

Articles of association

Coöperatieve Rabobank U.A.

Preamble

In order to implement these resolutions, the person appearing first declares the following:

Rabobank originated with enterprising individuals who had a keen sense of social responsibility. It became an organisation that has contributed to the development of society in the Netherlands and far beyond its borders. To remain true to its mission of providing people with access to financial services in service of society, Rabobank has been reinventing itself continuously, both in the banking business and in its management. Following intensive dialogue, the current generation is giving colour to the future structure and operation of Rabobank's governance with the amendment to the articles of association and the adoption of the rules that came into effect on the first day of January two thousand and sixteen. The commitment of the local banks to clients in their geographical regions and the pooling of all local banks into a single cooperative are the foundation of Rabobank's decentralised management.

Rabobank's governance is based on the following principles:

1. local banks give substance to clients' financial needs by providing transparent, honest and logical service across the entire spectrum;
2. each local bank uses the interplay between the local members' council, the management team and the local supervisory body to formulate its own vision on stimulating the development of its geographical region;
3. proceeding from a jointly determined collective framework, the management team bears the administrative responsibility for the local ambitions regarding clients, the market and the geographical region. The management team is inspired by an active local members' council and stimulated by a regionally involved local supervisory body with an all-round perspective on the organisation;
4. by contributing expertise, resources and by establishing connections, Rabobank is economically and socially relevant;
5. in order to maintain a strong collective position, the local banks collaborate with the supporting organisation in the Rabobank cooperative, which operates as a single powerful unit;
6. the Rabobank members are represented indirectly in the highest decision-making body, the general members' council.

In order to give direction to the Rabobank as a whole and to local banks' own contribution to this, the chairmen of the local supervisory bodies, appointed as delegates by the local members' councils, participate in the general members' council. In the exceptional event that the general members' council considers adopting resolutions to terminate the collaborative form of enterprise without this being required from a regulatory perspective, the local members' councils will be consulted even if this is not required according to the proposed amendment to the articles of association and the adoption of the rules that will come into effect on the same date as this deed of amendment to the articles of association. In carrying on the banking business, the management team will be supported by the executive board and, if necessary, it will be bound by the joint frameworks.

Given to its decentralised nature, the whole organisation is based on collaboration, both between the various components of Rabobank and through the combining of strengths with external parties to create economic and social initiatives. Understanding each other's background, having a common goal and acting decisively are all factors that determine success. The basic principle of collaboration is decentralised responsibility for the client and

the market. The direct feedback provided by members and clients is crucial to giving substance to the learning organisation principle ("**countervailing power**"). This countervailing power guarantees stability, confidence and long-term orientation when formulating and creating Rabobank's collective ambitions.

On the basis of the proposed governance, Rabobank will be able to remain true to its principles in a society that is changing at a whirlwind pace. Furthermore, top-down and large-scale organisation has reached its limits. People are once again taking on responsibility for themselves by doing business together in small, fluid units that link together smoothly to form a greater whole. This is exactly the method of organisation to which Rabobank has, for over a hundred years, owed its strength and will continue to do so. This creates a social breeding ground to add a meaningful chapter to the development of clients and society. The amendment to the articles of association and the adoption of the rules that came into effect on the first day of January two thousand and sixteen guarantees decentralised management and the achievement of this mission.

Chapter 1. General provisions.

Definitions.

Article 1.

The following terms in these Articles of Association are defined as follows:

- a. **Additional Tier 1 Instruments:** instruments issued by Rabobank that are classified as Additional Tier 1 Instruments under the Capital Requirements Regulation (Regulation No 575/2013) or legislation that replaces this regulation;
- b. **Departments:** organisational units of Members based on, among other things, geographical criteria (and, individually, a "**Department**");
- c. **Dependent Company:**
 - (i) a legal entity to which at least fifty per cent (50%) of the issued share capital has been provided by Rabobank or one or more Dependent Companies, solely or jointly, for their own account;
 - (ii) a company whose business is registered in the Trade Register and in respect of which Rabobank, as partner, is fully liable to third parties for all debts;
- d. **General Members' Council:** a body made up of delegates of the Members appointed by the Local Members' Councils;
- e. **DCC:** the Dutch Civil Code;
- f. **Directors' Conference:** the meeting of the Executive Board, the Management Team Chairmen and other invitees;
- g. **Management Team:** the Management Team Chairman and the Heads of Division together (and all Management Teams together: the "**Management Teams**");
- h. **Management Team Chairman:** a person holding the position of management team chairman who is the Management Team Chairman of a Local Bank (and all management team chairmen together: the "**Management Team Chairmen**");
- i. **Internal Financial Reporting:** the (internal) balance sheet and profit and loss account of a Local Bank;
- j. **Delegates' Election Assembly:** a body to which a Member has been allocated for the election of members to a Local Members' Council (and all delegates' election assemblies together: the "**Delegates' Election Assemblies**");
- k. **Regional Delegates' Assemblies:** organisational units to which the Departments and Local Banks have been allocated (and each individual regional delegates' assembly: a "**Regional Delegates' Assembly**");
- l. **Members' Acceptance Policy:** the policy containing more detailed frameworks regarding the acceptance and admission of Members;



- m. **Member:** a member of Rabobank (and all members of Rabobank together: the "**Members**");
- n. **Local Bank:** a unit of Rabobank's banking business in the Netherlands which is connected with a Department;
- o. **Local Bank Rules:** the rules that include, among other things, operational rules of the Departments;
- p. **Local Members' Council:** a body made up of delegates who have been appointed by a Delegates' Election Assembly (and all local members' councils together: the "**Local Members' Councils**");
- q. **Local Supervisory Body:** a local supervisory body (and all local supervisory bodies together: the "**Local Supervisory Bodies**");
- r. **Model Rules of the Delegates' Election Assemblies:** the model rules that include further rules about the responsibilities and activities of the Delegates' Election Assemblies and the allocation of the Members to Delegates' Election Assemblies;
- s. **Executive Board:** Rabobank's executive board;
- t. **Supervisory Board:** Rabobank's supervisory board;
- u. **Rabobank Group:** Rabobank and the legal entities and companies affiliated with it in a group;
- v. **Rabobank:** Coöperatieve Rabobank U.A.;
- w. **In Writing:** in writing or (with the exception of the provisions of Article 9.3 and the last sentence of Article 19.4) electronically in reproducible form;
- x. **Management Team Chairman Mandate:** the rules in which the Executive Board has conferred powers on each Management Team Chairman enabling him to perform his responsibilities;
- y. **Local Supervisory Body Mandate:** the rules in which the Executive Board has conferred powers on each Local Supervisory Body enabling it to perform its responsibilities;
- z. **Urgency Affairs Committee:** a body made up of delegates elected by and from among the members of the General Members' Council;
- aa. **Head of Division:** the director of a Local Bank who has been appointed for his specific area of expertise by the Management Team Chairman (and all heads of division of Local Banks together: the "**Heads of Division**");
- bb. **Apportionment Formula:** the percentage relationship between the Local Banks determined by the Executive Board once every three years according to the formula:
$$V = \frac{A+B+C}{\text{three}}$$

V = Apportionment Formula

A = percentage relationship between the sum of the balance sheet totals of a Local Bank in the three years preceding the year of determination of the Apportionment Formula, and the sum of the balance sheet totals of all Local Banks in the three years preceding the year of the determination of the Apportionment Formula;

B = percentage relationship between the sum of the equity capital of a Local Bank in the three years preceding the year of determination of the Apportionment Formula, and the sum of the equity capital of all Local Banks in the three years preceding the year of the determination of the Apportionment Formula;

C = percentage relationship between the sum of the commercial results of a Local Bank in the three years preceding the year of determination of the Apportionment Formula, and the sum of the commercial results of all Local Banks in the three years preceding the year of determination of the Apportionment Formula;

and taking into consideration that:



