

Progress Report on the Banking Code - Rabobank Group

1. Sound and Ethical Operation

No.	Banking Code	Note Content
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 Rabobank 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 Sustainably Successful Together Program, 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: <i>excellent customer focus, meaningful cooperative, rock-solid bank, and empowered employees.</i></p> <p>Excellent Customer Focus</p> <p>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>Meaningful Cooperative</p> <p>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>Rock-Solid Bank</p> <p>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 'Risk Management Strategy' in the 'Risk Management' chapter of the Annual Report 2018.</p> <p>Empowered Employees</p> <p>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 'Rabobank at a Glance' chapter in the Annual Report 2018.</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.	As a result of Rabobank's cooperative structure, being governed by its members/clients, Rabobank's commercial interests and social role are interconnected. After years of operating under a multi entity cooperative structure, as of January 1, 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.
		For further information, see the Governance section in the Annual Report 2018 and on www.rabobank.com .
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.	As set out in the rules of procedure governing the Managing Board and Supervisory Board. These bodies share responsibility for the corporate governance structure and a robust and transparent organizational structure at Rabobank. The guidelines for corporate governance are evaluated at least once a year.
		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.
		The performance of the members of the Managing Board is regularly reviewed by the Supervisory Board, amongst others by a 360-review, to ascertain that the members are setting an example to the employees in their daily activities.
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.	Rabobank has its own Code of Conduct . 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.
		To encourage dialogue about attitude, conduct and the dilemmas associated with day-to-day work situations, Rabobank holds an annual worldwide 'Values Week'. The Values Week program 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.
		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.
		In addition -, all employees are required to complete the online courses comprising 'Rabo Right', which incorporates the desired values and behaviours on compliance, privacy, AML/CDD, risk 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.
		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 2018.
		The Managing Board and the Supervisory Board increasingly regard IT, data and AI, which is essential to innovation and digitalisation, as the driving force behind the bank's strategy. In addition, cyber security is a topic of concern to the boards. For these reasons, the Supervisory Board discusses these IT-related subjects in-depth regularly during its meetings. Throughout the year, the Managing Board and Supervisory Board also participate in Permanent Education (PE) sessions covering a wide range subjects related to a.o. development of relevant (inter)national rules and regulations, banking matters, risk management, and the subjects of IT, innovation and digitalisation.
		To underline the importance of IT, digitalisation and innovation, the Supervisory Board split these responsibilities in two portfolios: the Chief Information and Operations Officer (CIOO) and the Chief Digital Transformation Officer (CDTO).

2. Supervisory Board

No.	Banking code	Note Content
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.	Adherence to this principle is embedded in the rules of procedure for the Supervisory Board and in the profile based on that. The contents of both documents have been checked against the Dutch Banking Code and other rules, regulations and guidelines and, where necessary, are adapted to better align with the principles of these rules.

In accordance with the rules of procedure, the Supervisory Board has appointed an Audit Committee as well as a Risk Committee. De Rules of Procedure of these committees are published on the website of Rabobank.

In 2018 Rabobank implemented a Global Policy on Suitability together with related standards and procedures, based on the relevant EBA/ ESMA guidelines. The provisions of such Policy also apply to the members of the Supervisory Board – inasfar as relevant. By virtue of this policy, the areas of knowledge and experience, as well as other qualities and competences and time commitment considered necessary to the optimum collective operation of the Supervisory Board, will be assessed upon each (re)appointment to the Supervisory Board.

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 assesses 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 agree 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 each member of the Supervisory Board.

The Supervisory Board's succession plan proactively responds to internal and external developments and ensures its continued ability to perform as professionally and appropriately as possible.

For further background information see the [CVs](#) of the members of the Supervisory Board.

As for time commitment, one of the elements that play a role in the assessment is the execution/ acceptance of side functions by the board members. In addition to internal guidelines to that respect, Rabobank complies with Art. 3:8, Sections 3 and 4 of the Dutch Financial Supervision Act (Wet op het financieel toezicht [Wft]) and Art. 91, Sections 2 to 6, CRD IV, Directive 2013/36/EU, which state that members of executive boards and supervisory boards of significant banks and investment companies may not hold more than:

- one executive position and two non-executive positions; or
- four non-executive positions.

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.

The newly appointed members of the Supervisory Board have followed an onboarding program on a wide variety of topics, one of which being the social role of a bank and the interests of the various stakeholders.

