

25 March 2025

FMO AND THE DUTCH BANKING CODE 2024

The Dutch Banking Code (hereinafter also called: the "Code") was introduced in 2010 so that banks would commit to and account for treating their customers with care, while balancing the interests of the various stakeholders. The Code has played a significant role since its introduction and many of its principles on the Supervisory Board, Management Board, risk management, audit and remuneration policy have since been incorporated into legislation. The introduction of this Code has contributed to banks having strengthened their governance and risk management and specifically making the interests of their customers more central.

Subsequently, the Code was updated at the end of 2014. The principles in the 2014 Code which have been incorporated in legislation and regulation are not repeated in the subsequent Banking Code(s). In 2021, the Code was supplemented on two points to clarify texts on the safeguarding of social interests and on remuneration policy.

The Banking Code applies to all activities performed in or directed towards the Netherlands by banks established in the Netherlands and licensed by the Dutch Central Bank (De Nederlandsche Bank) pursuant to Section 2:11 of the Financial Supervision Act. The Banking Code therefore applies to (most activities of) FMO.

The Banking Code is designed to make a major contribution to public trust in banks and their role in the community. Consequently, the principles in the updated Code emphasise the importance of sound and ethical operation by banks and set this out in the principles for the Management Board and Supervisory Board, proper risk management, thorough audit processes and a sound, balanced and sustainable remuneration policy.

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1 INTRODUCTION

FMO reports by means of this document on how it applies the Banking Code principles and - where applicable - explains if, and why a principle is not (entirely) applied. The application of the principles depends in part on the activities and other specific characteristics of the bank (and of the group if the bank is part of a group). There are differences in many areas between the banks that are covered by the Code. For example, they have different corporate governance structures, operate in different markets or submarkets and may have a national or international focus. Departures from the Code, if substantiated, can therefore be justified.

Please find extracts of the Banking Code 2014, supplemented in 2021, in standard characters below. FMO's explanation of how FMO applied each section of the Code in 2024 is printed below the text of these sections, in italics.

2 SOUND AND ETHICAL OPERATION

To build and maintain its position as a stable and reliable partner, a bank must formulate its mission, strategy and objectives. These are focussed on the long term and are expressed in part in the bank's risk policy and the policy for sustainability and corporate social responsibility.

FMO applies this principle. FMO has a clear mission, strategy and objectives: FMO believes in a world in which, by 2050, more than 9 billion people live well and within planetary boundaries. In pursuit of this vision, FMO's mission is: We enable entrepreneurs to increase inclusive and sustainable prosperity. In our investments, we strive to multiply our impact by mobilizing and enabling other investors to follow us. Economic growth must be coupled with social and environmental considerations so that it is sustainable in the long term; our investments are guided by this approach. We steer on our contribution to the SDGs in general, and three in particular: decent work and economic growth (SDG8), reduced inequalities (SDG10) and climate action (SDG13).

The focus on the long term is (amongst others) expressed in FMO's Strategy 2030: Pioneer, Develop, Scale - FMO and in FMO's Sustainability Policy. This policy can be found on the website Position Statements | Policies | Dutch Development Bank - FMO.

When drawing up a strategy, objectives and policies, a bank ensures, in a way that is appropriate to the nature, activities and mission of the bank, that the interests of stakeholders are mapped and carefully weighed.

FMO applies this principle. Our clients, our shareholders including the State of the Netherlands, employees, investors, NGOs, supervisors and regulators are among our most important stakeholders. When establishing its strategy, objectives and policies, FMO considers their views. To this end, FMO's engagement with its stakeholders can take various forms: from day-to-day, business-as-usual engagement to more strategic and

planned engagements such as regular meetings, surveys, forums and stakeholder dialogues. For more information on how we engage with our stakeholders, please refer to our website: <https://www.fmo.nl/stakeholder-engagement>.

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.

