section 9 of these rules of procedure.

Article 24. Meeting to discuss strategy and risk

The supervisory board shall meet at least once a year to discuss, appraise and rule on the strategy and the risks related to the enterprises of Rabobank Nederland and the results of the assessment carried out by the executive board of the set up and effect of the internal risk management and control systems and organisational layout, as well as significant changes thereto. In that context the supervisory board reviews the actual results of the strategy and objectives formulated in the previous period or periods. The fact that this meeting has been held shall be noted in the report of the supervisory board in the annual report.

5. Provision of information

Article 25. Details

1. The executive board shall timely provide the supervisory board with the information needed for the performance of its duties.
2. The supervisory board shall conduct sustained consultation with the executive board on the main aspects of the policy.
3. The executive board shall report to the supervisory board on the transactions that are conducted pursuant to the transitional provision incorporated in the articles of association in 2002.

Article 26. Reports

Notwithstanding the provisions of article 25 of these rules of procedure, the executive board shall report in writing to the supervisory board on the company objectives, the strategy and the related risks and the mechanisms aimed at controlling risks of a financial nature.

Article 27. Reports on cooperative issues

The executive board shall report in writing twice a year to the supervisory board on the policy intentions of the executive board with regard to the cooperative organisation and activities of the member banks and of Rabobank Nederland.

Article 28. Request for information

1. The supervisory board and its individual members are empowered and have their own responsibility to obtain from the executive board and the external auditor all information they require, including notifications, inspection of administrative records, other records and other documents and securities held by Rabobank Nederland that are required for the correct performance of their duties.
The requested information shall be provided as soon as possible.
2. If considered necessary by the supervisory board or one of its committees, it can obtain information from officers and external advisers of Rabobank Nederland.
3. Both the supervisory board and its committees are authorised at all times to have the information provided for in paragraph 1 of this article investigated and verified.

Article 29. Expert

The supervisory board is authorised to have itself assisted in its supervisory task by an internal or external expert, both for general supervision and for the audit of the annual accounts, the annual report presented annually to the general meeting and the information added to them, as well as the proposals concerning the profit allocation as provided for in article 69 of the articles of association.

Article 30. Course of business

The supervisory board shall keep itself informed of the general course of business at Rabobank Nederland and its affiliated enterprises.

The information to be provided to the supervisory board concerning the course of business also includes information about interim and forecast results, significant interim changes to the enterprise's equity position, the reliability of the financial information, the results of the solvency and liquidity review, and information about the systems and results concerning accounts receivable risks, country risks and interest risks.

Article 31. Audit report and management letter

The annual audit report and the annual management letter shall be presented to the supervisory board for discussion. The internal and external auditor shall be heard by the supervisory board during the discussion of these documents.

Article 32. Rating institutions

The reports of rating institutions from which Rabobank Nederland has received a rating shall be sent to the supervisory board for information purposes.

6. Committees

Article 33. Institution of committees

1. The supervisory board has instituted the following committees from the board:
 - a. audit & compliance committee
 - b. appointment committee
 - c. appeals committee
 - d. cooperative issues committee
 - e. remuneration committee.
2. The supervisory board can also institute one or more other committees from the board and assign to those committees preparatory and advisory tasks, to be specified in the decision to institute such committee.
3. Following consultation with the executive board, the supervisory board shall adopt rules of procedure for each committee and may amend such rules at all times following consultation with the executive board. The rules of procedure shall specify the task of the committee, its composition and how it shall perform its tasks. The rules of procedure and the composition of the committees shall be placed on the external website of Rabobank Nederland.
4. The supervisory board shall receive from each of the committees a report on its deliberations and findings, which (among other things) shall form the basis for the decisions of the supervisory board.

Article 34. The audit & compliance committee

The audit & compliance committee has tasks related to - among other things - supervising the executive board with regard to the operation of internal risk management and control systems, provision of financial information and compliance with recommendations and following up comments made by internal and external auditors. These tasks shall be included together with its other tasks in the rules of procedure for the audit & compliance committee.

