



# Supervisory Board Charter

GarantiBank International N.V.

## Contents

<b>1.</b>	<b>Status and Content of the Charter .....</b>	<b>1</b>
<b>2.</b>	<b>Responsibilities of the Supervisory Board.....</b>	<b>1</b>
<b>3.</b>	<b>Composition, expertise and independence of the Supervisory Board.....</b>	<b>3</b>
<b>4.</b>	<b>Chairman, Vice-Chairman and Corporate Secretary.....</b>	<b>5</b>
<b>5.</b>	<b>Supervisory Board Committees .....</b>	<b>6</b>
<b>6.</b>	<b>(Re) appointment, term and resignation .....</b>	<b>6</b>
<b>7.</b>	<b>Remuneration .....</b>	<b>7</b>
<b>8.</b>	<b>Permanent Education .....</b>	<b>7</b>
<b>9.</b>	<b>Supervisory Board meetings.....</b>	<b>7</b>
<b>10.</b>	<b>Supervisory Board Resolutions .....</b>	<b>7</b>
<b>11.</b>	<b>Conflict of interests.....</b>	<b>8</b>
<b>12.</b>	<b>Relationship with the Managing Board.....</b>	<b>9</b>
<b>13.</b>	<b>Relationship with the General Meeting of Shareholders .....</b>	<b>9</b>
<b>14.</b>	<b>Confidentiality .....</b>	<b>10</b>
<b>15.</b>	<b>Indemnity .....</b>	<b>10</b>
<b>16.</b>	<b>Governing Law and Jurisdiction .....</b>	<b>10</b>
	Annex 1: Definitions.....	11
	Annex 2: Profile of the scope and composition of the Supervisory Board .....	12
	Annex 3: Resignation rotation plan for members of the Supervisory Board .....	14
	Annex 4: Charter of the Audit and Compliance Committee of the Supervisory Board .....	15
	Annex 5: Charter of the Risk Committee of the Supervisory Board.....	17
	Annex 6: Charter of the Remuneration Committee of the Supervisory Board .....	19
	Annex 7: Composition of the Committees of the supervisory board .....	20

This Charter aims to establish the operating rules and principles for the composition, appointment, rights and duties of members of the Supervisory Board of GarantiBank International N.V. (hereinafter “GBI”) individually and as a whole. This Charter was adopted in full by the Supervisory Board on 19 December 2019.

## **1. Status and Content of the Charter**

1.1. This Charter is drawn up in accordance with GBI's Articles of Association and the rules set herein are complementary to the Articles of Association and/or Dutch and European laws and regulations applicable to the Supervisory Board from time to time. In the event of a conflict between the provisions of this Charter with applicable laws and regulations or the Articles of Association the latter shall both prevail. Where this Charter is compatible with the Articles of Association but in conflict with applicable law and regulations, the latter will prevail if it is mandatory. If one or more provisions of this Charter are or become invalid, this will not affect the validity of the remaining provisions. The Charter is periodically reviewed and amended following developments in laws and regulations related to corporate governance and regulations for financial institutions.

1.2. The following Annexes are attached to, and form an integral part of, this Charter:

**Annex 1:** Definitions

**Annex 2:** Profile of the scope and composition of the Supervisory Board

**Annex 3:** Resignation rotation plan for members of the Supervisory Board

**Annex 4:** Charter of the Audit and Compliance Committee of the Supervisory Board

**Annex 5:** Charter of the Risk Committee of the Supervisory Board

**Annex 6:** Charter of Remuneration Committee of the Supervisory Board

**Annex 7:** Composition of the Committees of the Supervisory Board

1.3. The Supervisory Board declares to be bound by the obligations arising from this Charter to the extent that they apply to it and its individual members. This Charter and any changes thereto need to be approved by the Supervisory Board.

1.4. This Charter has been published on the website of GBI, [www.garantibank.eu](http://www.garantibank.eu).

## **2. Responsibilities of the Supervisory Board**

2.1. The Supervisory Board shall be responsible for supervising the management of the Managing Board and the general affairs of GBI and the business connected with it. It shall assist the Managing Board with advice. In performing its duties, the Supervisory Board shall act in accordance with the interests of GBI and of the business connected to it, taking into account the relevant interests of all the stakeholders of GBI.

2.2. The Supervising Board shall be responsible for ensuring the quality of its own performance. The Supervisory Board and its individual members shall perform an annual self-evaluation and also be evaluated under independent supervision once every three years. The Supervisory Board shall prepare and publish a report on its functioning and activities during the preceding financial year. The report will be included in the Annual Report.

2.3. The Supervisory Board should be ready and able to challenge and review critically in a constructive manner propositions, explanations and information provided by members of the Managing Board in its management function and monitor the performance of the Managing Board against the realization

of agreed goals and objectives ensuring the integrity of GBI's operation, financial information, effective risk management, governance and internal controls.

2.4. The duties and responsibilities of the Supervisory Board shall in any event include:

- (A)** Supervising, monitoring and advising the Managing Board periodically on:
  - i. GBI's strategy and performance and the achievement of GBI's objectives and its mission;
  - ii. the risk policy and risks inherent to its business activities;
  - iii. the structure and operation of the internal risk management and control systems;
  - iv. ensuring the integrity and adequate control of the financial reporting process;
  - v. the implementation of any recommendations made by the External Auditor;
  - vi. compliance with legislation and regulations applicable to GBI;
  - vii. the relationship with the shareholders of GBI;
  - viii. the corporate social responsibilities issues which are relevant to GBI.
- (B)** determining, together with the Managing Board, the corporate governance structure of GBI and complying with and enforcing GBI's corporate governance structure;
- (C)** handling, and deciding on, reported conflicts of interests within the meaning of article 12 of the Charter;
- (D)** ensuring that procedures are established for the receipt, recording and handling of complaints;
- (E)** ensuring that procedures are established for the supervision of private investment transactions;
- (F)** reviewing and approving any specific corporate actions as required by the Articles of Association;
- (G)** upon advice of the Remuneration Committee approve the general principles of the remuneration policy and supervise the implementation of the remuneration policy for employees;
- (H)** upon advice of the Risk Committee approve, at least annually, the risk appetite of GBI on the basis of a proposal made by the Managing Board, as well as any material changes thereto proposed in the interim;
- (I)** upon advice of the Audit and Compliance Committee approve the disclosure of financial information by GBI;
- (J)** upon advice of the Audit and Compliance Committee approve the (re)appointment and resignation/removal of the Head of Compliance;
- (K)** upon advice of the Audit and Compliance Committee approve the (re)appointment and resignation/removal of the Head of Internal Audit;
- (L)** organizing annual evaluation sessions to review the performance of the compliance function by analysing the available information which shall include: advice of the Audit and