FMO applies this principle. FMO positions its commercial interests and social role by engaging with businesses incorporating sustainable environmental, social and governance best practices, whom FMO believe will thus enjoy stronger financial results and sustainable, long-term viability. The Strategies for Sustainable Business client cases draw on the direct experience of our clients - demonstrating how improvements to sustainability performance and financial returns go hand in hand. These cases can be found on FMO's website. FMO believes that the same principle applies to ourselves. Applying ESG best practices is an important factor in sustainable, long-term viability for FMO as well. An example of how this is embedded in FMO's governance structure is the Supervisory Board's Impact Committee, which, amongst others prepares the decision-making of the Supervisory Board on FMO's Strategy (including policies and targets) around Impact and ESG.

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.

FMO applies this principle. FMO's Management Board and Supervisory Board have set up a sound governance structure, which complies with all relevant laws and regulations including - amongst others - Dutch and European law, the Dutch Corporate Governance Code and the Dutch Banking Code, unless otherwise explained. The members of both the Management Board and the Supervisory Board set a good example e.g. by engaging in dialogues with clients, employees and other stakeholders, as also demonstrated by several surveys and dialogues as further described in this document and in FMO's Annual Report. The Supervisory Board, advised by its Selection, Appointment and Remuneration Committee, evaluates the exemplary behaviour on a yearly basis by means of e.g. self-assessments, evaluation meetings and reports.

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.

The executive board will promote responsible behaviour and a healthy culture both at the top of the bank and throughout its organisation. In this, it will consider the interests of the bank's customers and other stakeholders. The supervisory board supervises this.

FMO applies this principle. Several efforts were made in recent years to give effect to this principle. The Management Board ensures that all new FMO employees take the banker's oath or make the promise. Elements of culture and FMO's values and behaviours are part of FMO's agreed goals for FMO's management and other employees and in their appraisal interviews. FMO's Chief Finance & Operations Officer guards IT quality and safety. Although FMO does not execute payment transfers for customers, the Management Board is aware of the importance of a secure IT infrastructure and the protection of client information. IT also receives the required attention in the Management Board and Supervisory Board meetings. The Supervisory Board paid attention to this topic also in its Lifelong Learning program for 2024. Compliance is, amongst others, safeguarded in the Non-Financial Risk Committee and its Sub-Groups, which deal with a variety of compliance topics and specific cases. The Chief Risk Officer chairs this committee. The minutes of, amongst others, this meeting are sent to the Management Board and the Supervisory Board for information.

The Chairman of the Supervisory Board holds at least a yearly meeting with the Director Compliance. Further, Compliance is a regular topic in the Management Board and Supervisory Board meetings and also in their Lifelong Learning program. In 2023, a Lifelong Learning session was held regarding Know Your Customer at FMO on amongst other things, the process, risks and controls. Moreover, in that session, several hands-on cases were discussed. In 2024, a Systematic Integrity Risk Analysis was conducted, which supports the Management Board and the Supervisory Board in ensuring that business management conducts its operational activities within the integrity risk appetite, and thereby achieve the FMO mission, vision and strategic objectives in a controlled manner. In 2023, the Supervisory Board's Selection, Appointment and Remuneration Committee discussed the progress on the cultural and behavioural transformation program set up by the Management Board. This program intends to develop and align FMO's employees and the values and behaviours, in order to realize the ambitions of FMO's Strategy. In 2024, this program was continued.

A bank's culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank's organisation and the bank will include them in its contact with its stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Charter.

FMO applies this principle. Each assumption will be taken in turn, below.

Assumption 1. The banking industry is pluriform and offers customers a wide choice.

As a development Bank, FMO has a special role in the markets it operates in. Within the boundaries of its resources and risk limits, FMO offers its customers a range of services

and products that include: equity, loans and guarantees, capital market transactions, mezzanine and other tailor-made solutions, long-term and short-term project financing, access to our expertise, and our vast network and partnerships. FMO also offers Technical Assistance, such as financial administration and planning skills, and training in sustainable business practices.