Article 35. The appointment committee

The tasks of the appointment committee shall include duties related to the appointment and roles of the members of the executive board and the supervisory board, which tasks shall be specified more precisely in the rules of procedure for the appointment committee.

Article 36. The appeals committee

The appeals committee shall mainly carry out preparatory work in the context of the purpose of the supervisory board as body of appeal or binding advisor as provided for in article 21, paragraph 5, and in more precise terms in the rules of procedure of the appeals committee.

Article 37. The cooperative issues committee

The tasks of the cooperative issues committee shall include duties related to the assessment of the reports of the executive board with regard to the cooperative organisation and activities of the member banks and of Rabobank Nederland, as provided for in article 27 of these rules of procedure. Furthermore the cooperative issues committee will concentrate on the subject of Corporate Social Responsibility.

Article 38. The remuneration committee

The tasks of the remuneration committee shall include duties related to the remuneration of the members of the executive board, which tasks are specified more precisely in the rules of procedure for the remuneration committee.

7. Specific supervisory and approval tasks

Article 39. Credit risk

1. The supervisory board shall supervise the policy of the executive board concerning the management of credit risks.
2. The supervisory board shall grant prior approval for the key principles and procedures governing the credit risk policy and major amendments to it.
3. The executive board shall report to the supervisory board on the credit risks taken by Rabobank Nederland with reference to established (threatening) problem credits and/or the (threatening) exceeding of credit limits. The executive board shall inform the supervisory board of any material changes to the current or estimated future risk profile.

Article 40. Market risk

1. The supervisory board shall supervise the policy of the executive board concerning the management of market risks.
2. The supervisory board shall grant prior approval for the key principles and procedures governing the market risk policy and major amendments to them.
3. The executive board shall report to the supervisory board on the market risks taken by Rabobank Nederland with reference to established (threatening) exceeding of limits. The executive board shall inform the supervisory board of any material changes to the current or estimated future risk profile.

Article 41. Liquidity risk

1. The supervisory board shall supervise the policy of the executive board concerning the management of liquidity risks.
2. The supervisory board shall grant prior approval for the key principles and procedure governing the liquidity risk policy and major amendments to them.
3. The executive board shall report to the supervisory board on the liquidity risks taken by Rabobank Nederland with reference to established (threatening) exceeding of limits. The executive board shall inform the supervisory board of any material changes to the current or estimated future liquidity position or the risk profile.

Article 42. Operational risk

1. The supervisory board shall supervise the policy of the executive board concerning the management of operational risks.
2. The supervisory board shall grant prior approval for the key principles and procedure governing the management of operational risks.
3. The executive board shall report to the supervisory board on the operational risks taken by Rabobank Nederland with reference to established (threatening) emergencies and losses. The executive board shall inform the supervisory board of any material changes to the current or estimated future risk profile.

Article 43. Supervision of internal procedures and control mechanisms

1. The supervisory board shall supervise compliance with internal procedures drawn up by the executive board for the formulation and publication of the annual report, the annual accounts, the (quarterly) and/or half-year figures and ad hoc financial information.
2. The supervisory board shall also supervise the institution and maintenance of the internal auditing mechanisms as specified in article 23 of the rules of procedure for the executive board.

Article 44. Approval

Besides the cases for which the approval of the supervisory board is required pursuant to the articles of association, the approval of the supervisory board shall also be required for situations including the following:

- a. decisions of the executive board concerning the adoption of the operational and financial objectives of Rabobank Nederland;
- b. decisions of the executive board concerning the adoption of the strategy intended to ensure the objectives are met;
- c. decisions of the executive board concerning the adoption of the preconditions being operated within the strategy;
- d. decisions of the executive board concerning the adoption of the key principles of the organisational layout and the control mechanism and changes to them;
- e. decisions to enter into transactions in which there are conflicts of interests of members of the executive board that are of material significance to Rabobank Nederland or for the relevant members of the executive board;
- f. the issuance of personal loans, guarantees and so on, to or for members of the executive board or the supervisory board;
- g. the acceptance of a position on the supervisory board of a listed company by a member of the executive board.
Acceptance of another, significant additional function by a member of the executive board shall require the approval of the chairman of the supervisory board and shall be reported to the supervisory board.

