

# Progress report on the Banking Code - Rabobank Group

No.	Banking code	Note content
<b>1</b>	<b>Sound and ethical operation</b>	
1.1	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>Rabobank is a cooperative bank established by and for clients. In October 2017 we launched a new global brand positioning to underline our mission 'Growing a Better World Together'.</p> <p>Rabobank's mission and strategy explicitly state its aim of being a meaningful cooperative and contributing to the long-term interests of clients, members, employees and society. We are committed to making a difference as one of the top cooperative, client-driven banks, in the Netherlands and around the world. To achieve this, we have two strategic focus areas: Banking for the Netherlands and Banking for Food. We want to make a substantial contribution to welfare and prosperity in the Netherlands and to feeding the world sustainably. Through our <a href="#">Sustainably Successful Together Programme</a>, we are integrating sustainability in all our relevant policies, processes, products and services.</p> <p>In our vision, we dedicate our knowledge, networks and finance to enabling clients to make autonomous decisions and to act flexibly and independently. We want clients to feel confident, to be themselves and to feel they belong. Supported by our business expertise, capital and networks, our employees act as a compass that our clients can depend upon. Our vision is founded on four cornerstones: excellent client focus, meaningful cooperative, rock-solid bank, and empowered employees.</p> <p><b>Excellent customer focus</b> We aim to be a leading bank where being client-driven is deeply embedded. Current and future client requirements can be fully satisfied through good advice, transparent products and convenient and innovative digital services. We put the client first in everything we do.</p> <p><b>Meaningful cooperative</b> We translate social developments into specific contributions for the long term. Cooperative banking means acting as a forward-looking social compass that actively guides members, employees and clients to connect them in a network, with each other and with Rabobank. We take a stand on social issues that matter to clients and stakeholders.</p> <p><b>Rock-solid bank</b> Rabobank remains a model of stability, reliability and solidity. Our services are delivered efficiently at competitive cost levels and we continue to optimise the balance sheet. We are still doing the right things well, even exceptionally well, with everyone taking ownership, remaining conscious of risks and acting professionally.</p> <p>Rabobank's risk strategy supports management in the realisation of the business strategy by defining boundaries within which the business must operate. For further information on Rabobank's risk strategy see the section '<a href="#">Managing risks: risk strategy</a>' in the 'Risk Management' chapter of the Annual Report 2017.</p> <p><b>Empowered employees</b> Our employees are proud and driven, manifesting professionalism, vitality and a capacity for change. They feel empowered to represent Rabobank and are inspired by what we want to be. Top talent wants to work, develop and stay at Rabobank. All our employees want to grow and make each other better. Learning is the key.</p> <p>For further information on our Mission, Vision, Strategy and the four cornerstones, see the '<a href="#">Rabobank at a glance</a>' chapter in the Annual Report 2017.</p>
1.2	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>After years of operating under a so-called two-tier cooperative structure, as of 1 January 2016, Rabobank operates as a cooperative with one banking licence and one set of financial statements. In the current cooperative structure, all the local Rabobanks and Rabobank Nederland work together as one Rabobank. In doing so, the bank seeks to invigorate both its cooperative identity and its banking business. This structure enables Rabobank to anticipate future legislation and regulations and to respond to future developments more effectively and efficiently.</p> <p>For further information, see the <a href="#">Governance section</a> in the Annual Report 2017.</p>
1.3	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>As set out in the <a href="#">Rules of Procedure</a> governing the Managing Board and Supervisory Board, these bodies share responsibility for the corporate governance structure and a robust and transparent organisational structure at Rabobank. The guidelines for corporate governance are evaluated at least once a year.</p> <p>In addition, the Managing Board ensures that every substantial change to the corporate structure of governance of Rabobank is presented for discussion at the General Members Council (GMC) as a separate agenda item. This principle was applied at the General Meeting held in December 2015, when the amendments to the operational management of Rabobank and the new governance structure were approved unanimously.</p> <p>The performance of members of the Managing Board is regularly reviewed by the Supervisory Board, which ascertains whether the members of the Managing Board can continue to meet the criteria for eligibility as required by the regulator.</p>