- (i) the term "balance sheet total" is understood to be the balance sheet total included in a Local Bank's Internal Financial Reporting;
 - (ii) the term "equity capital" is understood to be the amount referred to as equity capital in a Local Bank's Internal Financial Reporting;
 - (iii) the interpretation of the term "commercial result" and its calculation is reserved to the Executive Board;
 - (iv) in the event of a merger of a Local Bank, the balance sheet totals, equity capital and commercial results of the Local Banks involved in the merger will be added together in respect of the years prior to the merger;
 - (v) in the event of a demerger of a Local Bank, the balance sheet totals, equity capital and commercial results of the demerging Local Bank will, in respect of the years prior to the demerger, be added as proportionally as possible, at the discretion of the Executive Board, to those of the new Local Banks and deducted from the demerging Local Bank;
 - (vi) in the event that the commercial result and/or the equity capital of a Local Bank is negative in any year, a zero commercial result and/or equity capital will be assumed in respect of that year;
 - (vii) the Apportionment Formula will be rounded off to two decimal points;
- cc. **Employer's Rules:** the rules setting out the relationships between a Local Supervisory Body, the Executive Board and a Management Team Chairman regarding the employer's responsibilities with regard to a Management Team Chairman's employment relationship with Rabobank.

Name and seat.

Article 2.

- 2.1. The cooperative is called: Coöperatieve Rabobank U.A.
- 2.2. It has its seat in Amsterdam.

Object.

Article 3.

- 3.1. Rabobank's object is to promote the interests of its Members by:
 - a. conducting a banking business, providing other financial services, and, in that context, concluding agreements with its Members;
 - b. participating in, otherwise assuming an interest in, and managing other enterprises of any nature whatsoever, and financing third parties, providing security in any way whatsoever or guaranteeing the obligations of third parties;
 - c. contributing to society, including promoting economic and social initiatives and developments; and
 - d. performing any activities which are incidental to or may be conducive to this object.
- 3.2. Rabobank also extends its activities to parties other than its Members.

Chapter 2. Membership.

Quality Requirements for Membership.

Article 4.

- 4.1. Membership of Rabobank is only open to applicants who:
 - a. have full legal capacity;
 - b. are not bankrupt, are not subject to a debt management scheme and to whom no suspension of payments has been granted;
 - c. in the case of legal entities, have not been dissolved; and
 - d. are receiving one or more financial services from Rabobank.

4.2. The Executive Board may grant an exemption from the requirement set out in paragraph 1 under a.

Admission of Members.

Article 5.

- 5.1. The Executive Board adopts a Members' Acceptance Policy subject to the approval of the General Members' Council.
- 5.2. The Executive Board decides on admission within one month of receiving an application for membership. The Executive Board adopts this resolution in accordance with the Members' Acceptance Policy.
- 5.3. There is no appeal against a resolution to refuse membership.
- 5.4. Applicants are notified In Writing whether or not they have been admitted as a Member.

End of membership.

Article 6.

A Member's membership ends:

- a. in the case of a natural person, by his or her death and, in the case of a legal entity, when that legal entity ceases to exist;
- b. by termination by the Member;
- c. by termination by Rabobank; and
- d. by expulsion from membership.

Termination by the Member.

Article 7.

- 7.1. Members may terminate their membership with immediate effect.
- 7.2. Members may only terminate their membership In Writing.
- 7.3. Members who have terminated their membership receive confirmation In Writing thereof.

Termination by Rabobank.

Article 8.

- 8.1. Unless the provisions of paragraph 2 of this article apply, the Executive Board may terminate a Member's membership if:
 - a. the Member has ceased to meet the requirements set by the Articles of Association for membership; or
 - b. Rabobank cannot reasonably be required to continue the Member's membership.
- 8.2. The membership of a member of the Supervisory Board and of a chairman of a Local Supervisory Body may only be terminated by the General Members' Council. The membership of any other member of a Local Supervisory Body may only be terminated by the Executive Board, subject to the Supervisory Board's approval.
- 8.3. Termination as referred to in this article is effected In Writing.
- 8.4. A Member whose membership has been terminated by the Executive Board may appeal to the Supervisory Board within one month of receiving the notification referred to in paragraph 3 of this article. During the period set for appeal and pending the appeal, the Member concerned will be suspended from exercising any membership rights.
- 8.5. If membership is terminated, it ends once the Member has allowed the period set for appeal to expire without submitting an appeal or when the Supervisory Board declares the appeal to be unfounded. If the membership of a member of the Supervisory Board or a chairman of a Local Supervisory Body is terminated, membership ends immediately.

Expulsion from membership.

Article 9.

- 9.1. Unless the provisions of paragraph 2 of this article apply, the Executive Board may expel a Member from membership if that Member:
- a. acts contrary to Rabobank's Articles of Association, rules or resolutions; or
 - b. unreasonably causes damage to Rabobank.
- 9.2. A member of the Supervisory Board and a chairman of a Local Supervisory Body may only be expelled from membership by the General Members' Council. Any other member of a Local Supervisory Body may only be expelled from membership by the Executive Board, subject to the approval of the Supervisory Board.
- 9.3. The Executive Board notifies an expelled Member In Writing of the decision to expel as soon as possible, stating the reasons for expulsion.
- 9.4. A Member who has been expelled from membership by the Executive Board may appeal to the Supervisory Board within one month of receiving the notification referred to in paragraph 3 of this article. During the period set for appeal and pending the appeal, the Member concerned will be suspended from exercising any membership rights.
- 9.5. In the event of expulsion, membership ends once the Member has allowed the period set for appeal to expire without appealing or the Supervisory Board has dismissed the appeal as unfounded. If a member of the Supervisory Board or a chairman of a Local Supervisory Body is expelled from membership, the membership will end immediately.

Members' register.

Article 10.

Rabobank keeps a Members' register containing the name, address and place of residence of each Member. Members may solely inspect the Members' register in a manner to be determined by the Executive Board.

Exclusion of Members' liability.

Article 11.

Any liability of Members or former Members for contributing to a deficit of Rabobank is excluded.

Chapter 3. Rabobank bodies.

Rabobank bodies.

Article 12.

- 12.1. Rabobank has the following bodies:
- a. the General Members' Council;
 - b. the Urgency Affairs Committee;
 - c. the Supervisory Board;
 - d. the Executive Board;
 - e. Departments, each of which has one or more Delegates' Election Assemblies and a Local Members' Council; and
 - f. Local Supervisory Bodies.
- 12.2. Rabobank also has:
- a. Local Banks, each of which has a Management Team Chairman;
 - b. Regional Delegates' Assemblies; and
 - c. a Directors' Conference.

The General Members' Council.

Responsibilities of the General Members' Council.

Article 13.

- 13.1. The General Members' Council has the following responsibilities and powers in addition to the other responsibilities and powers set out in the Articles of Association:
- a. advising on resolutions of the Executive Board listed in Article 42.1;
 - b. approving resolutions of the Executive Board listed in Articles 42.2 and 42.3 and approving the resolution of the Supervisory Board listed in Article 27.4;
 - c. adopting the remuneration policy for the members of the Executive Board and, in accordance with Article 29, determining the remuneration of the members of the Supervisory Board;
 - d. appointing the members of the Supervisory Board, in accordance with Article 27;
 - e. adopting the annual accounts;
 - f. discharging the members of the Executive Board from liability for their management and discharging the members of the Supervisory Board from liability for their supervision;
 - g. engaging the external accountant;
 - h. resolving to amend Rabobank's Articles of Association;
 - i. resolving on a legal merger or legal demerger of Rabobank on the Executive Board's proposal, subject to the approval of the Supervisory Board;
 - j. resolving to dissolve Rabobank; and
 - k. terminating the membership of a member of the Supervisory Board or a chairman of a Local Supervisory Body, or expelling such a member from membership of that body or from membership of Rabobank.
- 13.2. In addition, the General Members' Council has all responsibilities and powers not allocated by law or by the Articles of Association to the Supervisory Board or the Executive Board.