Assumption 2. Banks are reliable, service-oriented and transparent.

FMO's Management Board measures reliability and service orientation in a two-yearly Customer Survey. In 2024, FMO conducted another extensive Customer Satisfaction Survey among our debt customers, soliciting feedback on our team, processes, expertise and products. Our Net Promoter Score improved to 73.5, exceeding our target of 70 and surpassing the 2022 score of 71.4. This increase reflects strong customer loyalty, with 76 percent of respondents giving FMO a 9 or 10 (out of 10). The survey has also identified areas for improvement, which are being actively shared and picked up by the respective teams. FMO aims to be transparent and publishes, e.g., various policies and an overview of our investments that are being used on the website.

Assumption 3. Bank employees are ethical, expert and professional and ensure that customers and other stakeholders are treated with care.

The results on these topics can be derived from the aforementioned Customer Satisfaction Survey. FMO aims to treat its clients and other stakeholders with care. We engage with stakeholders for various purposes: to create partnerships, to invest together, to harmonize approaches, and/or to seek insights that inform our policies and approaches. In addition, we value the input we receive from various stakeholders on our (proposed) investments. Our stakeholders bring critical perspectives, alert us to different viewpoints, provide us with critical feedback, and challenge us to be more transparent and accountable as an organization. Through stakeholder dialogues we aim to better understand each other's perspectives and find ways to strengthen our collaboration.

During the development of our long-term 2030 Strategy Pioneer – Develop – Scale we consulted internal stakeholders (including FMO's employees) and external stakeholders. For this consultation, meetings were held with the Dutch Ministry of Finance, Dutch Ministry of Foreign Affairs, DNB, NGOs, (E)DFIs, private banks, commercial finance partners, and the European Commission (EC). At the start of the strategic development process, FMO collected the key topics and expectations of these stakeholders, which was part of the foundation for the further development of the long-term strategy.

In 2024, we worked on an outline policy for effective dialogue with the relevant corporate stakeholders, which will be published as a position statement in the first quarter of 2025. This policy will enable FMO to effectively decide: (i) if engagement is needed for specific topics, (ii) which stakeholders should be involved, (iii) what the timelines are for this engagement process and (iv) how the process should be organized.

Assumption 4. Banks have a social responsibility to contribute to a sustainable economy.

FMO's mission is to enable entrepreneurs to increase inclusive and sustainable prosperity. FMO's Sustainability Policy sets out FMO's commitment to sustainable and inclusive development. This policy and how FMO implements it can be found on the website. [Position Statements | Policies | Dutch Development Bank – FMO](#). By following this Policy, FMO intends to protect people and the environment impacted by its own operations and its investments and to help customers manage their environmental and social impact and improve their corporate governance. FMO further seeks to advance a sustainable and inclusive economy and to improve the transparency and accountability of FMO's actions and decision making.

FMO's vision is to contribute to a world where, in 2050, more than nine billion people live well and within the planetary boundaries. To that end, FMO aims to maximize its impact on the SDGs by supporting inclusive and sustainable economic growth and reducing inequalities, both of which are conducive to reducing poverty, while being consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Our contribution focuses on three SDGs that we can contribute to most through our financing of the private sector in emerging markets: decent Jobs and Economic Growth (SDG 8), Reduced Inequalities (SDG 10) and Climate Action (SDG 13). By focusing on three sectors - Agribusiness, Food and Water; Energy; and Financial Institutions - our portfolio contributes to food security, access to renewable energy and a healthy financial sector. In doing so, it also contributes to Zero Hunger (SDG 2), Gender Equality (SDG 5) and Renewable and Affordable Energy (SDG 7).

All employees will comply with the formal regulations and self-regulation that apply to them. The executive board and supervisory board are - with due regard for each other's duties and powers - responsible for this. The executive board is responsible for employees being and remaining familiar with all rules, values and standards applicable to the bank and will continue to pay attention to this. The supervisory board supervises this.