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<p>1.4 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. 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> <p>The executive board* will promote responsible behaviour and a healthy culture both at the top of the bank and throughout its organisation. In this, it will consider the interests of the bank’s customers and other stakeholders. The supervisory board supervises this.</p> <p>A bank’s culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank’s organisation and the bank will include them in its contact with its stakeholders. It will provide insight into the way in which the bank deals with the assumptions in the Charter.</p> <p>All employees will comply with the formal regulations and self-regulations 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.</p>	<p>Rabobank has its own <a href="#">Code of Conduct</a>. This includes the basic premises of who we ‘the Rabobank employees’ are, and it sets out the principles that govern the (ethical) behaviour of all Group employees. The Code of Conduct provides Rabobank employees guidelines on which they can base their actions, in relation to clients, society and each other. The Managing Board ensures compliance with the Code of Conduct and acts in line with the moral and ethical conduct declaration signed by each member.</p> <p>To encourage dialogue about attitude, conduct and the dilemmas associated with day-to-day work situations, Rabobank has held an annual worldwide ‘Values Week’ since 2015.</p> <p>All employees take and sign the banker’s oath (the Managing Board and Supervisory Board included) as set out in the Dutch Banking Association’s ‘Future-oriented Banking’ package.</p> <p>The Values Week programme encourages a productive dialogue on what Rabobank means to its clients and to society, while urging employees to reflect on their place in the bigger picture of Rabobank.</p> <p>In 2017, the theme of the Values Week was ‘Imagine’ (‘Stel je eens voor’). During Values Week, members of the central organisation were invited to participate in on-site dialogues with colleagues from local Rabobanks. The ‘refurbished’ values and behaviours of Rabobank were presented and discussed during this event. Rabobank’s aim is to have employees who are proud of their work and their company, who go the extra mile for our clients, and who dare to make a difference in society. Employees who help each other to go beyond what is expected and do the right thing exceptionally well, together. We want to grow a better world together with these values and behaviours.</p> <p>In addition, all employees are required to complete the online course ‘Rabo Right’, which incorporates the desired values and behaviours on compliance, privacy and information security matters. The Chief Compliance Officer informs the Chief Risk Officer(CRO)/Managing Board and the Supervisory Board regularly on the fulfilment status of this requirement.</p> <p>The CRO is directly responsible for the compliance function and is closely supervised by the Audit Committee and the Supervisory Board. The Compliance Function was evaluated in autumn 2017, including the incorporation of the attention points that emerged from the on-site on the Compliance function of the ECB in 2016.</p> <p>The Managing Board and the Supervisory Board increasingly regard IT, which is essential to innovation, as the driving force behind the bank’s strategy. For that reason, the Supervisory Board discusses the subject of IT in-depth twice a year during its regular meetings. Throughout the year, the Supervisory Board also held a Permanent Education (PE) session covering the subjects of IT, innovation and digitalisation. To underline the importance of IT, digitalisation and innovation, the Supervisory Board decided to split the former Chief Information Officer portfolio of Ralf Dekker and appoint two Managing Board members to manage these portfolios. On 1 September 2017 Ieko Sevinga was appointed Chief Information and Operations Officer (CIOO) and Bart Leurs was appointed Chief Digital Transformation Officer (CDO).</p>
<h2>2 Supervisory Board</h2>	