8. Relationship and tasks related to other bodies and other committees of Rabobank Nederland and the external auditor

Article 45. Executive board

1. The supervisory board shall decide on the number of members of the executive board, on the appointment, the suspension and dismissal of members of the executive board and on the appointment of the chairman and the deputy chairman of the executive board.
2. The members of the executive board shall be appointed to their position for a period of four years. The performance of members of the executive board shall be evaluated periodically. The supervisory board shall inform the committee on confidential matters of the intended appointment of a member of the executive board.
3. The supervisory board shall determine the remuneration and the other employment conditions of members of the executive board upon the proposal of the remuneration committee and with due observance of the parameters set by the central delegates assembly in respect of the remuneration policy.
4. The supervisory board shall render account for the remuneration annually by submitting the full remuneration report to the committee on confidential matters and the central delegates assembly. The committee on confidential matters shall subsequently issue a report on the principal issues to the central delegates assembly, indicating the extent to which things are in line with the parameters provided for in paragraph 3.
5. Following consultation with the executive board, the supervisory board shall formulate an executive board profile in which profile it points out the integrity and the expertise and availability deemed necessary of members of the executive board.
In the composition of the executive board the supervisory board shall ensure that the executive board as a whole shall have a clear understanding of all risks that are taken by Rabobank Nederland and how those risks can be managed.
6. The rules of procedure of the executive board and the allocation by the executive board of its activities among its members shall require the approval of the supervisory board.

7. The supervisory board may issue directives that the executive board shall adhere to in the performance of its duties.
8. In cases of equality of votes in the executive board the decision shall be taken by the supervisory board if one or more members of the executive board lodge an objection against the casting vote of the chairman of the executive board.
9. In cases in which conflicts of interest arise as specified in article 58, paragraph 2 of the articles of association, Rabobank Nederland may be represented by a member of the supervisory board appointed for that purpose by the supervisory board.
10. In the event of a (potential) conflict of interest that is of material significance to Rabobank Nederland and/or the member of the executive board concerned, the member of the executive board concerned shall report this without delay to the chairman of the supervisory board. The supervisory board shall decide on whether a conflict of interests has arisen in the absence of the director concerned.
Transactions with group companies of Rabobank Nederland shall be deemed not to constitute conflicts of interests as provided for in this article.
11. The chairman of the supervisory board shall function as the contact person for reporting alleged irregularities among members of the executive board as provided for in the Whistleblower Procedure (Klokkenluidersregeling).

Article 46. General meeting

1. The supervisory board is empowered to convene the general meeting. If the supervisory board convenes the general meeting, it can stipulate prior to the meeting the subject or subjects on which decisions will be made in a closed meeting. The supervisory board also provides the further substantiation of the closed nature of the meeting.
2. The general meeting shall be chaired by the chairman of the supervisory board or in his absence by the deputy chairman of the supervisory board or in his absence by another person appointed by the supervisory board from its midst.
3. The executive board and the supervisory board shall provide the general meeting with all information it requires unless there are compelling reasons for not doing so. If the executive board or the supervisory board invoke the provisions of a compelling interest, an explanation of the reasons shall be given.
4. The supervisory board shall propose a nomination for the external auditor to the general meeting.