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.

In accordance with its [rules of procedure](#), the Risk Committee consists of at least three members, including the chairman or deputy chairman of the Supervisory Board and the chairman of the Audit Committee.

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

All members of the Risk Committee 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.

these subjects.

The Audit Committee, in line with its [rules of procedure](#), consists of at least three members, including the chairman or the deputy chairman of the Supervisory Board and the Chairman of the Risk Committee. All members are also members of the Supervisory Board.

In addition to the requirements in the Global Policy on Suitability (and related standards and procedures), the composition of the Audit Committee is such that a number of members have an in-depth knowledge of internal control, accounting, financial reporting, audit and the developments in these areas, as well as recent and relevant experience in the financial markets or have the necessary experience to allow proper supervision of the aforementioned areas. Furthermore, the Audit Committee shall include at least one financial expert, i.e. a person who has competence in accounting and/or auditing, including the preparation and statutory audit of annual accounts. The Audit Committee possesses knowledge of information and communications technology and the compliance role.

For further background information, see the members' [CVs](#), which show that this principle has been applied.

2.3 The chair of the supervisory board will organise 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.

The Chairman of the Supervisory Board, in accordance with the [rules of procedure](#) 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 program and a program for continuing professional education (or Permanent Education (PE)).

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 evaluation performed by the supervisory board.

A yearly program for the PE-sessions for the Supervisory Board members is established. Next to the collective education, Supervisory Board members are also activated to follow individual education.

A fixed part of the annual evaluation of the members of the Supervisory Board is the effectiveness of the PE program. During these PE-sessions, all or nearly all members of the Supervisory Board will be present, as well as several members of the Managing Board.

The newly appointed Supervisory Board members receive an onboarding program consisting of, among others, in depth discussions with a range of managers and professionals within Rabobank and visits to Rabobank locations and activities, including local Rabobanks. Also, tailor-made training programs are set up to meet individual member's needs.

For more information, see the [Report of the Supervisory Board](#) in the Annual Report 2018.

2.4 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.

End 2018, beginning 2019, in accordance with this principle, the performance of the Supervisory Board was assessed by an external party.

For more information, see the [Report of the Supervisory Board](#) in the Annual Report 2018.

2.5 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.

The General Members Council, 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.

For further information see the [Remuneration section](#) in the Annual Report 2018.

3. Executive Board*

No.	Banking Code	Note Content
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.	<p>Rabobank's Managing Board is responsible for the overall management and governance of the bank, setting and executing the strategic priorities, the execution of (risk) policy and alignment with regulatory requirements, and decisions with a material impact on human resources. The Managing Board is composed of ten members, represented the ten domains of the bank. This assures expertise and involvement in the operational business of the bank, and a proximity to client interests. The Managing Board members participate in strategic and operational discussions, decisions and execution, based on the specific knowledge each brings to the table, with the collective responsibility for the bank in its entirety in mind. They cooperate closely, share expertise and experience, and share a group-wide and 'one bank' perspective.</p> <p>Next to the responsibility for their specific domain, each member of the Managing Board has a group-wide responsibility. The CEO, CFO, CRO, CIOO, the DTO and CHRO functions are group-wide roles. Business Clients, Retail Clients, Wholesale Clients and Rural & Retail International represent all key client segments. In addition, they have a group-wide responsibility: Business Clients is responsible for the regional directors, Wholesale Clients is responsible for Real Estate, Rural & 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>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 CVs of the Managing Board here.</p>
3.2	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>The CRO is responsible for preparing the Managing Board's decision-making on issues relating to risk management. These decisions directly relate to the implementation and arbitrage of the risk management function of Rabobank Group, for example through the formulation of a sound risk appetite statement (RAS), an analysis of the strategic/top risks for the coming year, which are discussed with and formulated in close cooperation with the Managing Board and subject to approval by the Supervisory Board each year.</p> <p>Furthermore, risk related decision-making of the Managing Board is supported by the Risk Management Committee Group, which consists of four members from the Managing Board, including the CRO, and representatives of the Risk</p>
	Risk management will also include a focus on the impact that systemic risk could have on the bank's risk profile.	