<p>2.1 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>	<p>Adherence to this principle is embedded in the <a href="#">Rules of procedure</a> for the Supervisory Board and in the <a href="#">profile</a> based on that. The contents of both documents have been checked against the Dutch Banking Code and, where necessary, adapted to better align with the principles of the code.</p> <p>In accordance with the rules of procedure, the Supervisory Board has appointed an Audit Committee and Risk Committee. The areas of knowledge and experience, as well as other qualities and competences considered necessary at that time to the optimum, collective operation of the Supervisory Board will be assessed upon each (re)appointment to the Supervisory Board, as based on a multi-year succession plan.</p> <p>The succession plan is based on, among other things, external laws and regulations, directives and codes, as well as on internal guidelines. In the dynamic process of succession planning, the Supervisory Board proactively responds to internal and external developments and ensures its continued ability to perform as professionally and appropriately as possible.</p> <p>For further background information, see the <a href="#">CVs</a> of the members of the Supervisory Board.</p> <p>The suitability of all members of the Supervisory Board has been assessed by De Nederlandsche Bank (DNB), the AFM and the ECB. During the suitability assessment the regulator not only assessed the knowledge, experience and skills of the individual members of the Supervisory Board, but also its composite structure. When appointed, the Chairman and the members of the Supervisory Board agreed to be available and contactable as necessary to fulfil their tasks for the (committees of) the Supervisory Board. The DNB/ECB suitability assessment explicitly examines the available time of all members of the Supervisory Board.</p> <p>Rabobank complies with Art. 3:8, Sections 3 and 4 of the Dutch Financial Supervision Act (Wet op het financieel toezicht (Wft)) (new), and Art. 91, Sections 4 to 6, Directive, which states that members of executive boards and supervisory boards of significant banks and investment companies may not hold more than:</p> <p>a) one executive position and two non-executive positions; or b) four non-executive positions.</p> <p>DNB can give members of executive boards and supervisory boards permission to take on one additional non-executive position, which DNB reports to EBA.</p>
<p>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. There are specific competence and experience requirements for members of the supervisory board’s risk and audit committees.</p> <p>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.</p> <p>Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to provide thorough supervision of these subjects.</p>	<p>In accordance with its <a href="#">rules of procedure</a>, the Risk Committee consists of at least four <a href="#">members</a>, including the Chairman of the Supervisory Board and the Chairman of the Audit Committee. All members are also members of the Supervisory Board. The members of the Risk Committee have the requisite knowledge, skills and expertise to fully understand and monitor Rabobank’s risk strategy and risk acceptance.</p> <p>The Audit Committee, in line with its <a href="#">rules of procedure</a>, consists of at least four members, including the vice chair of the Supervisory Board and the Chairman of the Risk Committee. All members are also members of the Supervisory Board. The Chairman of the Supervisory Board is a regular attendee of the meetings of the Audit Committee.</p> <p>The composition of the Audit Committee is such that several members have in-depth knowledge of internal control, technical aspects of the financial statement, requirements for financial reporting, audit and developments in these areas, as well as recent and relevant practical experience of financial markets, or the necessary experience to provide sound supervision in these areas.</p> <p>For further background information, see the members’ <a href="#">CVs</a>, which show that this principle has been applied.</p>