Compliance Committee, the advice of the Managing Board, bilateral meetings with the Head of Compliance as applicable, audit findings, annual compliance plan, audit plan and incidents;

**(M)** upon advice by the Audit and Compliance Committee, and in consultation with the Managing Board, select and recommend to the General Meeting of the Shareholder the appointment of GBI's external auditor.

2.5. Each Supervisory Board member shall sign the annual accounts or explain why he will not do so. Such explanation shall be disclosed in the annual accounts.

2.6. The Supervisory Board shall, at least once a year, without the Managing Board being present, discuss the composition and competence of the Supervisory Board, as well as its own performance, in a Closed Session.

2.7. The members of the Supervisory Board shall perform their duties in a meticulous, expert and fair manner, taking into account the applicable laws, internal regulations and codes of conduct.

2.8. The Supervisory Board shall have access to the buildings and premises of GBI and shall be authorized to inspect the books and records of GBI. The Supervisory Board may designate one or more persons from among its members or an expert to exercise these powers. If the Supervisory Board considers it necessary, it may also be assisted by experts.

2.9. The Supervisory Board shall review and approve any specific corporate actions as required by article 18 of GBI's Articles of Association. Furthermore, the Supervisory Board shall review and approve of the following matters:

**(A)** the strategy designed to achieve the business objectives of GBI;

**(B)** all proposals regarding remuneration as required under GBI's governance of remuneration policies;

**(C)** the annual budget of GBI;

**(D)** the risk appetite of GBI.

### **3. Composition, expertise and independence of the Supervisory Board**

3.1. The Supervisory Board consists of at least such number of members as determined in accordance with the Articles of Association. The Supervisory Board shall prepare a profile of its scope and composition; taking into account the nature of GBI's business, its activities and the desired level of expertise, experience and independence of its members. The profile will include aspects of diversity in the composition of the Supervisory Board that are relevant to GBI and shall state what specific objective is pursued by the Supervisory Board in relation to diversity. The Supervisory Board shall evaluate the profile annually. The present Profile of the scope and composition of the Supervisory Board is attached as Annex 2.

3.2. The composition of the Supervisory Board shall be such that the combined experience, expertise, complementarity and independence of its members meet the profile and enables the Supervisory Board to best carry out the variety of its responsibilities and duties towards GBI and all others involved in GBI consistent with applicable laws and regulations. The division of duties with respect to Committees among the members of the Supervisory Board shall be subject to the specific competence and expertise requirements of the respective Committees, as laid down in Annex 4, 5 and 6. The Supervisory Board shall function as a collegial body.

3.3. The following requirements must be observed in the composition of the Supervisory Board:

**(A)** only natural persons may be appointed of whom the Dutch Central Bank has declared that they meet the requirements of a license for a financial undertaking which may conduct its banking business in the Netherlands pursuant to the Dutch Act on Financial Supervision,

such declaration to be issued prior to the convocation of the General Meeting of Shareholders in which the appointment is up for discussion and adaptation;

- (B)** each of the members shall have thorough knowledge of GBI's function in society and of the interests of all parties involved in GBI and take those into account;
- (C)** each member shall be capable of assessing the main aspects of GBI's overall policy and its business in order to form a balanced and independent opinion about the basic risks involved. Each member of the Supervisory Board shall also have the required knowledge, abilities and expert experience to perform his or her role in the Supervisory Board;
- (D)** each of the members shall fit into the Profile of the scope and composition of the Supervisory Board attached as Annex 2 and by way of their respective participation in the Supervisory Board (upon (re) appointment and thereafter), the Supervisory Board as a whole must be composed in accordance with article 3.2;
- (E)** each of the members of the Supervisory Board shall be sufficiently available and contactable to perform his or her tasks on the Supervisory Board and, to the extent applicable, its Committees;
- (F)** considering the national and international and specialized nature of GBI's business, the appointment of one (or more) non-Dutch nationals to the Supervisory Board is desirable;
- (G)** a Supervisory Board Member shall not exercise a directorship or similar position or advisory tasks for important competitors of GBI;
- (H)** at least half of the Supervisory Board shall be independent within the meaning of article 3.4 of the Charter.

3.4. A member of the Supervisory Board will not be considered independent within the meaning of article 3.3 (and therefore be considered as independent if none of the provisions below apply) if he/she, their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law:

- (A)** has been an employee or statutory director (including associated companies as referred to in section 5:48 Wft of the Financial Supervision Act (Wet op het financieel toezicht) in the five years prior to his/her appointment;
- (B)** receives personal financial compensation from GBI or a company associated with it, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not in conflict with the normal course of business;
- (C)** has had an important business relationship with GBI or a company associated with it in the year prior to his/her appointment. This will in any event include the situation where a Supervisory Board member or the firm of which he/she is a shareholder, partner, employee or adviser, has acted as advisor to GBI (consultant, external auditor, civil-law notary and lawyer) and the situation in which the Supervisory Board member is a Managing Board member or an employee of a banking institution with which GBI maintains a long-term and significant relationship;
- (D)** is a member of the managing board of a company in which a Statutory Director of GBI is a supervisory board member (cross-ties);
- (E)** holds at least ten percent of the shares in GBI (including the shares held by natural persons or legal entities that co-operate with him/her under an express or tacit, oral or written agreement);

- (F) is a member of the managing or supervisory board – or is a representative in some other way – of a legal entity that holds at least 10 percent of the shares in GBI, unless such entity is a member of the same group as GBI;
- (G) has temporarily managed GBI during the previous twelve months where Statutory Directors have been absent or unable to discharge their duties.