Composition.

Article 14.

- 14.1. Without prejudice to paragraph 4 of this article, the General Members' Council is made up of the chairmen of the Local Supervisory Bodies.
- 14.2. The number of chairmen of the Local Supervisory Bodies equals the number of Departments. The Local Bank Rules provide for the manner of appointment, suspension and retirement of the chairmen of the Local Supervisory Bodies and thus, indirectly, the number of members and the composition of the General Members' Council. On the basis of the Local Bank Rules:
- a. the chairman of a Local Supervisory Body is appointed, suspended and dismissed by the Local Members' Council; and
 - b. the chairman of a Local Supervisory Body may also be suspended by the Local Supervisory Body.
- 14.3. A chairman of a Local Supervisory Body is a member of the General Members' Council as long as he is the chairman of a Local Supervisory Body.
A member of the General Members' Council ceases to form part of the General Members' Council if he is no longer the chairman of a Local Supervisory Body.
- 14.4. If a chairman of a Local Supervisory Body is prevented from acting or there is a vacancy for this position, and the chairman's responsibilities in the General Members' Council (including exercising the right to attend the General Members' Council and to cast his vote at it) can therefore not be performed, the deputy chairman of the Local Supervisory Body will be temporarily charged with these

responsibilities and the deputy chairman of the Local Supervisory Body will become a temporary member of the General Members' Council. If the deputy chairman of a Local Supervisory Body is also prevented from acting or there is a vacancy for this position, the longest-serving member of the Local Supervisory Body will be temporarily charged with these responsibilities and the longest-serving member of the Local Supervisory Body will become a temporary member of the General Members' Council. If all the members of a Local Supervisory Body are prevented from acting, or there is a vacancy for all of these positions, a member of the Local Members' Council designated by the Local Members' Council will be temporarily charged with the responsibilities of the chairman of the Local Supervisory Body. In that case, that member will become a temporary member of the General Members' Council.

Convocation of a meeting.

Article 15.

- 15.1. A General Members' Council is held at least twice a year. The General Members' Council is convened by (i) the Executive Board or (ii) the Supervisory Board.
- 15.2. The Executive Board must convene a General Members' Council:
- a. if Rabobank's interest requires this;
 - b. if so requested In Writing - with reference to the items to be discussed - by (i) ten members of the General Members' Council jointly or (ii) at least such number of members of the General Members' Council as is authorised to cast one tenth of the votes at a General Members' Council;
 - c. in all other cases prescribed by law or the Articles of Association.
- 15.3. If a request as referred to in paragraph 2 under b of this article is submitted, the Executive Board will ensure that a General Members' Council is convened within four weeks of the submission of the request. If a General Members' Council has not been convened within fourteen days of submission of the request, the members of the General Members' Council who submitted the request may convene a General Members' Council themselves.

Article 16.

- 16.1. The General Members' Council is convened In Writing.
- 16.2. There must be at least fourteen days between the day on which the notice convening the General Members' Council is sent and the day on which the General Members' Council is held.
- 16.3. The notice states the agenda, the venue and time of the General Members' Council meeting. The agenda is determined by the Executive Board and/or the Supervisory Board after the Coordination Committee has issued its advice. If a General Members' Council is convened on the basis of the last sentence of Article 15.3, the agenda will be determined by the persons submitting the request.
- 16.4. A matter which is requested In Writing as a discussion item by one or more members of the General Members' Council who is authorised, alone or jointly, to cast one tenth of the votes in a General Members' Council, will be
- a. included in the agenda attached to the notice; or
 - b. announced in the same manner as the notice,
- if Rabobank has received the request not later than the thirtieth day before the day of the General Members' Council and provided that Rabobank does not have any compelling interest to the contrary.
- 16.5. Subject to the provisions of Articles 53.1 and 54.1, resolutions may be adopted in the General Members' Council about matters that have not been placed on the agenda in accordance with the above provisions, unless (i) the chairman of the General Members' Council or (ii) one fifth or more of

the members of the General Members' Council with voting rights, regardless of the number of votes they are entitled to cast, oppose discussion of the matter.

Chairman.

Article 17.

- 17.1. The General Members' Council is presided over by the chairman of the Supervisory Board. In his absence, the General Members' Council is presided over by the deputy chairman of the Supervisory Board or, if he is absent as well, another member to be designated by the Supervisory Board from among its members.
- 17.2. If a General Members' Council is convened on the basis of the provisions of the last sentence of Article 15.3, the parties making the request will appoint a person to chair the General Members' Council.

Voting rights and participation.

Article 18.

- 18.1. The members of the General Members' Council have the right to vote in the General Members' Council.
- 18.2. The number of votes to be cast by a member of the General Members' Council is determined on the basis of the Apportionment Formula as most recently determined, whereby every one hundredth percent (0.01%) entitles the member to cast one vote. The applicable Apportionment Formula is the Appointment Formula of the Local Bank that is linked to the Department of which the member of the General Members' Council is a delegate. Each member of the General Members' Council has at least one vote.
- 18.3. A member of the General Members' Council may be represented in the General Members' Council by another member of the General Members' Council. Under no circumstances can a member of the General Members' Council cast votes for more than two other members of the General Members' Council.
- 18.4. The authorisation or power of attorney must be In Writing and must be submitted before the member of the General Members' Council can participate in the vote as a proxy.
- 18.5. The following persons are also admitted to the General Members' Council and have the right to take the floor in the General Members' Council:
- a. the members of the Executive Board;
 - b. the members of the Supervisory Board; and
 - c. third parties invited by the Executive Board, following consultation with the Coordination Committee.
- 18.6. The members of the Executive Board and the members of the Supervisory Board have an advisory vote in the General Members' Council.

Resolutions.

Article 19.

- 19.1. Unless provided otherwise by the law or the Articles of Association, resolutions of the General Members' Council are adopted by an absolute majority of the votes validly cast at a General Members' Council meeting at which at least as many members of the General Members' Council are present or represented as are necessary to cast at least half of the total number of votes that can be cast in a General Members' Council meeting.
- If the requisite number of members of the General Members' Council are not present or represented, then, within one month, a second General Members' Council meeting will be convened, which must



be held within two months. The second General Members' Council meeting may adopt resolutions by an absolute majority of the votes validly cast, regardless of the number of members of the General Members' Council who are present or represented at the meeting.

- 19.2. If a proposal does not receive the requisite majority, it will be rejected.
- 19.3. Blank and invalid votes will be considered not to have been cast.
- 19.4. The chairman of the General Members' Council determines the manner of voting. Votes are cast In Writing if the Executive Board, the Supervisory Board or one tenth of the members of the General Members' Council so request.

Minutes.

Article 20.

- 20.1. Minutes will be kept of the meeting of the General Members' Council. The chairman of the General Members' Council appoints one or more secretaries to keep the minutes of the proceedings.
- 20.2. The minutes are adopted at the next meeting of the General Members' Council and, in evidence of this, are certified by the chairman and/or the secretary of the relevant General Members' Council.

Committees.

Article 21.

- 21.1. The General Members' Council may, following consultation with the Executive Board, establish one or more committees.
- 21.2. The General Members' Council in any case establishes the Urgency Affairs Committee, the Coordination Committee and the Committee on Confidential Matters.

Urgency Affairs Committee.

Article 22.