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2.3	<p>The chairman of the supervisory board will organise a programme of lifelong learning for all members of the supervisory board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and 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.</p> <p>Every member of the supervisory board will take part in the programme and meet the requirements for lifelong learning. The assessment of the effectiveness of the programme of lifelong learning will be part of the annual evaluation performed by the supervisory board.</p>	<p>The Chairman of the Supervisory Board, in accordance with the <a href="#">rules of procedure</a> for the Supervisory Board, is responsible for ensuring the correct functioning of the Supervisory Board. In this way, the Chairman ensures that the members of the Supervisory Board follow an introductory programme and a programme for continuing professional education (or Permanent Education (PE)).</p> <p>A fixed part of the annual evaluation of the members of the Supervisory Board is the effectiveness of the PE programme. During these sessions, all or nearly all members of the Supervisory Board were present, as well as several members of the Managing Board.</p> <p>The newly appointed Supervisory Board members receive an introduction programme consisting of in depth discussions with a range of managers and professionals within Rabobank and visits to several Rabobank locations and activities, including local Rabobanks. Also, tailor-made training programmes are set up to meet individual member's needs.</p> <p>For more information, see the <a href="#">Report of the Supervisory Board</a> in the Annual Report 2017.</p>
2.4	<p>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.</p>	<p>In 2015, in accordance with this principle, the performance of the Supervisory Board was assessed by an external party. During October and November 2017, the Company Secretariat conducted in-depth interviews with members of the Supervisory Board, members of the Executive Board, external accountants and several direct reports of Executive Board members who are in frequent contact with the Supervisory Board. Questions were asked about, among other things, behavioural and cultural aspects, each member's contribution, the effectiveness of each member, the committee and the whole team, as well as the relationship between the Supervisory Board and the various stakeholders inside and outside Rabobank. The assessment identified several themes, which were discussed during a private session of the Supervisory Board.</p> <p>For more information, see the <a href="#">Report of the Supervisory Board</a> in the Annual Report 2017.</p>
2.5	<p>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.</p>	<p>The GMC, after receiving advice from the committee on confidential matters, sets the remuneration of the members of the Supervisory Board. The remuneration is not dependent on the Rabobank results.</p> <p>For further information see the <a href="#">Remuneration</a> section in the Annual Report 2017.</p>
<b>3 Executive Board*</b>		
3.1	<p>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.</p>	<p>As per 1 September 2017, Rabobank has established a Managing Board of ten members who will jointly manage the business of the bank with a focus on the changes ahead. The Managing Board has a composition and portfolio distribution based on Rabobank's change agenda and its members are directly involved in these areas. An optimum portfolio structure contributes to effective functioning of the Managing Board. In this new structure, the Managing Board is responsible for the group wide management of the bank; it is the highest management body of Rabobank. Business issues, priorities and operational considerations are discussed in detail in this group. The members participate in strategic and operational discussions, choices and execution, and make collective decisions based on the specific knowledge each brings to the table. They cooperate closely and share a group-wide and 'one bank' perspective.</p> <p>Next to their domain responsibility, each member of the Managing Board has a group-wide responsibility. The CEO, CFO, CRO, CIOO, the DTO and HR functions are group-wide roles. Business Clients, Retail Clients, Wholesale Clients and Rural &amp; Retail International represent all key client segments. In addition, they have a group-wide responsibility: Business Clients is responsible for the regional directors 'Kringdirecteuren', Wholesale Clients is responsible for Real Estate, Rural &amp; Retail International is responsible for the Banking for Food Inspiration Center and leasing, and Retail Banking is responsible for Marketing in the Netherlands.</p> <p>The statutory board members are appointed by the supervisory board and are accountable to the GMC. The non-statutory members are appointed by the statutory board upon nomination by the supervisory board.</p> <p>The Supervisory Board supervises and advises the Managing Board. Specific matters require Supervisory Board approval. The Managing Board reports to and is accountable to the Supervisory Board. The members of the Managing Board attend the meetings of the Supervisory Board unless the Supervisory Board decides otherwise.</p> <p>Under Dutch law, the statutory members of the Managing Board is accountable to the GMC.</p> <p>After seeking advice from the Managing Board, the Supervisory Board will prepare a profile describing, among other things, the required degree of integrity, expertise and availability of the Managing Board. The Supervisory Board also prepares, after hearing the opinion of the Committee on Confidential Matters, job profiles for each vacancy on the Managing Board.</p> <p>All members of the Managing Board undergo a suitability check by DNB, the AFM and the ECB.</p> <p>See the <a href="#">CVs</a> of the Managing Board here.</p>
3.2	<p>One member of the executive board* will have the duty of preparing decision-making by the executive board on risk management. The member will be involved in good time in the preparation of decisions that are of material importance for the 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.</p> <p>Risk management will also include a focus on the impact that systemic risk could have on the bank's risk profile.</p>	<p>As of 1 January 2016, the positions of Chief Risk Officer (CRO) and Chief Financial Officer (CFO) were separated within Rabobank.</p> <p>The CRO is responsible for preparing the Managing Board's decision-making on issues relating to risk management. The CRO reports at least once a year to the Supervisory Board on the strategy and risks connected to Rabobank's activities, the outcomes of the assessment of the set-up and performance of internal systems for risk management and control, and of the organisational structure and any significant changes therein.</p> <p>The CRO is involved in a timely manner in the preparation of decisions that are of material importance to the risk profile, particularly if these decisions could diverge from the risk appetite approved by the Supervisory Board. When exercising the risk management function, attention is also paid to the importance of financial stability and how systemic risk could affect Rabobank's risk profile.</p>