In the Supervisory Board's report, the Supervisory Board shall indicate which Supervisory Board members it considers to be not independent (if any).

#### **4. Chairman, Vice-Chairman and Corporate Secretary**

- 4.1. The Supervisory Board shall appoint from among its members a Chairman and a Vice-Chairman. The Chairman determines the agenda and chairs the meetings of the Supervisory Board. He is furthermore responsible for monitoring the proper performance of the Supervisory Board and its Committees. The Chairman of the Supervisory Board shall regularly maintain contact with the Managing Board, in particular, with the Chief Executive Officer (hereinafter "CEO") and consult with him on strategy, business development and risk management of GBI. The Chairman of the Supervisory Board will be informed by the CEO without delay of important issues which have or might occur and which could be important for the management of GBI. The Chairman of the Supervisory Board shall then inform the Supervisory Board and, if required, convene an extraordinary meeting of the Supervisory Board.
- 4.2. The Chairman of the Supervisory Board shall ensure that:
  - (A) there is a permanent education programme with the aim of maintaining the expertise of the Supervisory Board members and that the Supervisory Board members participate in such programme;
  - (B) the Supervisory Board members shall timely receive all information which is necessary for the proper performance of their duties;
  - (C) there is sufficient time for consultation and decision-making by the Supervisory Board;
  - (D) the Supervisory Board appoints a Vice-Chairman.
- 4.3. The Vice-Chairman replaces the Chairman in his absence. Then the Vice-Chairman will assume all tasks and responsibilities of the Chairman and will act as contact for individual Supervisory Board members and members of the Managing Board concerning the functioning of the Chairman of the Supervisory Board. In the absence of the Chairman and Vice-Chairman, the meeting itself shall appoint one of the members of the Supervisory Board as Chairman of the meeting.
- 4.4. The Supervisory Board shall be assisted by a Corporate Secretary to be appointed and dismissed, whether or not at the recommendation of the Supervisory Board, by the Managing Board, subject to the prior approval of the Supervisory Board. The Corporate Secretary shall be primarily responsible for:
  - a. compliance of the Supervisory Board's functioning with Dutch law, GBI's Articles of Association and this Charter;
  - b. assisting the Chairman of the Supervisory Board in the logistics of the Supervisory Board information material (agenda, minutes, evaluation etc.);
  - c. assisting the Chairman in implementation and maintenance of a permanent education program as further described under article 8 below.

## **5. Supervisory Board Committees**

- 5.1. The Supervisory Board shall set up specialized Committees taking into account the size and complexity of GBI. The composition of each Committee shall be determined by the Supervisory Board. The Committees shall assist the Supervisory Board in the performance of its duties and the handling of specific issues. At the time of adoption of this Charter, the Supervisory Board has the following Committees: (i) the Audit and Compliance Committee, (ii) the Risk Committee and (iii) the Remuneration Committee.
- 5.2. The Supervisory Board shall remain responsible for decisions prepared and made by any Committee. A Committee may only exercise such powers as are explicitly attributed or delegated to it and may never exercise powers beyond those exercisable by the Supervisory Board as a whole.
- 5.3. The Supervisory Board shall establish Charters governing the respective Committee's practices, composition, roles and responsibilities and may amend such Charters at any time, in consultation with the Committees. The present rules of the respective Committees are laid down in the Annexes attached as Annex 4, 5 and 6.

## **6. (Re) appointment, term and resignation**

- 6.1. The members of the Supervisory Board shall be (re)appointed by the General Meeting of Shareholders as provided for by the Articles of Association and be subject to approval of the required competent authority as applicable.
- 6.2. The proposal for the appointment or reappointment shall state the reasons for the recommendation and the proposal. When the (re)-appointment of a Supervisory Board member is proposed the candidate's age and profession shall be stated as well as the number of shares held by him in GBI or its affiliates and the offices he holds or has held insofar as they are of importance in connection with the performance of the duties of a member of the Supervisory Board. Furthermore, it shall be stated which companies he/she is already associated with as a Supervisory Board member; if they include companies belonging to one and the same group, an indication of the group shall suffice. The way in which the candidate has fulfilled its duty as a member of the Supervisory Board is taken into account at a reappointment.
- 6.3. The Supervisory Board shall prepare a schedule of resignation and re-appointment in order to prevent, to the greatest extent possible, re-appointments occurring simultaneously. The current schedule of Resignation rotation plan for members of the Supervisory Board is attached as Annex . Without prejudice to article 6.5, members of the Supervisory Board shall resign in accordance with the Resignation rotation plan for members of the Supervisory Board.
- 6.4. Every member of the Supervisory Board may be suspended or dismissed by the General Meeting of Shareholders at any time.
- 6.5. Members of the Supervisory Board shall retire early in the event of inadequate performance, structural incompatibility of interests, and other instances where retirement is deemed necessary at the discretion of the Supervisory Board. Any member of the Supervisory Board may withdraw from his/her office with immediate effect by registered notification to the Chairman of the Supervisory Board.
- 6.6. As part of the process to fill a vacancy in the Supervisory Board, an individual profile shall be prepared for each new member that is in line with the Profile of the scope and composition of the Supervisory Board as attached as Annex 2.
- 6.7. When preparing the individual profile for the vacancy of Chairman of the Supervisory Board, consideration shall be given to the expertise and experience required by GBI with respect to the financial sector and awareness of the social, economic and political culture and the social environment of the main markets in which GBI is operating. This Profile of the scope and composition of the Supervisory Board as attached as Annex 2 must be taken into account on each (re)appointment of members of the Supervisory Board.