FMO applies this principle. FMO is a bank as meant in the Dutch Financial Supervision Act. Therefore, the Management Board ensures that all FMO employees who are required to take the banker's oath or make the promise actually do so. By taking the oath or making the promise, the employees concerned become personally responsible for complying with the rules of conduct and can be held liable for non-compliance. The Management Board and Supervisory Board deem compliance with all rules, values and standards applicable to the bank of great importance. The knowledge of employees is regularly updated, amongst others, by (mandatory) e-learning sessions on Compliance, including KYC, and other topics, seminars and for new employees, in the FMO onboarding program. The Supervisory Board supervises compliance with these requirements on a regular basis by means of, e.g., the Compliance Quarterly Reports that report on training and awareness, amongst others.

3 SUPERVISORY BOARD

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.

FMO applies this principle. The principle has been detailed in FMO's Standing Rules of the Supervisory Board and in the profile of the Supervisory Board, which are available on FMO's website. The Supervisory Board has three committees: a combined Audit and Risk Committee, an Impact Committee, and a Selection, Appointment and Remuneration Committee. All members of the Supervisory Board of FMO are sufficiently available to perform their tasks properly. Attendance at meetings of the Supervisory Board and its Committees can be found in FMO's Annual Report. Besides the regular meetings of the Supervisory Board and its Committees, the Chairman has regular meetings with FMO's Chief Executive Officer in addition to ad-hoc meetings, which are held if necessary. The members of the Supervisory Board are critical and independent in their decision making (as also required by Best Practice Provision 2.1.8 of the Dutch Corporate Governance Code).

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. Members of the risk committee must have thorough knowledge of the financial aspects of risk management or the necessary experience to permit a thorough assessment of risks. Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to permit thorough supervision of these subjects.

FMO applies this principle. The Supervisory Board considers taking the interests of its stakeholders into account as one of its tasks. FMO's (combined) Audit and Risk Committee consists, according to its Standing Rules, of three members, who all have many years of experience at either a large bank in the Netherlands, or at a (listed) company and gained extensive knowledge of, and experience with financial reporting, internal control and audit and the financial aspects of risk management. The shortened versions of the resumes of the members of this committee can be found in the Annual Report and on FMO's website.

The chairman of the supervisory board will organise a programme of lifelong learning for all members of the supervisory board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, IT infrastructure, risk management, financial reporting and audit. Every member of the supervisory board will take part in the programme and meet the requirements for lifelong learning. The assessment of the effectiveness of the programme of lifelong learning will be part of the annual evaluation performed by the supervisory board.

FMO applies this principle. The Chairman of the Supervisory Board takes care of the good functioning of the Supervisory Board. Therefore, annually, a new Lifelong Learning plan is prepared for the subsequent year, while taking the requirements of the Banking Code with regard to the subjects into account. In principle, every member of the Supervisory Board takes part in the program. The Chairman of the Supervisory Board can grant dispensation for one or more sessions if a Supervisory Board member can sufficiently provide proof of having followed relevant courses elsewhere or if a Supervisory Board member is an expert on the subject. Annually, an evaluation of the Supervisory Board takes place. Part of this evaluation is the assessment of the effectiveness of the Lifelong Learning program.

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.

FMO applies this principle. Annually, an evaluation of the Supervisory Board takes place. The Supervisory Board uses an external, independent evaluator at least once every three years. As required by Best Practice Provision 2.2.8 of the Dutch Corporate Governance Code, the evaluation is reported on in the Supervisory Board report of the Annual Report.

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.

FMO applies this principle. FMO does not compensate members of the Supervisory Board with performance-related pay, shares or loans. The remuneration of members of the Supervisory Board is determined by the General Meeting of Shareholders.

4 EXECUTIVE BOARD

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.