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3.3	The chairman of the executive board* will organise a programme 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 programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, risk management, financial reporting and audit. Each member of the executive board* will take part in the programme and meet the requirements of lifelong learning.	<p>The members of the Managing Board follow a PE programme, in accordance with the rules of procedure of the Managing Board*. In 2017, the members of the Managing Board had several meetings on a wide range of substantive themes.</p> <p>In addition to the PE programme, newly appointed members of the Managing Board follow a tailor-made induction programme involving several discussions with internal and external experts and working visits.</p>
<b>4 Risk policy</b>		
4.1	A bank's risk policy is characterised by a comprehensive approach, is transparent and has both a short- and long-term focus. The risk policy also takes reputational risks and non-financial risks into account.	<p>Rabobank Group takes a prudent approach to risk with rigorous management controls to keep the bank safe, support the sustainable risk strategy and minimise losses within the risk appetite. The Group has installed a strong risk function and maintains a robust risk management framework to identify emerging risks and to take decisions based on a conscious and careful risk-return trade-off in line with the risk strategy appropriate to the risk appetite.</p> <p>Rabobank identifies and manages the risks it takes on an ongoing basis. This has led to a comprehensive risk management framework, which includes, for example, determining the risk appetite, conducting stress-testing and risk assessments for each group entity and for the Group as a whole, and measuring and monitoring risks.</p> <p>Rabobank's risk strategy supports management in realising the business strategy by defining boundaries within which the business must operate. Rabobank's risk strategy focuses on the following goals: a) protecting profit and profit growth; b) maintaining a solid balance sheet, and c) protecting identity and reputation, and d) a healthy risk-return ratio. Rabobank wants to protect the fundamental trust that its stakeholders have in the bank and wants to make more transparent choices related to where capital can be used most efficiently or where sector/concentration risk management must be applied.</p>
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.	The risk policy is established by the Managing Board. In line with previous years, the risk appetite is adopted by the Managing Board and approved by the Supervisory Board. Intermediate material changes to the risk appetite are also submitted to the Supervisory Board for approval.
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.	<p>In accordance with the <a href="#">rules of procedure</a> of the Supervisory Board and the Risk Committee, the Supervisory Board will supervise the policy of the Managing Board in respect of all material risk categories (such as credit risk, market risk, liquidity risk and operational risk), internal procedures and control mechanisms.</p> <p>The Supervisory Board assesses whether the capital allocation and liquidity requirements are generally in line with the approved risk appetite and whether the operations generally accord with Rabobank's risk appetite. This is accomplished by, among other things, the annual approval of the group budget and the funding mandate. Additionally, Rabobank's risk profile is discussed on the basis of a report.</p> <p>The Risk Committee is responsible for the preparatory work regarding these subjects for the Supervisory Board. To perform this task, the Risk Committee and the Supervisory Board are provided, on a quarterly basis, comprehensive information on the development of the group entities in terms of their results, risks, capital requirements and other relevant parameters.</p>
<b>5 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.	The Managing Board depends on Audit Rabobank, which holds an independent position within the organisation, to ascertain whether the internal risk controls meet the applicable requirements. Every year, Audit Rabobank carries out audit procedures based on an extensive risk assessment in order to check whether important business processes are functioning effectively and whether the procedures and measures for managing Rabobank's risks are sufficient. The Director of Audit Rabobank reports directly to the Chairman of the Managing Board and has a direct reporting line to the Audit Committee of the Supervisory Board. The Annual Report includes a <a href="#">statement by the Managing Board</a> declaring that the internal risk management and control systems have been designed so as to ensure that the financial reporting can be considered reliable.
5.2	The internal audit department, external auditor and the supervisory board's audit committee will consult periodically.	The risk assessment, the audit plan, the report on the audit findings and other reports are discussed by the Audit Committee. The risk assessment, the audit plan and the report on the audit findings are introduced following consultations with the external auditor. Internal Audit regularly conducts discussions with the Chairman of the Audit Committee and the external auditor. Once a year, the Audit Committee convenes a private session with the Chief Audit Executive.
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.	A tripartite consultation on the aforementioned subjects is held on an annual basis between DNB, the external auditor and Rabobank (including Audit Rabobank). In addition, Audit Rabobank bilaterally and consecutively shares the risk assessment, the findings and the audit plan with the external accountant and the DNB/ECB joint supervisory team.