## **7. Remuneration**

- 7.1. The General Meeting of Shareholders shall determine the remuneration for every member of the Supervisory Board. The remuneration is a fixed amount and is not dependent on results of GBI. The remuneration takes into account the responsibilities and scope of tasks of the members of the Supervisory Board. Considered also shall be the exercising of the Chair and Vice-Chair positions in the Supervisory Board as well as the Chair and membership in Committees.
- 7.2. Members of the Supervisory Board shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. Any other expenses shall be reimbursed, either in whole or part, if incurred with the prior consent of the Chairman. We refer also the Remuneration Policy of GBI.

## **8. Permanent Education**

- 8.1. The Chairman of the Supervisory Board shall ensure a permanent education programme is organized for all members of the Supervisory Board, the aim of which is to maintain and, where necessary broaden their expertise. The program shall cover relevant developments within GBI and the financial services sector, financial, social and legal affairs, and corporate governance in general and the financial sector in particular, the duty of care towards the client and his/her interest, integrity, the IT infrastructure, risk management, financial reporting and audit.
- 8.2. Each member of the Supervisory Board shall take part in the programme and meet the requirements of the permanent education.
- 8.3. The Supervisory Board shall evaluate the permanent education programme annually to identify any other aspects in respect of which further training and education is required.

## **9. Supervisory Board meetings**

- 9.1. The Supervisory Board shall meet at least three times a year in a joint meeting with the Managing Board and whenever the Supervisory Board or Managing Board (or one of its members) has requested a meeting. Supervisory Board meetings are generally held at the offices of GBI, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 9.2. The Chairman of the Supervisory Board shall convene the meetings of the Supervisory Board. The invitations containing the place, the time, the agenda and the matters to be discussed together with the board materials shall be sent to the Supervisory Board members. It shall be dispatched at least five working days prior to the time of the meeting. In urgent cases, the time limit may be shorter. Board materials will be sent in hard and/or soft copy form.
- 9.3. The Corporate Secretary shall draw up the minutes of a Supervisory Board meeting. The minutes shall contain a summary of the discussions and shall record the resolutions adopted or the actions taken at the meeting. The minutes shall be adopted in the following meeting of the Supervisory Board and shall be signed by all Supervisory Board members present. Adopted minutes shall be evidence of the proceedings and are available at request to the Chairman of the Supervisory Board.

## **10. Supervisory Board Resolutions**

- 10.1. Resolutions of the Supervisory Board shall only be valid and approved at a meeting at which the majority of the Supervisory Board members are present or represented. A co-member of the Supervisory Board authorized in writing may represent a Supervisory Board member. A Supervisory Board member may not act as a representative for more than one co-member.
- 10.2. The Supervisory Board can only adopt resolutions validly in or outside a meeting if the majority of the Supervisory Board members have voted in favour of the resolution. If there is a tie, the Chairman shall have the casting vote. If there is insufficient consensus at the meeting about certain subjects, the chairman of the Supervisory Board may refer the relevant item on the agenda to the next meeting

for further consideration. In case there is no consensus in the next meeting, the Chairman of the Supervisory Board shall have the casting vote.

- 10.3. The Supervisory Board may also pass resolutions without a meeting, provided the proposal is effected in writing by means of any usual channels of communication, including e-mail, the proposal is submitted to all Supervisory Board members and none of them have objected to this manner of adopting resolutions within twenty-four hours after receipt of the proposal and the proposal itself. The Corporate Secretary shall draw up a report regarding a resolution thus adopted and shall attach the replies received to the report, which shall be signed by the Chairman and the Corporate Secretary.
- 10.4. The ongoing items to be considered and discussed at Supervisory Board meetings include reviewing GBI's budget and financial results, approving major decisions requiring Supervisory Board action, discussing and approving corporate strategy (and material changes thereto) with the Managing Board (e.g. long-term strategy, capital expenditures in excess of GBI's budget, long-term capital structures, new lines of business, major acquisitions and divestments) and receiving reports from the Supervisory Board's Committees'.

## **11. Conflict of interests**

- 11.1. A member of the Supervisory Board shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which he/she has a conflict of interest with GBI within the meaning of the circumstances listed under (A) to (E) below. Such transaction, if approved, must be concluded on terms customary in the sector concerned. Resolutions to enter into such transaction must be approved by the Supervisory Board.
- 11.2. A member of the Supervisory Board shall in any event have a conflict of interests with GBI if:
  - (A) he/she personally has a material financial interest in a company with which GBI intends to enter into a transaction;
  - (B) he/she has a family law relationship (his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage to the second degree as defined under Dutch law) with a member of the managing board or supervisory board of the company with which GBI intends to enter into a transaction;
  - (C) he/she is a member of the managing board or supervisory board of, or holds similar office with, the company with which GBI intends to enter into a transaction;
  - (D) under applicable law such conflict of interests exists or is deemed to exist;
  - (E) the Supervisory Board has ruled that such conflict of interests exists or is deemed to exist.
- 11.3. GBI's best interests bind all members of the Supervisory Board. No member of the Supervisory Board may pursue personal interests in his/her decisions or use business opportunities intended for GBI for himself/herself. Each member of the Supervisory Board (other than the Chairman of the Supervisory Board) shall immediately report any (potential) conflict of interests concerning a member of the Supervisory Board to the Chairman of the Supervisory Board. The member of the Supervisory Board with such (potential) conflict of interests must provide the Chairman of the Supervisory Board with all information relevant to the conflict of interests, including information relating to the persons with whom he/she has a close family relationship under Dutch law as referred to under (B) above. In all circumstances other than the ones listed under (D) and (E) above, the Chairman of the Supervisory Board will determine whether a reported (potential) conflict of interests qualifies as a conflict of interests to which the first paragraph applies.
- 11.4. In case the Chairman of the Supervisory Board has a (potential) conflict of interest he/she shall immediately report such (potential) conflict to the Vice-Chairman of the Supervisory Board. The Chairman of the Supervisory Board must provide the Vice-Chairman of the Supervisory Board with all information relevant to the conflict of interests, including information relating to the persons with whom he/she has a close family relationship under Dutch law. In all circumstances other than the

ones listed under (D) and (E) above, the Supervisory Board will determine whether a reported (potential) conflict of interests qualifies as a conflict of interests to which the first paragraph applies.