- 22.1. The Urgency Affairs Committee is made up of as many members as there are Regional Delegates' Assemblies, who are appointed by and from among the members of the General Members' Council upon nomination by the Regional Delegates' Assembly, with each Regional Delegates' Assembly being able to nominate one person from among its members.
- 22.2. The Urgency Affairs Committee may exercise all powers and responsibilities held by the General Members' Council in urgent, price-sensitive or confidential matters.
- 22.3. The Executive Board determines whether a matter is urgent, price-sensitive or confidential as referred to in paragraph 2 of this article.
- 22.4. The provisions of Articles 15.1, last sentence, 16.1, 16.3, except the last two sentences, 16.5, 17.1, 18.1, 18.3 to 18.6, 19, 20, 42.2, last sentence, and 53 regarding the convocation, attendance and chairing of meetings as well as voting rights and resolutions apply *mutatis mutandis* to the Urgency Affairs Committee and its meetings. In addition:
 - a. with the exception of the instances referred to in Articles 53.1 and 54.1, there must be at least three days between the day on which the convening notice is sent and the day on which the Urgency Affairs Committee meeting is held; in very urgent cases, the Executive Board may shorten this period to one day;
 - b. in the instances referred to in Articles 53.1 and 54.1, there must be at least seven days between the day on which the convening notice is sent and the day on which the Urgency Affairs Committee meeting is held;
 - c. the members of the Urgency Affairs Committee each have one vote at an Urgency Affairs Committee meeting;



- d. the resolutions adopted by the Urgency Affairs Committee will be reported on at the next General Members' Council meeting, unless the Urgency Committee decides otherwise; and
- e. the minutes of the Urgency Affairs Committee meetings will be notified to the members of the General Members Council.

Coordination Committee.

Article 23.

- 23.1. The Coordination Committee is made up of:
 - a. a number of members to be determined by the General Members' Council, elected by and from among the members of the General Members' Council; and
 - b. the chairman of the Supervisory Board.
- 23.2. The Coordination Committee is responsible for:
 - a. ensuring that the debate and discussions in the General Members' Council are conducted properly;
 - b. monitoring and facilitating the proceedings of discussions and decision-making processes at Rabobank to the extent that they concern the General Members' Council; and
 - c. providing advice about setting the agenda of the General Members' Council.
- 23.3. The composition, responsibilities and working method of the Coordination Committee may be set out in further detail in rules adopted by the General Members' Council in consultation with the Executive Board.

Committee on Confidential Matters.

Article 24.

- 24.1. The Committee on Confidential Matters is made up of a number of members to be determined by the General Members' Council, elected by and from among the members of the General Members' Council.
- 24.2. The Committee on Confidential Matters is responsible for advising on the resolutions referred to in Articles 27.4, last sentence, 27.5, 27.13, 29 and 36.2, last sentence.
- 24.3. The composition, responsibilities and working method of the Committee on Confidential Matters may be set out in further detail in rules adopted by the General Members' Council in consultation with the Executive Board.

The Supervisory Board.

Responsibilities of the Supervisory Board.

Article 25.

- 25.1. The Supervisory Board:
 - a. supervises the conduct of affairs by the Executive Board and the general course of business at Rabobank and its affiliated enterprise(s);
 - b. supervises compliance with the provisions of the law, the Articles of Association and the rules;
 - c. advises the Executive Board; and
 - d. holds regular consultations with the Executive Board about the main points of Rabobank's policy and its affiliated enterprise(s).
- 25.2. Without prejudice to the provisions of paragraph 1 of this article, and in addition to the other responsibilities and powers assigned to the Supervisory Board in the Articles of Association, the Supervisory Board has the following responsibilities and powers:
 - a. appointing, suspending and dismissing members of the Executive Board and determining the number of members of the Executive Board, with due observance of Article 36;



- b. appointing the chairman and the deputy chairman or chairmen of the Executive Board;
 - c. setting the remuneration and the other terms of employment of the members of the Executive Board, with due observance of Article 37;
 - d. appointing one or more temporary members of the Executive Board in the event that any of them are prevented from acting or there is a vacancy for any of their positions, and taking measures in the event of a vacancy;
 - e. setting guidelines that bind the Executive Board when performing its responsibilities;
 - f. approving resolutions of the Executive Board referred to in Articles 8.2, 9.2, 41, 45.4, 47.2, 47.3, 47.4, 47.12 and 48.2;
 - g. auditing the annual accounts, the Executive Board's report and the data added to them; and
 - h. making decisions as an appeal body in the instances provided by or pursuant to the Articles of Association, and about disputes, in accordance with Article 52.
- 25.3. In performing their responsibilities, the members of the Supervisory Board will be guided by the interests of Rabobank and its affiliated enterprise(s).
- 25.4. The Supervisory Board may establish one or more committees from among its members, with the composition, responsibilities and working method of these committees being set out in rules.

Article 26.

- 26.1. The Executive Board provides the Supervisory Board in good time with all the information required for performing its responsibilities.
- 26.2. The Supervisory Board keeps itself informed about the course of business at Rabobank and its affiliated enterprises. The Supervisory Board and each individual member of the Supervisory Board is authorised to request all the information they require to the extent that it is relevant to the performance of their responsibilities.
- 26.3. The Supervisory Board and members of the Supervisory Board designated according to its rules are authorised:
- a. to examine at any time the accounting records as well as other records and other documents or data carriers held by Rabobank; and
 - b. to be assisted by one or more internal or external expert(s) to be designated by them in the context of their supervisory responsibility.

Composition and appointment.

Article 27.

- 27.1. The Supervisory Board is made up of at least seven natural persons. The number of members of the Supervisory Board is determined by the General Members' Council, with due observance of the provisions of the preceding sentence.
- 27.2. Two thirds of the number of members of the Supervisory Board must be Members. Persons who are not Members may not be appointed as members of the Supervisory Board if, as a result of their appointment, the number of members of the Supervisory Board that are Members is less than two thirds.
- 27.3. Members of the Supervisory Board may not be:
- a. persons employed by the Rabobank Group;
 - b. persons employed by a Dependent Company;
 - c. directors and persons employed by an employees' organisation involved in determining the terms of employment of the persons referred to in a and b; and
 - d. persons who are a member of a Local Members' Council or Local Supervisory Body.



- 27.4. The Supervisory Board determines the profile of the Supervisory Board, subject to the approval of the General Members' Council.
Having obtained the advice of the Committee on Confidential Matters, the Supervisory Board determines a job description for every vacancy to be filled on the Supervisory Board.
- 27.5. The members of the Supervisory Board are appointed by the General Members' Council upon nomination by the Supervisory Board.
The Committee on Confidential Matters advises the chairman of the Supervisory Board about the candidate to be nominated by the General Members' Council.
- 27.6. The General Members' Council, the Executive Board and the Works Council may recommend persons to the Supervisory Board to be nominated as members of the Supervisory Board.
The Supervisory Board will inform them in good time as to when and in consequence whereof a vacancy on the Supervisory Board must be filled.
- 27.7. The Supervisory Board will inform the General Members' Council, the Executive Board and the Works Council of the name of the person it has nominated.
- 27.8. When a person is recommended or nominated for appointment to the Supervisory Board, the candidate's age, profession and the positions he holds, or has held in the past, to the extent that these are of relevance to the performance of a member of the Supervisory Board's responsibilities, will be stated.
In addition, the names of the legal entities for which he already acts as a supervisory board member must be stated; if these include legal entities which form part of the same group, the name of the group will be sufficient. The reasons for the recommendation and the nomination must be provided.
- 27.9. The General Members' Council will appoint the nominee, unless the Works Council, within two months after the notification as referred to in paragraph 7 of this article, or the General Members' Council itself, no later than at the first meeting after those two months, objects to the nomination:
- a. on the grounds that the provisions of paragraph 6, second sentence, or paragraphs 7 and 8 of this article, have not been duly observed;
 - b. on the grounds of the expectation that the nominee will be unsuitable for the performance of a member of the Supervisory Board's responsibilities; or
 - c. on the grounds of the expectation that, in the event of the appointment as intended, the Supervisory Board will not be properly composed.
- The Supervisory Board will be informed of the objection and the reasons for it.
- 27.10. Notwithstanding the objection by the Works Council, the nominee may be appointed if, at the request of a representative designated by the Supervisory Board, the Enterprise Chamber of the Amsterdam Court of Appeal declares the objection unfounded.
At his request, the Enterprise Chamber will appoint the nominee if the General Members' Council has raised an objection or has not appointed him at a meeting convened for that purpose, unless the Enterprise Chamber considers an objection of the General Members' Council to be well founded.
A nominee who is thus appointed will not have the right to vote on resolutions concerning the appointment, suspension and dismissal of members of the Executive Board.
- 27.11. A defence may be put forward by a representative appointed for that purpose by the General Members' Council or by the Works Council that raised the objection referred to in paragraph 9 of this article.
- 27.12. For the purposes of this article, the Works Council will be understood to mean the Works Council of Rabobank or of a Dependent Company.
If there are two or more Works Councils, they will be equally competent.