Management function, Finance & Control and Compliance (Chief Compliance Officer). This RMC Group reports to Rabobank's Managing Board. Moreover, when decision-making needs to take place on investment proposals, (new) business propositions and/or changes in the strategy, the CLR-domain (Compliance-Legal-Risk) and CFO-domain will provide independent opinions in order to fully capture all relevant considerations that need to be taken into consideration.

The impact of systemic risk on the bank's risk profile is an integral part of the risk function, and regular updates and deep dives take place on a variety of topics (e.g. interest rate scenarios, geopolitical developments, risk related to climate change, etc.).

Within Rabobank, a three lines of defence framework is in place and functioning. The CRO bears primary responsibility for the second line of defense functions of Compliance, Legal and Risk and operates as such independently from the commercial/business areas in the bank. The CRO reports at least once a year to the Supervisory Board on the strategy and risks connected to Rabobank's activities. Furthermore the Supervisory Board evaluates on annual basis the operational effectiveness of the Risk Management function. This self-assessment (together with the operational audit on the design and operating effectiveness of Rabobank's Risk Management function at central level) serves as input for such evaluation.

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.

The Managing Board members follow a Permanent Education programme, which is anchored in the Rules of Procedure of the Managing Board*. The programme is tailored to maintain and deepen knowledge and expertise of Managing, and Supervisory, Board members. In 2018 several PE sessions took place and covered a wide range of subjects related to CDD and AML, culture and leadership in the financial sector, risk management, digital and innovation (AI, Open Banking), and topics related to governance and recovery and resolution.

In addition to the Permanent Education programme, newly appointed members of the Managing Board (and Supervisory Board) follow a tailor-made onboarding programme involving several discussions with internal and external subject matter experts, and working visits.

4. Risk Policy

No.	Text of Banking Code	Note Content
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 management policy is established by the Managing Board. In line with previous years, the risk appetite is adopted by the Managing Board and approved (with an advice from the Risk Committee) 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 rules of procedure of the Supervisory Board and the Risk Committee, the Supervisory Board will supervise the policy setting by the Managing Board 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 periodically discussed on the basis of a report.</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.

5. Audit

No.	Banking code	Note Content
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 statement by the Managing Board 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.

6. Remuneration Policy

No.	Banking Code	Note Content
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 Vision on Remuneration, 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 (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. For example, Rabobank complies with Dutch and European legislation, maximizing variable pay to an average of 20% of fixed pay for employees working in the Netherlands, and a maximum of 100% for employees outside the Netherlands. Variable pay is not guaranteed and does not reward failure or misconduct. For all variable payments, several risk mitigating measures are in place, such as ex ante and ex post testing and the ability to apply malus or claw back. For Identified Staff the risk mitigating measures also include the division of the variable pay into a cash part and an instruments part as well as a deferral policy of three or five years. The Supervisory Board adopts the GRP as well as its annual updates and supervises its implementation by the Managing Board.</p> <p>The GRP is reflected in the Rabobank Collective Labour Agreement ("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 and the CLA no longer includes eligibility for variable pay. Variable remuneration has also been eliminated or limited for other groups of employees, and remuneration packages have been cut back. For example, only a select number of the executive positions are eligible for variable remuneration, dependent on the type of work and the business they operate in (such as specific commercial roles). The majority only receives a fixed salary. Also, a zero line (from 2012 up to and including 2018) was introduced in the Rabobank CLA upon which there was no collective salary adjustment. A multiannual baseline also applies to the Executive/Managing Board and the executives.</p> <p>For further information, see the Remuneration section in the Annual Report 2018.</p>

6.2	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.	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 (national and international) reference market. The results of this research have been discussed with the Supervisory Board and show that the total income of a member of the executive board is substantially lower than the median for comparable positions both inside and outside the financial sector. In 2018 two members of the Managing Board were re-appointed for another four years. No changes were made in their individual remuneration packages. Managing Board members are appointed for a period of four years, and for that same period, the individual remuneration is determined, without yearly salary adjustments. For further information, see the Remuneration section in the Annual Report 2018.
6.3	The variable remuneration of a member of the executive board* will be set in accordance with national and international regulations.	As of 2013, the members of the Executive/Managing Board no longer receive any variable remuneration or bonuses.

* 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 Draijer. The Managing Board consists of six statutory members: Wiebe Draijer – CEO, Bas Brouwers – CFO, Els de Groot – 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 - Digital Transformation Officer (DTO), 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.