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<b>6</b>	<b>Remuneration policy</b>	
6.1	<p>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.</p> <p>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 ratios, taking into account the expectations of the various stakeholders and social acceptance. It will also take the relevant international context into account.</p>	<p>Rabobank pursues a prudent, restrained and sustainable remuneration policy. It fits with the strategy, the desired risk profile, the cooperative objectives and the core values. The remuneration policy is in keeping with a client-focused approach that considers the long-term interests of Rabobank, the international context of the markets in which Rabobank operates and the socially accepted practices in this area. With the bank's cooperative identity as its basis, in 2010, Rabobank drew up its <a href="#">Vision on Remuneration</a>, which further underpins the prudent application of these principles by every Group entity.</p> <p>In 2011, the 'Vision on Remuneration' was further substantiated with the preparation of the Group Remuneration Policy (Groepsbreed Beloningsbeleid (GRP)), which takes into account current legislation and regulations on remuneration. The GRP is updated annually to reflect new developments and comply with current laws and regulations. The Supervisory Board approves the GRP and supervises its implementation by the Managing Board.</p> <p>The GRP is reflected in the Rabobank CLA and in the terms of employment for the Managing Board, the executives and the terms of employment for all divisions and subsidiaries of Rabobank Group in the Netherlands and abroad. In consideration of social developments, as from 2013 the members of the Executive/Managing Board no longer receive any variable remuneration or bonuses. Variable remuneration has also been eliminated or limited for other groups of employees, and remuneration packages have been cut back. Within this context, a zero line (from 2012 up to and including 2017) was introduced in the Rabobank CLA. This multiannual baseline also applies to the Executive/Managing Board and the executives.</p> <p>For further information, see the <a href="#">Remuneration</a> section in the Annual Report 2017.</p>
6.2	<p>The total income of a member of the 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.</p>	<p>The remuneration of the Executive/Managing Board is periodically benchmarked against the market. As of 2013, the members of the Executive/Managing Board no longer receive any variable remuneration or bonuses. In 2017 Willis Towers Watson conducted benchmark research comparing the incomes of the members of the Managing Board with the relevant reference market. The results of this research have been discussed with the Supervisory Board and show that the total income is substantially lower than the median for comparable positions both inside and outside the financial sector. A baseline has been in place since 2008 for the fixed incomes of the members of the Executive Board; these have not been adjusted for inflation since 2008.</p> <p>For further information, see the <a href="#">Remuneration</a> section in the Annual Report 2017.</p>
6.3	<p>The variable remuneration of a member of the executive board* will be set in accordance with national and international regulations.</p>	<p>As of 2013, the members of the Executive/Managing Board no longer receive any variable remuneration or bonuses.</p>

\* Rabobank's Supervisory Board introduced a new top management structure in 2017, with responsibility for the day-to-day management of Rabobank transferred on 1 September from the Executive Board to a Managing Board of ten members led by current chairman of the Executive Board Wiebe Draaijer.

The Managing Board consists of six statutory members:

- Wiebe Draaijer – CEO,
- Bas Brouwers – CFO,
- Petra van Hoeken – Chief Risk Officer (CRO),
- Berry Marttin – Rural & Retail International,
- Jan van Nieuwenhuizen – Wholesale International, and
- Kirsten Konst – Corporate Clients in the Netherlands

plus four non-statutory members:

- Marielle Lichtenberg – Retail Clients in The Netherlands,
- Bart Leurs - Chief Digital Transformation Officer (CDTO),
- Ieko Sevinga – Chief Information and Operations Officer (CIOO), and
- Janine Vos – Chief Human Resources Officer (CHRO).

The statutory members also form Rabobank's Executive Board. Where we refer to the Managing Board, its duties and responsibilities, this includes the Executive Board, its duties and responsibilities.