- 11.5. Advisory and other service agreements and contracts for work between a member of the Supervisory Board and GBI require the Supervisory Board's approval. The Internal Audit Department of GBI will perform yearly an audit on compliance on credit facilities to members of the Supervisory (or their relatives) and Managing Board and other related senior officers to prevent granting disproportionately favourable credit facilities to these persons, which are considered inappropriate in the context of their position.

## **12. Relationship with the Managing Board**

- 12.1. The Supervisory Board and its individual members, have their own responsibility for obtaining all information from the Managing Board and the external auditor that the Supervisory Board requires for the due performance of its duties. If the Supervisory Board deems it necessary, it may obtain information from GBI's employees and/or external parties. The Managing Board shall upon request, provide the necessary means for this purpose.
- 12.2. The Managing Board shall provide the Supervisory Board and its Committees with all relevant information on all facts and developments concerning GBI, which the Supervisory Board may need to function as required and properly carry out its duties in a timely manner.
- 12.3. The Supervisory Board shall specify the Managing Board's information and reporting duties. The Managing Board's reports to the Supervisory Board are, as a rule, to be submitted in writing (including electronic form). Documents required for decisions, in particular, the annual financial statements, the consolidated financial statements and the auditors' report are to be sent to the members of the Supervisory Board, to the extent possible, in due time before the meeting.
- 12.4. The Managing Board shall discuss the publication of the preliminary annual figures and interim figures and related press releases (as applicable) with the Supervisory Board in advance. Each year, the Managing Board will submit i) the operational and financial objectives of GBI; ii) the main features of the strategy designed to achieve the objectives and iii) the parameters to be applied in relation to the strategy, including adequate information about the general and financial risks and ratios.
- 12.5. If a member of the Managing Board is absent or is prevented from performing his duties, the remaining members or member of the Managing Board shall be temporarily entrusted with the entire management of GBI. If all members of the Managing Board are absent or are prevented from performing their duties, the management of GBI shall be temporarily entrusted to the Supervisory Board which shall then be authorized to entrust the management temporarily to one or more persons, whether or not from among its members. Members of the Supervisory Board who take on the management of the company temporarily, where the Managing Board members are absent or unable to discharge their duties, shall (temporarily) resign from the Supervisory Board to do so.

## **13. Relationship with the General Meeting of Shareholders**

- 13.1. The members of the Supervisory Board shall participate in shareholders' meetings, unless they are prevented from attending on serious grounds. Members of the Supervisory Board attending the shareholder's meetings have advisory rights. In conformity with the Articles of Association of GBI, the chairman of the Supervisory Board shall, as a general rule, chair the General Meeting of Shareholders and shall decide on the contents of resolutions. The ruling pronounced by the Chairman in respect of the outcome of a vote in a General Meeting shall be decisive subject to the provisions of article 2:13 Dutch Civil Code.
- 13.2. The Supervisory Board shall provide the General Meeting with any information it may require concerning an item on the agenda, unless an important interest (*zwaarwegend belang*) of GBI or any law, rules or regulations applicable to GBI prevent it from doing so. The Supervisory Board shall specify the reasons for invoking such important interests.
- 13.3. Each significant change in GBI's corporate governance structure shall be addressed in a separate item on the agenda for consideration by the General Meeting of Shareholders.

**14. Confidentiality**

- 14.1. Members of the Supervisory Board shall treat all information and documentation acquired within the framework of their membership with the necessary discretion and, in case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Supervisory Board, made public or otherwise made available to third parties, even after resignation from the Supervisory Board, unless it has been made public by GBI, or it has been established that the information is already in the public domain.

**15. Indemnity**

- 15.1 GBI indemnifies each member of the Supervisory Board from and against any liability resulting from any act or omission by a member of the Supervisory Board in the performance of their tasks and responsibilities as member of the Supervisory Board, provided that such liability was not caused by gross negligence or wilful misconduct of such Supervisory Board member. If such Supervisory Board member is held liable (in or out of court), he/she shall immediately (i) report this to GBI; and (ii) submit all relevant information to GBI, upon request or even unasked. This indemnity shall only apply to the extent that the liability is not fully covered by GBI's directors' and officers' liability insurance.

**16. Governing Law and Jurisdiction**

- 16.1. This Charter shall be governed by and construed in accordance with the laws of the Netherlands.
- 16.2. The courts of Amsterdam shall have exclusive jurisdiction to settle any dispute arising from or in connection with this Charter.

## ANNEX 1: DEFINITIONS

**Articles of Association:** means the Articles of Association of GarantiBank International N.V.

**Annual Report:** means the annual report of GBI, drawn up by the Managing Board, as referred to in Section 2:391 of the Dutch Civil Code.

**Audit and Compliance Committee:** means the Audit and Compliance Committee of the Supervisory Board as referred to in Article 5.1. of the Supervisory Board Charter.

**Chairman** means the Chairman of the Supervisory Board or any of its Committees, as the case may be.

**Charter** means the Charter of the Managing Board, the Charter of the Supervisory Board or the Charter of a Committee of the Supervisory Board, depending on the context, including any relevant Annexes thereto.

**Closed Session** means with respect to a meeting of the Supervisory Board or a meeting of a Committee of the Supervisory Board, a meeting held without the members of the Managing Board being present.

**Committee** means with respect to the Supervisory Board any Committee referred to under Article 5 of the Supervisory Board Charter.

**Corporate Secretary** means the corporate secretary appointed as referred to under Article 4.4 of the Supervisory Board Charter.

**External Auditor** means the auditor of GBI as referred to under Section 2:393 of the Dutch Civil Code.

**General Meeting** of the Shareholders means the General Meeting of Shareholders of GBI.

**Head of Compliance** means the person heading the compliance department of GBI.

**Head of Human Resources** means the person heading the human resources department of GBI.

**Head of Internal Audit** means the person [heading the audit department of GBI].

**Managing Board** means the management board as stated in the Articles of Association of GBI.

**Remuneration Committee** means the remuneration committee of the Supervisory Board as referred to in Article 5.1. of the Supervisory Board Charter.