FMO applies this principle. FMO's Management Board consists of five members: a Chief Executive Officer, a Chief Finance & Operations Officer, a Chief Risk Officer, and two Co-Chief Investment Officers. The Management Board is composed adequately, given the size and character of FMO. In case of vacancies, attention is given to the composition of the Management Board with respect to professional experience, expertise, competencies and gender and - if possible in this relatively small setting - cultural background and age. The fact that the Management Board is aware of the social role of FMO, in FMO's particular

setting, is demonstrated in several ways, e.g. through our mission 'We enable entrepreneurs to increase inclusive and sustainable prosperity'.

The Management Board is well aware of FMO's various stakeholders, amongst others: its customers, the Dutch State, other shareholders, employees, investors, NGOs, supervisors and regulators. Customer Satisfaction surveys as well as Employee Engagement Surveys are held on a regular basis.

During the development of our long-term 2030 Strategy Pioneer – Develop – Scale we consulted internal stakeholders (including FMO's employees) and external stakeholders. For this consultation, meetings were held with the Dutch Ministry of Finance, Dutch Ministry of Foreign Affairs, DNB, NGOs, (E)DFIs, private banks, commercial finance partners, and the European Commission (EC). At the start of the strategic development process, FMO collected the key topics and expectations of these stakeholders, which was part of the foundation for the further development of the long-term strategy.

In 2024, we worked on an outline policy for effective dialogue with the relevant corporate stakeholders, which will be published as a position statement in the first quarter of 2025. This policy will enable FMO to effectively decide: (i) if engagement is needed for specific topics, (ii) which stakeholders should be involved, (iii) what the timelines are for this engagement process and (iv) how the process should be organized.

One member of the executive board will have the duty of preparing decision-making by the executive board on risk management. This member will be involved in good time in the preparation of decisions that are of material significance for the bank's risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board. This member may combine his or her function with other responsibilities, provided that he or she does not bear any individual commercial responsibility and operates independently from commercial areas.

FMO applies this principle. Risk management is the collective responsibility of the Management Board, specifically of the Chief Risk Officer. The Chief Risk Officer is involved in the preparation of decisions that are of material significance for the bank with regard to the risk profile. Our Chief Risk Officer is responsible for the Risk, Compliance, Credit & Special Operations, Legal, Corporate Legal & Tax departments and the Corporate Secretariat, and chairs several Committees (2024 responsibilities). These tasks are further described in the Management Board Standing Rules which are published on FMO's website. The commercial responsibility is in the hands of the Co-Chief Investment Officers.

Risk management will also include a focus on the impact that systemic risk could have on the bank's risk profile.

FMO applies this principle. The Chief Risk Officer and the Risk department, which reports to the Chief Risk Officer, focus on financial stability and on the impact that systemic risk could have by setting strict limits and by stress testing, which includes severe downturn scenarios.

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. Every member of the executive board will take part in the programme and meet the requirements for lifelong learning.

FMO applies this principle. Every member of the Management Board takes part in the Lifelong Learning program of the Supervisory Board and follows other courses depending on their specific needs. The efforts of the Management Board's members with regard to Lifelong Learning are discussed in the yearly performance review meetings with the Chairman and another member of the Supervisory Board.

5 RISK POLICY

A bank's risk policy is characterized by a comprehensive approach, is transparent and has both a short- and long-term focus. The risk policy also takes reputational risks and non-financial risks into account.

FMO applies this principle. FMO maintains a structure of policies covering risk management and internal control in general and specific policies for financial risks, business risks, and non-financial risks. A risk appetite is communicated, and metrics are monitored and reported for all main risk types. FMO's Annual Report provides details on how these risks are managed.

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.

FMO applies this principle. FMO's Risk Appetite Framework is reviewed at least once a year. Based on the advice of the Audit and Risk Committee, the Supervisory Board approves the Risk Appetite Framework. Any change proposal to the risk appetite in the interim is discussed by the Management Board and submitted for approval to the Supervisory Board.

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.