The Works Council will not adopt a resolution as referred to in this article without having consulted the Executive Board or the management of the Dependent Company at least once.

27.13. Having obtained the advice of the Committee on Confidential Matters, the Supervisory Board appoints a chairman and his deputy/deputies from among its members.

It also appoints a secretary and his deputy/deputies who are not necessarily members.

27.14. A member of the Supervisory Board resigns no later than at the end of the first General Members' Council that is held after his membership of the Supervisory Board has lasted for four years since his most recent appointment.

If possible, every year, one quarter of the members of the Supervisory Board will resign in accordance with a rotation schedule drawn up by the Supervisory Board.

A resigning member of the Supervisory Board is eligible for immediate reappointment, with due observance of the provisions of paragraph 15 of this article.

27.15. A person who has been a member of the Supervisory Board for twelve years retires after the first meeting of the General Members' Council to be held after this period. He is then no longer eligible for reappointment.

Suspension and dismissal.

Article 28.

28.1. A representative designated by the Supervisory Board, by the General Member's Council or by the Works Council is authorised to request the Enterprise Chamber of the Amsterdam Court of Appeal (with the corresponding application of Article 27.12) to dismiss a member of the Supervisory Board:

- a. because he has neglected his responsibilities;
- b. due to other compelling reasons; or
- c. due to a radical change in the circumstances on the grounds of which maintaining his Supervisory Board membership may not reasonably be required of Rabobank.

28.2. A member of the Supervisory Board may only be suspended by the Supervisory Board.

The suspension lapses by operation of law if within one month after the beginning of the suspension no request as referred to in paragraph 1 of this article has been made to the Enterprise Chamber.

Remuneration.

Article 29.

Having obtained the advice of the Committee on Confidential Matters, the General Members' Council sets the remuneration of the members of the Supervisory Board.

Meetings.

Article 30.

30.1. The Supervisory Board meets at least six times a year. In addition, it meets as often as:

- a. the chairman considers this to be in the interest of Rabobank and its affiliated enterprise(s); or
- b. if at least one third of the members of the Supervisory Board or the chairman of the Executive Board have/has requested a meeting.

30.2. The chairman of the Supervisory Board convenes the Supervisory Board meetings with due observance of an eight-day period of notice.

In urgent cases, this period may be reduced to one working day.

If, after receiving a request as referred to in paragraph 1 under b of this article, the chairman has not sent a notice convening the meeting within three working days, the petitioners themselves may proceed to convene the meeting.

Attendance.

Article 31.

The members of the Executive Board attend the meetings of the Supervisory Board, unless the Supervisory Board decides otherwise.

Adopting resolutions.

Article 32.

32.1. Without prejudice to the provisions of paragraph 4 of this article, the Supervisory Board is authorised to adopt resolutions if at least half of the members of the Supervisory Board who are in office are present or represented.

Members of the Supervisory Board may grant a power of attorney In Writing to another member of the Supervisory Board to represent them at meetings. A member of the Supervisory Board may represent only one other member of the Supervisory Board.

32.2. All resolutions of the Supervisory Board are adopted by an absolute majority of the votes cast.

If no resolution is adopted after the first vote, a second vote will be held. If no resolution is adopted after the second vote either, the proposal will be rejected.

32.3. Blank votes and invalid votes are considered not to have been cast.

32.4. The Supervisory Board is also authorised to adopt resolutions without holding a meeting, provided this is done In Writing and provided that at least half of the members of the Supervisory Board in office vote in favour of the proposal in question. Such a resolution will be recorded by the secretary in the register of minutes, and all members of the Supervisory Board and all members of the Executive Board will be notified that that resolution has been adopted.

32.5. Minutes of the meeting are kept by one or more of the secretaries designated by the Supervisory Board who are not necessarily members of the Supervisory Board.

If voting is In Writing, the secretary or secretaries will also count the votes.

Rules.

Article 33.

With due observance of these Articles of Association, the Supervisory Board draws up rules detailing the rules governing its responsibilities and activities.

The members of the Supervisory Board may divide their activities among themselves.

The Executive Board.

Responsibilities of the Executive Board.

Article 34.

34.1. Subject to any limitations laid down in the Articles of Association, the Executive Board manages Rabobank.

34.2. In addition to the responsibilities and powers set out in these Articles of Association, the Executive Board has the following responsibilities and powers:

- a. entering into collective labour agreements;
- b. deciding on the admission, termination and expulsion of Members, with due observance of Articles 5 to 9;
- c. determining and implementing the policy to be pursued and the strategy of Rabobank, with due observance of Article 42.3;
- d. preparing an annual plan and budget for Rabobank with due observance of Article 48.2, and approving the strategic policy plan, the annual plan and the budget of a Local Bank as prepared by the Management Team;



- e. submitting proposals for amending Rabobank's Articles of Association and for a legal merger or demerger of Rabobank;
 - f. granting written mandates, powers of attorney or proxies (*procuratie*) and amending these, stating the acts for which they apply;
 - g. preparing the annual accounts and the Executive Board's report;
 - h. determining the Local Bank Rules, the Employer's Rules and the Model Rules of the Delegates' Election Assemblies, with due observance of Articles 41 and 42.2;
 - i. determining the Members' Acceptance Policy, with due observance of Article 42.3;
 - j. setting the frameworks for the division of the Departments, with due observance of Article 42.3;
 - k. determining the number of Regional Delegates' Assemblies, and the division of the Departments and Local Banks into Regional Delegates' Assemblies, with due observance of Article 42.3;
 - l. issuing advice about the determination of the rules of the Supervisory Board and the rules for its committees;
 - m. adopting the Management Team Chairman Mandate, the Local Supervisory Body Mandate and the rules for the Local Supervisory Bodies, with due observance of Articles 41 and 42.2, and determining the model profile for the Local Supervisory Bodies and the model profile for the position of chairman of the Local Supervisory Bodies, with due observance of Article 42.3;
 - n. issuing and withdrawing participation rights, approving the transfer of participation rights, determining the payments on the participation rights and determining the regulations on participation rights, with due observance of Articles 41 and 47.
- 34.3. In performing its responsibilities, the Executive Board is obliged to consult regularly with the Supervisory Board.
- 34.4. The Executive Board is obliged to observe the guidelines laid down by the Supervisory Board.

Provision of information.

Article 35.

- 35.1. Without prejudice to the provisions of Article 26, the Executive Board will at all times allow the Supervisory Board and members of the Supervisory Board, to be specified in the rules of the Supervisory Board, to inspect the accounting records, other records and other documents held by Rabobank and other data carriers of Rabobank.
- 35.2. The Executive Board provides the Supervisory Board and each individual member of the Supervisory Board with information whenever it is requested.

Composition and appointment.

Article 36.