**Risk Committee** means the Risk Committee of the Supervisory Board as referred to in Article 5.1. of the Supervisory Board Charter.

**Statutory Directors** means the managing directors (*statutair bestuurders*) of GBI.

**Supervisory Board** means the board of supervisory directors of GBI.

## **VICE-CHAIRMAN MEANS THE PERSON REPLACING THE CHAIRMAN IN ITS ABSENCE. ANNEX 2: PROFILE OF THE SCOPE AND COMPOSITION OF THE SUPERVISORY BOARD**

### **1. Introduction**

The Supervisory Board has composed a profile outline regarding its size and composition (taking into account the size, complexity and nature of the business of GBI) and the desired qualifications, expertise and background of the members of the Supervisory Board. The profile shall deal with the aspects of diversity in the composition of the Supervisory Board that is relevant to GBI. Where necessary, the profile shall be adjusted by the Supervisory Board in consultation with the Managing Board.

### **2. Experience and Expertise of the members of the Supervisory Board**

For the purposes of performing its duties, the Supervisory Board shall seek to have the following noticeable expertise, experience and knowledge available amongst its members:

1. a proven knowledge of the (international) banking sector in a broad sense;
2. experience in managerial positions in the private (banking) sector;
3. experience in the international private sector;
4. commercial expertise and experience in the markets GBI is operating in;
5. knowledge of GBI's functions in society and of the interest of all parties involved in GBI (Dutch Banking Code, principle 2.1.3);
6. knowledge of the financial aspects of risk management or the expertise needed to make a thorough assessment of risks (Dutch Banking Code, principle 2.2.2);
7. knowledge of financial reporting and internal control systems and audits or the experience needed to thoroughly supervise these areas (Dutch Banking Code, principle 2.2.2).

One or more members of the Supervisory Board could possess a combination of the above-mentioned expertise and experience. The number of different kinds of expertise required should not determine the requisite number of members of the Supervisory Board. The composition of the Supervisory Board shall reflect the activities of GBI and the countries where GBI is mainly active in.

Each member of the Supervisory Board to be appointed or reappointed should have the following qualifications:

1. Broad managerial and organizational experience and know-how of the international banking businesses;
2. Thorough knowledge of the functions in society of GBI and all the parties involved with GBI (Dutch Banking Code, principle 2.1.3);
3. Capable to assess the main aspects of GBI's overall policy and the business connected to it in order to form a balanced and independent opinion about the basic risks involved (Dutch Banking Code, principle 2.1.4);
4. Assisting the Managing Board with its preparation and implementation of GBI's policy by giving proper and professional advice;
5. Specific expertise needed to perform his role in the Supervisory Board (Dutch Banking Code, principle 2.1.4);
6. Capable to operate independently and critically in relation to the other members of the Supervisory Board and Managing Board.

Each member of the Supervisory Board, the Chairman in particular, shall be sufficiently available and contactable to properly perform his tasks in the Supervisory Board and the Supervisory Board's Committees (Dutch Banking Code, principle 2.1.6).

The Supervisory Board should have such a composition that there is a mutual relationship of trust, allowing the Supervisory Board to act as a team.

An individual profile outline, which should meet the Profile of the scope and composition of the Supervisory Board as attached as Annex 2, shall be drawn up for each vacancy arises on the Supervisory Board. The individual profile for the vacant position of Chairman of the Supervisory Board shall meet on GBI's requirements in terms of expertise and experience in relation to the financial sector, the socio-economic and political culture of GBI's main markets. For each appointment or re-appointment of a member of the Supervisory Board, the Profile of the scope and composition of the Supervisory Board shall be observed as best as it can.

Annex 7 will show the composition of each Supervisory Board Committee.

### **3. Size of the Supervisory Board**

As stated in the Articles of Association: *The bank shall have a supervisory board, consisting of at least three natural persons (article 20).*

The number of Supervisory Board members is determined by the Supervisory Board. The size of the Supervisory Board as a whole and each of the Committees of the Supervisory Board must be as such that they can perform their duties effectively and responsibly and that each individual member of the Supervisory Board is able to make a contribution by his specific qualities (Dutch Banking Code, principle 2.1.2). The Supervisory Board must be composed in such a way that there can be a good relationship of trust so that the Supervisory Board can operate as a team.

### **ANNEX 3: RESIGNATION ROTATION PLAN FOR MEMBERS OF THE SUPERVISORY BOARD**

#### **Regulation:**

Article 22.2 of the Articles of Association provide that: members of the Supervisory Board are appointed for a maximum period of four (4) years. Except in the event of an early resignation, the appointment period for each member terminates as per the date of the next General Meeting of Shareholders, held in the fourth year following the appointment of the relevant member. A member of the Supervisory Board can be reappointed three (3) times.

The Supervisory Board will set a calendar of resignation. An amendment to the calendar can not lead to an early resignation of a member of the Supervisory Board unless it concerns a voluntary resignation.

A member appointed to fill in a vacancy which has arisen in the interim, will resign as per the date the member who is replaced would have resigned. The current calendar is as follows:

<b>Name</b>	<b>Member Since</b>	<b>End of Term</b>
Mr. R. Baştuğ	2020	2022
Mr. A. Duren	2017	2021
Mr. R. van der Linden	2012	2020
Mr. B. Meesters	2012	2020
Mr. H. de Roo	2019	2023



## **ANNEX 4: CHARTER OF THE AUDIT AND COMPLIANCE COMMITTEE OF THE SUPERVISORY BOARD**

### **1. Composition of the Audit and Compliance Committee**

The Audit and Compliance Committee shall have a minimum of two members appointed by the Supervisory Board. The Audit and Compliance Committee shall not be chaired by the Chairman of the Supervisory Board. The Chairman of the Audit and Compliance Committee shall be appointed by the Supervisory Board.