Article 47. Central delegates assembly and delegates meetings

1. The supervisory board is empowered, if this is in the interest of Rabobank Nederland, to convene (or instruct the chairman of the executive board or his deputy to convene) the central delegates assembly and the delegates meetings.
2. One or more members of the supervisory board shall attend the meetings of the central delegates assembly unless otherwise decided by the central delegates assembly, this with due observance of the provisions of paragraph 3 of this article.
3. The chairman of the supervisory board or his deputy shall function as the chairman of the central delegates assembly.
4. The supervisory board shall be heard by the central delegates assembly before it sets or alters the general principles of the policy to be pursued by the executive board.
5. The central delegates assembly shall issue advice to the supervisory board if that advice is requested on any matter or the provision of advice is prescribed in the articles of association.
6. The executive board and the supervisory board shall inform the central delegates assembly of all facts and circumstances that are relevant to the central delegates assembly's granting of approval or granting delegation of authority.
7. The members of the supervisory board to attend the delegates meetings are selected under mutual consultation.

Article 48. Coordination committee of the central delegates assembly

The chairman of the supervisory committee shall also be a member of the coordination committee. The coordination committee shall invite the deputy chairman of the supervisory board to attend the meetings of the coordination committee, unless the coordination committee decides to the contrary.

Article 49. Urgent cases committee of the central delegates assembly

The chairman of the supervisory board or his deputy shall also function as the chairman of the urgent cases committee.

Article 50. Committee on confidential matters of the central delegates assembly

The committee on confidential matters shall be convened and attended by the chairman of the supervisory board. If a proposal to reappoint the chairman of the supervisory board is included on the agenda of the meeting of the committee on confidential matters, the supervisory board shall replace its chairman by his deputy.

Article 51. Internal auditor

The supervisory board shall see to it that there are guarantees that the internal auditor can perform its duties independently.

Article 52. External auditor

1. The external auditor shall be appointed by the general meeting (for a maximum period of 4 years in each case) following nomination by the supervisory board. The executive board and the audit & compliance committee shall issue advice to the supervisory board on the auditor to be nominated.
2. The remuneration of the external auditor and the granting of the order for having non-audit work carried out by the external auditor shall require the approval of the supervisory board upon the proposal of the audit & compliance committee and following consultation with the executive board.
3. The external auditor shall always attend the meeting of the supervisory board in which the report of the external auditor on the audit of the annual accounts is discussed and a decision is made on whether to approve or adopt the annual accounts. The external auditor shall receive the financial information that forms the basis for drawing up the quarterly and/or half-year figures and other interim financial reports and shall be given the opportunity to respond to all information.
4. The policy governing the independence of the external auditor and any (potential) conflicts of interest between the external auditor and Rabobank Nederland, to be determined by the supervisory board upon the proposal of the audit & compliance committee, shall be adhered to at all times. Members of the executive board and the supervisory board and the external auditor shall inform the chairman of the audit & compliance committee about matters that could be contrary to the required independence of the external auditor or could form a (potential) conflict of interest between the external auditor and Rabobank Nederland, as soon as they are aware of such a situation.

9. Annual accounts and annual report**Article 53. Report of the supervisory board**

1. In the report of the supervisory board in the annual report the board shall set out its findings on subjects including the audit provided for in article 55.
2. In the report referred to in paragraph 1 the supervisory board shall report on how it has performed its supervisory task. Tasks including those provided for in article 21 shall be covered in that report.

Article 54. Presentation to the supervisory board

The annual accounts, the annual report and the information added to them, the proposal regarding profit appropriation, and the reports of the internal and external auditors of Rabobank Nederland shall be presented to the supervisory board each year before 1 April before they are published.

The half-year figures shall be discussed each year by the supervisory board in its meeting ultimately by the end of September and before they are published.

Article 55. Audit

The supervisory board shall audit the annual accounts, the annual report and the information added to them that are presented each year to the general meeting and shall report to the general meeting on its findings.

Article 56. Signature

The drawn up annual accounts shall be signed by the members of the supervisory board and the members of the executive board. If the signature of one or more of them is missing, this will be reported including the reasons for this.