- 36.1. The Supervisory Board determines the number of members of the Executive Board. The Executive Board has at least two members. Only natural persons may be appointed as members of the Executive Board.
- 36.2. Having obtained the advice of the Executive Board, the Supervisory Board determines the profile of the Executive Board. Having obtained the advice of the Committee on Confidential Matters, the Supervisory Board also determines a job description for every vacancy to be filled on the Executive Board.
- 36.3. The members of the Executive Board are appointed by the Supervisory Board, with due observance of the last sentence of Article 27.10.

The Supervisory Board appoints a chairman from the Executive Board and may appoint one or more deputy chairmen.

- 36.4. A member of the Executive Board may be suspended and dismissed at any time by the Supervisory Board, with due observance of the last sentence of Article 27.10.

A resolution to suspend must state the period for which it applies. If no other resolution is adopted during that period, the suspension will cease to have effect.

- 36.5. If one or more members of the Executive Board are prevented from acting or if there are one or more vacancies, the remaining members or the only remaining member of the Executive Board will be temporarily in charge of the management.

If all members of the Executive Board are prevented from acting or their positions are vacant, the Supervisory Board will be temporarily charged with the management; the Supervisory Board will then be authorised to appoint one or more temporary members of the Executive Board.

In the event of absence of one or more members, the Supervisory Board will, as soon as possible, take the necessary measures to come to a definitive arrangement.

Remuneration.

Article 37.

The General Members' Council determines the remuneration policy for members of the Executive Board. With due observance of this remuneration policy, the Supervisory Board sets the remuneration and other terms of employment of the members of the Executive Board.

Convocation of meetings.

Article 38.

- 38.1. Meetings of the Executive Board are convened and presided over by the chairman of the Executive Board and, in his absence, by the deputy chairman or, if the latter is also absent, by the longest-serving member of the Executive Board.

- 38.2. The chairman of the Executive Board is obliged to convene a meeting of the Executive Board if two or more other members of the Executive Board so request, in which case the meeting must be held within eight days or within a longer period as determined by the petitioners.

Adopting resolutions.

Article 39.

- 39.1. All resolutions of the Executive Board are adopted by an absolute majority of the votes cast at a meeting attended by at least two of its members.

If the votes are tied, the proposal will be rejected, unless a member of the Executive Board takes the view that the decision of the Executive Board cannot be postponed. In that case the proposal will be submitted for the advice of the Supervisory Board.

- 39.2. The Executive Board is also authorised to adopt resolutions without holding a meeting, provided this is done In Writing and provided that more than half of the members of the Executive Board in office vote in favour of the proposal in question.

Minutes.

Article 40.

Minutes of the meetings of the Executive Board are kept by one or more secretaries designated by the Executive Board. If voting is In Writing, the secretary or secretaries will also count the votes.

The minutes are adopted and, in evidence thereof, are certified by one or more of the secretaries designated by the Executive Board.

Approval by the Supervisory Board.

Article 41.

The approval of the Supervisory Board is required for the following resolutions of the Executive Board:

- a. the issuing of debt instruments payable by Rabobank;
- b. the issuing of debt instruments payable by a limited or general partnership of which Rabobank is a fully liable partner;
- c. applying for admission to trade the debt instruments referred to in a and b on a regulated market or a multilateral trading facility, as referred to in section 1:1 of the Dutch Financial Market Supervision Act (*Wet op het financieel toezicht*), or a system similar to a regulated market or a multilateral trading facility in a State that is not a Member State, or applying for the withdrawal of such admission;
- d. entering into or severing any long-term cooperation of Rabobank or a Dependent Company with another legal entity or company or as a fully liable partner in a limited or general partnership if such cooperation or severance is of strategic importance to Rabobank;
- e. for Rabobank or a Dependent Company:
 - (i) to acquire a participating interest in the capital of a company (which includes incorporating); or
 - (ii) to acquire an enterprise or parts of one through an assets and/or liabilities transaction, if its value is at least one hundred and twenty-five million euro (EUR 125,000,000) or, if this is lower, at least one quarter of the amount of Rabobank's equity capital according to Rabobank's balance sheet with notes, as well as a significant increase or decrease thereof (which includes divestment);
- f. investments and disposals involving an amount equal to or greater than one hundred and twenty-five million euro (EUR 125,000,000) or, if this is lower, equal to at least one quarter of the amount of Rabobank's equity capital according to its balance sheet with notes;
- g. proposals for amending the Articles of Association or the participation rules;
- h. filing winding-up petitions and applying for a moratorium on payments;
- i. terminating the employment contracts of a considerable number of employees of Rabobank or of a Dependent Company at the same time or within a short time span;
- j. radical changes in the terms of employment of a considerable number of employees of Rabobank or of a Dependent Company;
- k. acquiring, alienating, encumbering, hiring or letting movable and immovable property and constructing buildings for the benefit of Rabobank if this involves an amount of at least one hundred twenty-five million euro (EUR 125,000,000.00) or if this exceeds a certain alternative limit set by the Supervisory Board in a resolution to that effect;
- l. proposals for a legal merger or legal demerger to which Rabobank is a party;
- m. adopting Rabobank's annual plan and budget;
- n. issuing participation rights, determining a different nominal value of the participation rights and withdrawing participation rights, in accordance with the provisions of Article 47;
- o. conferring the title of director on persons employed by Rabobank (other than conferring the title of chairman on a Management Team Chairman or Head of Division);
- p. adopting or amending the Management Team Chairman Mandate, the Local Supervisory Body Mandate, the Executive Board rules, the Local Bank Rules, the Model Rules of the Delegates' Election Assemblies, the Local Supervisory Body rules or the Employer's Rules;
- q. terminating the membership of a member of a Local Supervisory Body (other than the chairman of a Local Supervisory Body) or expelling such a member from membership of that body or from membership of Rabobank;



- r. a proposal to dissolve Rabobank; and
- s. other matters that are clearly described in a resolution of the Supervisory Board and notified to the Executive Board.

Advice and approval by the General Members' Council.

Article 42.

- 42.1. Advice from the General Members' Council is required for resolutions by the Executive Board:
 - a. for Rabobank or a Dependent Company:
 - (i) to acquire a participating interest in the capital of a company (which includes incorporating); or
 - (ii) to acquire an enterprise or parts of it through an assets and/or liabilities transaction, if its value is at least two hundred and fifty million euro (EUR 250,000,000), as well as a significant increase or decrease thereof (which includes divestment), with the exception of:
 - (A) transactions in the context of the Rabobank Group's ordinary conduct of business: and
 - (B) capital contributions or capital withdrawals (or equivalent legal acts) in favour of or at the expense of a company of which Rabobank directly or indirectly holds all the shares;
 - b. investments and disposals (other than as referred to in a) involving an amount of at least two hundred and fifty million euro (EUR 250,000,000);
 - c. entering into or severing any long-term cooperation of Rabobank or a Dependent Company with another legal entity or company or as a fully liable partner in a limited or general partnership if such cooperation or severance is of strategic importance to Rabobank.
- 42.2. Approval from the General Members' Council is required for resolutions by the Executive Board regarding:
 - a. a major change in the identity or character of Rabobank or the enterprise, including in any case:
 - (i) transfer of the enterprise or virtually the entire enterprise to a third party;
 - (ii) Rabobank or a Dependent Company:
 - (A) to acquire a participating interest in the capital of a company (which includes incorporating); or
 - (B) to acquire an enterprise or parts of it through an assets and/or liabilities transaction, if its value is at least two billion euro (EUR 2,000,000,000), as well as a significant increase or decrease thereof (which includes divestment), with the exception of:
 - (a) transactions in the context of the Rabobank Group's ordinary conduct of business: and
 - (b) capital contributions or capital withdrawals (or equivalent juristic acts) in favour of or at the expense of a company in which Rabobank directly or indirectly owns all the shares; and
 - (iii) investments and disposals (other than as referred to in b) involving an amount of at least two billion euro (EUR 2,000,000,000);
 - b. adoption or amendment of the Local Bank Rules;
 - c. adoption or amendment of the Model Rules of the Delegates' Election Assemblies;
 - d. adoption or amendment of the Employer's Rules;
 - e. adoption or amendment of the Management Team Chairman Mandate or the Local Supervisory Body Mandate; and

f. adoption or amendment of the Local Supervisory Body rules.