The Audit and Compliance Committee shall decide whether, and if so when, the CEO, the External Auditor, the internal auditor and the Head of Compliance shall attend its meetings. The Audit and Compliance Committee shall meet with the External Auditor, internal auditor and Head of Compliance at least once a year in the absence of the Managing Board.

### **2. Audit and Compliance Committee meetings**

- 2.1 The Audit and Compliance Committee shall meet at a minimum of four times a year or as often as necessary to comply with its functions.
- 2.2 The Audit and Compliance Committee will decide on the items on the agenda of the meetings. The agenda will contain certain standard items as well as any other items deemed necessary by the Audit and Compliance Committee for the performance of its duties.
- 2.3 The Audit and Compliance Committee meetings are generally held at the offices of GBI but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 2.4 Resolutions about advice to the Supervisory Board may also be adopted other than at meetings if all members of the Audit and Compliance Committee have been informed of the proposal requiring a resolution of the Audit and Compliance Committee and they have, in so far as reasonably possible, also been able to express their opinion on this matter and a sufficient number of members of the Audit and Compliance to form a majority have declared in writing (including by e-mail) that they are in favour of the proposal.
- 2.5 The Committee will appoint a secretary who may or may not be a Committee member who among other things, will take minutes of each meeting.
- 2.6 Minutes are taken of the meeting. As a rule, these will be adopted at the next meeting. After each meeting the Supervisory Board shall receive a report on the main findings and discussions of the Audit and Compliance Committee and a copy of the minutes. In addition the Audit and Compliance Committee will report its findings at the first plenary meeting of the Supervisory Board following a meeting of the Audit and Compliance Committee and may request special attention for specific risks in the plenary meeting of the Supervisory Board.

### **3. Role and Responsibilities of the Audit and Compliance Committee**

The role of the Committee will be to assist the Supervisory Board in supervising the activities of the Managing Board with respect to:

- (A) The quality and effectiveness of the internal risk management and control systems of GBI, including supervision of the enforcement of relevant laws and regulations and operation of codes of conduct, whistle-blower regulations, corporate governance framework;
- (B) The quality and efficiency of the process of drawing up and reporting financial information (including annual accounts, accounting policies and financial reporting process) and submit recommendations or proposals to the Supervisory Board aimed at safeguarding its completeness;
- (C) Submitting to the Supervisory Board proposals on the selection, appointment, re-election and replacement of the External Auditor, as well as their contractual conditions;
- (D) Ensuring that the internal audit function is able to discharge its responsibilities in an independent manner and perform systematic audits of the management of risks related to GBI's business activities;
- (E) Ensuring that the internal compliance function is able to discharge its responsibilities in an independent manner;

- (F)** Supervising the Managing Board with respect to internal audit and internal compliance activities and acting as the ultimate reporting authority for the internal audit and internal compliance departments;
- (G)** Reviewing key audit reports and ensuring that the Managing Board is taking necessary and timely corrective actions to address control weaknesses, compliance issues with policies, laws and regulations and other concerns identified and reported by the internal audit function;
- (H)** Ensuring follow-up is given to the recommendations and observations of the internal and external auditors on specific (organizational) issues related to governance, risk management, compliance and internal control. This includes ensuring that deficiencies identified by supervisory authorities related to the internal audit function are remedied within an appropriate time frame;
- (I)** Supervising the role and functioning of the internal audit department. This includes: (i) advising the Supervisory Board on approving the internal audit plan, scope and budget of the Internal Audit Department as recommended by the Managing Board and monitors the progress versus planned audit activities; (ii) reviewing and discussing internal audit reports; (iii) ensuring that the internal audit function maintains open communication with the Managing Board, External Auditors, the supervisory authority, and the Audit and Compliance Committee; (iv) reviewing discoveries of fraud and violations of laws and regulations as raised by the Head of Audit ; (v) advising the Supervisory Board on approving the Audit Charter of the internal audit function; (vi) provide input for the yearly assessment of the performance of the Head of Audit; and, (vii) making recommendations to the Supervisory Board for its approval, the appointment, re-appointment or removal of the Head of Audit taking into consideration assessments of the CEO;
- (J)** Supervising the role and functioning of the internal compliance department. This includes: i) advising the Supervisory Board on approving the Compliance Charter, scope and budget of the Legal and Compliance Department as recommended by the Managing Board; ii) reviewing and discussing internal compliance reports; iii) ensuring that the internal compliance function maintains open communication with the Managing Board, External Auditors, the supervisory authority, and the Audit and Compliance Committee (iv) reviewing discoveries of compliance incidents and violations of laws and regulations as raised by the Head of Audit (vi) provide input for the yearly assessment of the performance of the Head of Compliance; and, (vii) making recommendations to the Supervisory Board for its approval, the appointment, re-appointment or removal of the Head of Compliance function taking into consideration assessments of the CEO and Chief Risk Officer;
- (K)** The applications of information and communication technology;
- (L)** Any other duties, which may have been assigned under this Charter or attributed to the Committee by the Supervisory Board or by applicable legislation.

## **ANNEX : CHARTER OF THE RISK COMMITTEE OF THE SUPERVISORY BOARD**

### **1. Composition of the Risk Committee**

The Risk Committee shall have a minimum of two members appointed by the Supervisory Board. The Risk Committee shall not be chaired by the Chairman of the Supervisory Board. The Chairman and the Vice-Chairman of the Risk Committee shall be appointed by the Supervisory Board. The Vice-Chairman replaces the Chairman in his absence.

The Risk Committee shall decide whether, and if so when, the CEO, the Chief Financial Officer, the Chief Risk Officer, Chief Operating Officer, the External Auditor, any other relevant party shall attend its meetings.