FMO applies this principle. For every regular Supervisory Board meeting, FMO's Management Board prepares a Risk Appetite Report containing an overview of the main risks of FMO, including liquidity risk and changes in the capital ratios. The Audit and Risk Committee discusses the Risk Appetite Report and reports to the Supervisory Board.

6 AUDIT

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.

FMO applies this principle. The Management Board of FMO has ensured that systematic audits are performed according to a yearly Audit Plan, which is based on a yearly risk assessment. The audit reports are submitted to the Management Board and a progress report is submitted to the Audit and Risk Committee. FMO has its own internal audit department with an independent position within the bank. The Director Internal Audit reports to the Chairman of the Management Board. The direct reporting line to the Chairman of the Audit and Risk Committee is incorporated in the Standing rules of the Audit and Risk Committee.

The internal audit department, external auditor, and supervisory board's audit committee will consult periodically.

FMO applies this principle. The internal and external Auditors meet regularly and attend all meetings of the Audit and Risk Committee.

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.

FMO applies this principle. A tripartite meeting between DNB, EY and FMO was held in March 2024 and will be planned annually in the same period.

7 REMUNERATION POLICY

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.

FMO applies this principle. The Management Board endorses this principle and takes these principles into account when determining the remuneration policy of FMO and when determining the remuneration package of individual employees. The Supervisory Board endorses this principle as well and has taken these elements into account when proposing the remuneration policy of the Management Board to the General Meeting of Shareholders. More information on FMO's remuneration policy and remuneration practice can be obtained from FMO's Annual Report and related documents published on FMO's website.

The remuneration policy will have a primarily long-term focus and be in line with the bank's risk policy. It will incorporate an internal and external balance of interests, taking into account the expectations of the various stakeholders and social acceptance. It will also take the relevant international context into account.

FMO applies this principle. One of FMO's most important stakeholders and majority shareholder, the State of the Netherlands, published its Memorandum State Participations Policy 2022 (in Dutch: Nota Deelnemingenbeleid Rijksoverheid 2022) on the internet. In this document the State expresses its (general) expectations regarding the remuneration policies for Management Board members of State participations. In 2022, the General Meeting of Shareholders approved an adjusted remuneration policy of the Management Board.

The total income of a member of a bank's executive board will at the time it is set be below the median for comparable positions inside and outside the financial industry, taking into account the relevant international context.

FMO applies this principle. Under the current remuneration policy of the Management Board of FMO the applicable maximum salary levels are based on the median level of two peer groups (private and public) as well as the requirements set by the majority shareholder. The current maximum salary level for the Chief Executive Officer and other Management Board members are below the median level for comparable positions (with a similar job weight) in the relevant (international) financial sector markets. The remuneration policy of the Management Board is approved by the General Meeting of Shareholders. FMO does not compensate members of the Management Board with shares, options, loans, or variable remuneration.

The variable remuneration of a member of the executive board will be set in accordance with national and international regulations.

FMO applies this principle. Members of the Management Board are not entitled to variable remuneration.

The banking sector considers it important to take into account expectations of key stakeholders and public opinion in the remuneration policy for the executive board, and to provide transparency about the pay ratios within the company. In the remuneration policy for the executive board of the bank, the Supervisory Board explains how the expectations of shareholders, employees and public opinion have been taken into account, and with what reference group the remuneration was compared. Banks involve the view of the executive board member on his/her own remuneration when formulating the remuneration proposals for that member, and publish the internal pay ratios in the annual report.

FMO applies this principle. FMO takes the opinion of key stakeholders and public interest into account when setting the remuneration policy for the Management Board. The remuneration relationships between positions in the Management Board and between the second echelon are disclosed, as well as the composition of the (two) reference groups used in benchmark studies. The opinion of members of the Management Board on their own remuneration is mainly discussed around the start of the employment at FMO, not when formulating remuneration adjustment proposals (currently adjustments equal the salary adjustments in the CLA Banks). The internal remuneration ratio (ratio between Chief Executive Officer remuneration and the median level of all other staff) is reported in the Annual Report.