A resolution as referred to in this paragraph may only be adopted by the General Members' Council by a three-quarters majority of the votes validly cast at a General Members' Council meeting at which at least as many members of the General Members' Council are present or represented as are necessary to cast at least two-thirds of the total number of votes that can be cast in a General Members' Council meeting.

If the requisite number of members of the General Members' Council are not present or represented, then, within one month, a second General Members' Council meeting will be convened which must be held within two months. This second General Members' Council meeting is authorised, by an absolute majority of the votes validly cast, to adopt resolutions regardless of the number of members of the General Members' Council who are present or represented at the meeting.

42.3. Approval from the General Members' Council is also required for resolutions by the Executive Board about:

- a. determining the general basic premises of Rabobank's identity;
- b. determining Rabobank's strategic frameworks;
- c. determining the Members' Acceptance Policy;
- d. determining the frameworks for dividing the Departments;
- e. determining and altering the number of Regional Delegates' Assemblies and the allocation of the Departments and Local Banks to Regional Delegates' Assemblies;
- f. determining and altering the model profile of the Local Supervisory Bodies and the model profile for the position of chairman of the Local Supervisory Bodies; and
- g. determining the main points of Rabobank's annual plan and budget.

Representation, mandate, power of attorney and proxy.

Article 43.

43.1. The Executive Board is authorised to represent Rabobank. The power of representation may also be exercised by two members of the Executive Board acting jointly.

43.2. If a member of the Executive Board privately concludes an agreement with Rabobank (not including the concluding or amending of agreements that Rabobank would normally conclude with employees subject to the terms and conditions that normally apply to other employees as well) or privately conducts any legal proceedings against Rabobank, Rabobank will be represented by a member of the Supervisory Board designated by the Supervisory Board for that purpose.

However, the General Members' Council may designate one or more persons to represent Rabobank in all cases where Rabobank has a conflict of interest with one or more members of the Executive Board or the Supervisory Board. Such persons may also be the member of the Executive Board with whom the conflict of interest exists.

If a member of the Executive Board has a conflict of interest with Rabobank other than as described in the first sentence of this paragraph, he and any other member of the Executive Board will remain authorised to represent Rabobank with due observance of the provisions of paragraph 1 of this article.

43.3. The Executive Board may grant a mandate, power of attorney or proxy In Writing, stating the actions to which it applies.

Rules and division of responsibilities.

Article 44.

With the approval of the Supervisory Board and with due observance of these Articles of Association, the Executive Board will draw up rules in which the rules governing its responsibilities and activities are specified.

With the approval of the Supervisory Board, the Executive Board may divide its responsibilities among its members.

Chapter 4. Departments and Regional Delegates' Assemblies.

Departments. Local Bank Rules.

Article 45.

- 45.1. The Members are allocated to Departments. With the approval of the General Members' Council, the Executive Board determines the frameworks for allocating the Members to Departments. Each Member belongs to a Department.
- 45.2. The number and division of the Departments may be altered by the Local Members' Councils by merging, thus creating a new Department, and/or demerging a Department in accordance with the Local Bank Rules.
- 45.3. The working method of the Departments and the working method, responsibilities and powers of the Regional Delegates' Assemblies, Local Members' Councils and Local Supervisory Bodies are regulated in the Local Bank Rules.
- 45.4. The Local Bank Rules may be amended by the Executive Board subject to the approval of the General Members' Council and the Supervisory Board.

Regional Delegates' Assemblies.

Article 46.

- 46.1. The Local Banks and Departments are allocated to Regional Delegates' Assemblies. A Department and a Local Bank may only belong to one Regional Delegates' Assembly. The number and division of the Regional Delegates' Assemblies is determined by the Executive Board subject to the approval of the General Members' Council. If a member of a Regional Delegates' Assembly requests to be allocated to another Regional Delegates' Assembly, the Executive Board is authorised to alter the allocation of that Member after having obtained the advice of the Regional Delegates' Assemblies in question.
- 46.2. The Regional Delegates' Assemblies are responsible for:
 - a. strengthening the connection and relations between the members of the Regional Delegates' Assembly and their Local Banks and Departments, and between the members of the Regional Delegates' Assembly and their Local Banks and Departments on the one hand and Rabobank on the other hand;
 - b. discussing matters that are to be dealt with at a General Members' Council meeting;
 - c. consulting as to how the Local Banks can cooperate to provide a stimulus to society in the region;
 - d. providing a platform for discussing the interests of the Departments and Local Banks, Rabobank and the cooperative banking sector in general; and
 - e. informing and advising members of the Regional Delegates' Assembly and Rabobank.
- 46.3. Each Regional Delegates' Assembly meets at Regional Delegates' Assembly meetings. The Management Team Chairmen and the chairmen of the Local Supervisory Bodies, or their deputies from the Departments and Local Banks who have been allocated to the Regional Delegates' Assembly, participate in the Regional Delegates' Assembly meetings.
- 46.4. A Regional Delegates' Assembly may also meet at a Plenary Regional Delegates' Assembly meeting. All members of the Management Team and all members of the Local Supervisory Bodies of the Departments and Local Banks who have been allocated to the Regional Delegates' Assembly participate in the Plenary Regional Delegates' Assembly meeting.

46.5. Each Regional Delegates' Assembly has a Regional Delegates' Assembly board to which it assigns responsibilities in order to facilitate the functioning of the Regional Delegates' Assembly.

Chapter 5. Participation rights.

Participation rights.

Article 47.

- 47.1. Rabobank may issue registered participation rights, the rights to which are determined by or pursuant to these Articles of Association and the applicable participation rules. No payments are made on participation rights other than those mentioned in this article.
- 47.2. The participation rules are adopted and amended pursuant to a resolution of the Executive Board subject to the Supervisory Board's approval. An amendment to the Articles of Association or Rabobank's participation rules may also lead to a change to the participation rights or the nature of the participation rights. Amendment to the Articles of Association or adoption of or amendment to the participation rules does not require the approval of the holders of the participation rights.
- 47.3. The resolution to issue participations will be adopted by the Executive Board subject to the approval of the Supervisory Board. No participation certificates will be issued.
- 47.4. The participation rights each have a nominal value of twenty-five euro (EUR 25), or any other amount specified by the Executive Board subject to the Supervisory Board's approval.
- 47.5. If participation rights are issued at the same nominal value as previously issued participation rights, they will belong to the same class of participation right, unless the Executive Board decides at the time of issue that the newly issued participation rights will constitute a separate class of participation right. If participation rights are issued at a nominal value that is different from that of participation rights already issued, the newly issued participation rights will constitute a different class.
- 47.6. Participation rights do not confer on their holder the right to attend the General Members' Council meeting or the right to vote.
- 47.7. A transfer of participation rights requires the prior approval of the Executive Board. Failing such approval, the transfer does not have legal effect.
Participation rights are to be transferred by a private or other deed and notification thereof to Rabobank. Participation rights may not be made subject to a right of pledge or right of usufruct.
- 47.8. Holders of participation rights may issue depositary receipts for participation rights. Holders of such depositary receipts for participation rights have no rights vis-à-vis Rabobank.
- 47.9. Payments may be made on participation rights. Payments will be made from the profits or the reserves pursuant to a resolution of the Executive Board. The nominal value of the participation rights will not be repaid to the holders, except in the instances referred to in paragraphs 12 and 13 of this article.
- 47.10. The Executive Board may decide to consolidate different classes of issued participation rights with the same nominal value into one class of participation rights.
- 47.11. Rabobank keeps a precise record of the issue, transfer and transmission of participation rights. This record, which should, in particular, specify the nominal value of the different classes of participation rights and the dates of issue, transfer and transmission, constitutes conclusive evidence with regard to the participation rights.
- 47.12. Subject to the Supervisory Board's approval, the Executive Board may resolve to:
- a. cancel participation rights for which Rabobank itself holds the depositary receipts;
 - b. cancel participation rights of a certain class, provided that an amount equal to the nominal value of the relevant participation right is repaid on each participation right of that class.