### **2. Risk Committee meetings**

- 2.1 The Risk Committee shall meet at a minimum of three times a year or as often as necessary to comply with its functions.
- 2.2 The Risk Committee will decide on the items on the agenda of the meetings. The agenda will contain certain standard items as well as any other items deemed necessary by the Risk Committee for the performance of its duties.
- 2.3 For every meeting of the Risk Committee, both members need to be present to constitute a valid meeting quorum.
- 2.4 Recommendations to the Supervisory Board and decisions require affirmative votes of both members.
- 2.5 The Risk Committee meetings are generally held at the offices of GBI but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 2.6 Resolutions about advice to the Supervisory Board may also be adopted other than at meetings if all members of the Risk Committee have been informed of the proposal requiring a resolution of the Risk Committee and they have, in so far as reasonably possible, also been able to express their opinion on this matter and both members of the Risk Committee have declared in writing (including by e-mail) that they are in favour of the proposal.
- 2.7 The Committee will appoint a secretary who may or may not be a Committee member who among other things will take minutes of each meeting.
- 2.8 Minutes are taken of the meeting. As a rule, these will be adopted at the next meeting. After each meeting the Supervisory Board shall receive a report on the main findings and discussions of the Risk Committee and a copy of the minutes. In addition the Risk Committee will report its findings at the first plenary meeting of the Supervisory Board following a meeting of the Risk Committee and may request special attention for specific risks in the plenary meeting of the Supervisory Board.

### **3. Role and Responsibilities of the Risk Committee**

The role of the Committee will be to assist the Supervisory Board in supervising the activities of the Managing Board with respect to:

- (A) The review and assessment, as appropriate, of risk management policies, practices, and processes through the establishment and maintenance of an effective enterprise risk management framework, including the corporate risk policies for each risk type and for advising the Supervisory Board for the adoption of the said policies;
- (B) Analysing and assessing the control and management policies of GBI's different risks and information and internal control systems, including the risk governance framework, ICAAP, ILAAP, and risk appetite statement;
- (C) The review and approval of the ICAAP and ILAAP, including the methodologies used therein, before their submission to the regulatory authorities' subject to immediately providing detailed information in the written form to the Supervisory Board on the main discussion points on these matters. Any Supervisory Board member can request further information or object to the decision of the Risk Committee within one-week time following the submission of the information;
- (D) The review and approval of Bank's Pillar III Disclosures before its publication, subject to immediately providing detailed information in the written form to the Supervisory Board on the main discussion points on these matters. Any Supervisory Board member can request further information or object to the decision of the Risk Committee within one-week time following the submission of the information;
- (E) Supervising the role and functioning of the risk management department, in particular regarding:
  - i. The risk profile of GBI in the context of the adopted risk tolerance and appetite;

- ii. Whether capital allocation and liquidity impact in the general sense are in line with the approved risk appetite;
  - iii. The business strategies and plans of GBI;
  - iv. GBI's public disclosures on risk and risk management;
  - v. The structure and operation of the internal risk management and control systems.
- (F)** Any other duties which may have been assigned under this Charter or attributed to the Committee by the Supervisory Board or by applicable legislation.

## **ANNEX 6: CHARTER OF THE REMUNERATION COMMITTEE OF THE SUPERVISORY BOARD**

### **1. Composition of the Remuneration Committee**

The Remuneration Committee shall have a minimum of two members appointed by the Supervisory Board. The Remuneration Committee shall not be chaired by the Chairman of the Supervisory Board. The Chairman of the Remuneration Committee shall be appointed by the Supervisory Board.

The Remuneration Committee shall decide whether, and if so when, the CEO, the Head of Human Resources or any other relevant party shall attend its meetings.

### **2. Remuneration Committee meetings**

- 2.1 The Remuneration Committee shall meet at a minimum of two times a year or as often as necessary to comply with its functions.
- 2.2 The Remuneration Committee will decide on the items on the agenda of the meetings. The agenda will contain certain standard items as well as any other items deemed necessary by the Remuneration Committee for the performance of its duties.
- 2.3 The Remuneration Committee meetings are generally held at the offices of GBI but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 2.4 Resolutions about advice to the Supervisory Board may also be adopted other than at meetings if all members of the Remuneration Committee have been informed of the proposal requiring a resolution of the Remuneration Committee and they have, in so far as reasonably possible, also been able to express their opinion on this matter and a sufficient number of members of the Remuneration Committee to form a majority have declared in writing (including by e-mail) that they are in favour of the proposal.
- 2.5 The Remuneration Committee will appoint a secretary who may or may not be a Remuneration Committee member who among other things will take minutes of each meeting.
- 2.6 Minutes are taken of the meeting. As a rule, these will be adopted at the next meeting. After each meeting the Supervisory Board shall receive a report on the main findings and discussions of the Remuneration Committee and a copy of the minutes, In addition the Remuneration Committee will report its findings at the first plenary meeting of the Supervisory Board following a meeting of the Remuneration Committee and may request special attention for specific risks in the plenary meeting of the Supervisory Board.

### **3. Role and Responsibilities of the Remuneration Committee**

The role of the Remuneration Committee will be to assist the Supervisory Board in supervising the activities of the Managing Board with respect to:

- (A) The design, implementation and approval of a long-term remuneration policy that is in line with GBI's strategy, risk appetite, objectives and values, taking into account the long-term interests of GBI, the relevant international context and wider societal acceptance;
- (B) The terms and conditions of employment and remuneration of the members of the Managing Board and oversees performance targets to be set by members of the Managing Board and the Managing Board as a whole;
- (C) The design, approval and evaluation of the remuneration policy for Identified Staff and senior management and oversees the implementation by the Managing Board;
- (D) Assessing whether material retention, exit and welcome packages are consistent with the remuneration policy of GBI;
- (E) Ensuring that any variable remuneration awarded to the Managing Board takes into account the long-term component as well as profitability and/or continuity of GBI and a material part of the variable remuneration shall be conditional and shall not be paid until at least three years have passed.

## **ANNEX 7: COMPOSITION OF THE COMMITTEES OF THE SUPERVISORY BOARD**

### **RISK COMMITTEE:**

Mr. H. de Roo (Chairman)

Mr. A. Duren

### **AUDIT & COMPLIANCE COMMITTEE:**

Mr. A. Duren (Chairman)

Mr. B.J.M.A. Meesters

### **REMUNERATION COMMITTEE:**

Mr. P.R.H.M. van der Linden (Chairman)

Mr. R. Baştuğ