- 47.13. If Rabobank is dissolved without its business being continued by another legal entity on the basis of Article 54.2, then an amount will be repaid on each participation right in accordance with the provisions of Article 54.7.
- 47.14. The participation rights and the claims attached thereto may not be submitted or validated in a judicial or extra-judicial liquidation, insolvency, an emergency scheme as referred to in section 3:160 of the Dutch Financial Market Supervision Act or in similar situations in a jurisdiction other than the Netherlands, nor may they be set off.

Chapter 6. Annual Accounts and profit appropriation.

Rabobank's financial year, annual plan and budget.

Article 48.

- 48.1. The financial year coincides with the calendar year.
- 48.2. Before the beginning of every financial year, the Executive Board prepares an annual plan and a budget. The annual plan and the budget must be approved by the Supervisory Board. The main points of the annual plan and the budget must be approved by the General Members' Council.
- 48.3. The entire or partial lack of approval from the Supervisory Board or the General Members' Council, as referred to in paragraph 2 of this article, will not affect the Executive Board's authority to perform any actions required within the ordinary course of business. If this approval is lacking, either entirely or in part, then, within three months, (i) the amended budget must be re-submitted for the approval of the Supervisory Board or (ii) the main points of the amended budget must be re-submitted for the approval of the General Members' Council.

Rendering of account.

Article 49.

- 49.1. Every year, before the first of July, the Executive Board renders account of its management activities in the previous financial year in the General Members' Council.
- 49.2. The Executive Board is responsible for preparing the annual accounts and the Executive Board's report. The annual accounts and the Executive Board's report are submitted before the first of April to the Supervisory Board, which will examine them.
- 49.3. Once they have been prepared, the annual accounts are signed by the members of the Executive Board and the members of the Supervisory Board. If the signature or signatures of one or more of them is missing, that fact and the reasons for it shall be stated.
- 49.4. The annual accounts are adopted by the General Members' Council.

Profit appropriation.

Article 50.

- 50.1. On the basis of a resolution of the Executive Board, the profit may be used to:
- a. make payments on participation rights; and
 - b. make payments on Additional Tier 1 Instruments.
- The profit then remaining will be added to Rabobank's general reserve.
- 50.2. On the basis of an Executive Board resolution, interim distributions from the profit and/or the result may be made to the holders of participation rights and the holders of Additional Tier 1 Instruments.

Reserves.

Article 51.

- 51.1. While Rabobank continues to exist, the reserves may not be distributed among the Members, either wholly or in part.

51.2. The Executive Board may make payments on the participation rights and/or the Additional Tier 1 Instrument from the reserves.

51.3. If it is decided to dissolve Rabobank with a view to having its business continued by another legal entity or institution, these reserves will accrue to that other legal entity or institution.

Chapter 7. Regulations on appeals and settlement of disputes.

Appeals and settlement of disputes.

Article 52.

52.1. If a dispute arises between a Local Members' Council, a Local Supervisory Body or a Management Team and the Executive Board and no other provision for its settlement has been made in these Articles of Association, the parties concerned may apply to the Supervisory Board in order to have their dispute settled by way of binding advice.

In such a case, the request for settlement of the dispute is to be brought to the notice of the Supervisory Board by all the parties In Writing, stating with reasons the positions taken by each of them.

The Supervisory Board will then decide on the procedure to be pursued, with in any case both sides of the argument being heard.

The decision of the Supervisory Board, which is binding, will be made known as soon as possible.

52.2. In rules and regulations adopted pursuant to these Articles of Association, the Supervisory Board may be designated as an appeal body and rules may be issued about the procedure to be pursued for the disputes referred to in paragraph 1 of this article.

52.3. The provisions of paragraph 1 of this article apply *mutatis mutandis* to any dispute between one or more holders of participation rights and Rabobank.

Chapter 8. Amendment to the Articles of Association, legal merger, demerger and dissolution.

Amendment to the Articles of Association, change in corporate form, legal merger and demerger.

Article 53.

53.1. These Articles of Association may only be amended by a resolution of the General Members' Council adopted by a majority of at least three-quarters of the votes validly cast at a meeting at which at least as many members of the General Members' Council are present or represented as would be required to cast two-thirds of the total number of votes at a General Members' Council meeting.

53.2. If the required number of members of the General Members' Council is not present or represented, another General Members' Council meeting will be convened within one month, which must then be held within two months.

The second General Members' Council is authorised, by a majority of at least three quarters of the votes validly cast, to adopt a resolution to amend the Articles of Association, regardless of the number of members of the General Members' Council who are present or represented at the meeting.

53.3. The convening notice for a General Members' Council in which an amendment to the Articles of Association is to be discussed must state that an amendment to the Articles of Association will be proposed.

53.4. The persons convening a General Members' Council to discuss a proposed amendment to the Articles of Association must make available a copy of the proposal containing the verbatim text of the proposed amendment at the offices of Rabobank for inspection by any member of the General Members' Council, no later than on the fourteenth day before the meeting until the end of the day on which the meeting is to be held.



Failing this, no resolution on the proposal may be adopted unless all the members of the General Members' Council are present or represented and the resolution to amend the Articles of Association is adopted unanimously.

- 53.5. A resolution to effect a change in corporate form, legal merger or a legal demerger is adopted in the same manner as described in this article for a resolution to amend the Articles of Association. The General Members' Council may only adopt a resolution to effect a change in corporate form after the Local Members' Councils have been heard.

Dissolution and liquidation.

Article 54.

- 54.1. A resolution to dissolve Rabobank may be adopted in the same manner as described in Article 53 for a resolution to amend the Articles of Association, regardless of whether or not such dissolution is effected with a view to having Rabobank's business continued by another legal entity or institution. The General Members' Council may only adopt a resolution to dissolve Rabobank after the Local Members' Councils have been heard.
- 54.2. If Rabobank is dissolved with a view to having its business continued by another legal entity or institution, it will transfer all its assets and liabilities without liquidation.
In other cases of dissolution, the provisions of the following paragraphs of this Article apply.
- 54.3. The liquidation will be effected by the Executive Board, unless the General Members' Council appoints other liquidators.
- 54.4. During the liquidation, the provisions of these Articles of Association will remain in force as far as possible and to the extent that they are not contrary to the nature of the liquidation on the understanding that, if the General Members' Council appoints other liquidators than the members of the Executive Board, the powers and responsibilities conferred by these Articles of Association on the Executive Board will be transferred to those other liquidators.
- 54.5. Upon completion of the liquidation and, if the liquidation takes more than one year, at the end of each calendar year, the liquidators will render account to the General Members' Council.
- 54.6. The agenda for the General Members' Council that includes the rendering of account referred to in paragraph 5 of this article will also include as an agenda item the liquidators' discharge from liability and, to the extent necessary, the Executive Board's discharge from liability for the conduct of affairs.
- 54.7. Any surplus arising from the liquidation will first be used to repay the nominal value of the participation rights. If the surplus is not sufficient for this, an amount will be repaid on the participation rights *pro rata* to the total nominal value of the issued participation rights in relation to the surplus.
Any balance remaining after the first sentence of this paragraph has been put into effect will be used for one or more purposes of general interest to be decided by the General Members' Council after the Local Members' Councils have been heard.
- 54.8. A surplus arising from the liquidation may not be divided among the Members.