

## STANDING RULES OF THE (COMBINED) SELECTION, APPOINTMENT AND REMUNERATION COMMITTEE

OF

### NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.

#### **Article 1. Preliminary provisions**

- 1.1 These standing rules have been drawn up by the Supervisory Board of the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO"), in accordance with the provisions of article 10 paragraph 3 of the standing rules of the Supervisory Board and form an appendix to the standing rules of the Supervisory Board.
- 1.2 These standing rules came into force on 24 May 2005 and were lastly amended on 11 March 2013.
- 1.3 These standing rules may be supplemented and amended by resolution of the Supervisory Board after consultation with the Management Board.
- 1.4 The text of these standing rules has been brought to the attention of the Management Board and the Works Council.
- 1.5 Where these standing rules refer to "the Management Board", this means "the Management Board under the Articles of Association" ("*Statutaire Directie*"), unless expressly stated otherwise.

#### **Article 2. Objectives**

The Selection, Appointment and Remuneration Committee shall assist the Supervisory Board by carrying out preparatory work relating to the appointment or reappointment of members of the Supervisory Board and the Management Board, the remuneration policy to be applied, and the determination of the remuneration of the individual member of the Management Board. The Selection, Appointment and Remuneration Committee also carries out supervision of the Management Board at least as regards the matters specified in article 3 paragraph 3.

#### **Article 3. Duties and responsibilities**

- 3.1. The duties and responsibilities of the Selection, Appointment and Remuneration Committee in respect of appointments and reappointments are as follows:
  - drawing up selection criteria and appointment procedures for members of the Supervisory Board and the Management Board;
  - regular assessment of the size and composition of the Supervisory Board and the Management Board;

- making a proposal for the profile for FMO's Supervisory Board;
- preparing the annual assessments by the Supervisory Board of the performance of individual members of the Supervisory Board, the Supervisory Board committees and of the Supervisory Board as a whole;
- preparing the yearly assessment of the Supervisory Board as a whole, such once in three years with an external moderator. Such assessment shall include the effect of the permanent education programme, the involvement of each member of the Supervisory Board, the culture within the Supervisory Board and the relationship of the Supervisory Board with the Management Board;
- carrying out the regular assessments of the performance of the individual members of the Management Board and reporting to the Supervisory Board accordingly;
- making proposals for the appointment or reappointment of Management Board members and Supervisory Board members, with due regard to the provisions of articles 7 and 11 of FMO's Articles of Association;
- making a recommendation to the Supervisory Board on the appointment of the chairman, the deputy chairman and the secretary of the Supervisory Board;
- making a recommendation to the Supervisory Board on the appointment of the chairmen and members of the Audit and Risk Committee and the Selection, Appointment and Remuneration Committee.

3.2. The duties and responsibilities of the Selection, Appointment and Remuneration Committee in respect of remuneration policy and the determination of the remuneration of the individual Management Board members are as follows:

- making a proposal to the Supervisory Board regarding the remuneration policy to be adopted;
- making a proposal to the Supervisory Board regarding the remuneration and the further terms and conditions of employment of Management Board members, subject to the provisions in article 7 paragraph 5 of FMO's Articles of Association; that proposal shall in each case cover:
  - a) the remuneration structure; and
  - b) the amount of the remuneration, pension rights, exit schemes and other forms of remuneration, together with the performance criteria and their mode of application. No shares or options may be granted;
- putting forward recommendations to the General Meeting of Shareholders regarding the remuneration of Supervisory Board members, subject to the provisions in article 15 of FMO's Articles of Association. Such recommendations shall include an adequate compensation in relation to the time invested by the Supervisory Board members. The remuneration shall not be dependent on the results of FMO;
- drawing up the remuneration report referred to in article 4.

3.3. The Selection, Appointment and Remuneration Committee shall also address itself to supervising the Management Board at least in respect of the policy of the Management Board as regards selection criteria and appointment procedures for senior management.

#### **Article 4. Remuneration report**

4.1 The remuneration report contains a report of the manner in which the remuneration policy has been put into practice in the past financial year, together with a summary of the remuneration policy envisaged

by the Supervisory Board for the coming financial year and the subsequent years.

4.2 The summary referred to in paragraph 1 shall include at least the following information:

- a rendering of account for any absolute change in the the remuneration;
- a summary of and rendering of account for FMO's policy on the length of the contracts with Management Board members, the applicable periods of notice and exit packages and a statement of the maximum compensation payable on dismissal;
- a description and rendering of account for the selected performance criteria;
- a summary of the methods to be used to determine whether the performance criteria have been satisfied, with a rendering of account for the choice of those methods;
- where performance criteria are based on a comparison with external factors, a summary of the factors to be used in making the comparison;
- current arrangements for pensions and the associated financing costs;
- agreed early retirement schemes for Management Board members.

4.3 Where a special fee has been paid to a Management Board member or former Management Board member during the financial year an explanation for that fee is given in the remuneration report. The remuneration report shall in all cases include a rendering of account for any compensation paid or promised to a director who has left the company in that financial year, with an explanation of the payments in question.

4.4 The remuneration policy envisaged for the coming years as shown in the remuneration report shall be submitted to the General Meeting of Shareholders for adoption. Any material change to the remuneration policy will also be submitted to the General Meeting of Shareholders for adoption.

## **Article 5. Composition**

5.1 All members of the Selection, Appointment and Remuneration Committee are members of the Supervisory Board. The members' term of office shall be the same as each member's term of office on the Supervisory Board. In case a member changes Supervisory Board committees, the terms of office combined shall be the same as that member's term of office on the Supervisory Board.

5.2 The Selection, Appointment and Remuneration Committee is to be composed in such a way that all its members can operate independently and critically in respect of each other and in respect of the Management Board. All members of the Selection, Appointment and Remuneration Committee, with the exception of at most one person, shall be independent within the meaning of the Dutch Corporate Governance Code.

5.3 The chairman of the Supervisory Board shall not act as chairman of the Selection, Appointment and Remuneration Committee.

5.4 Not more than one member of the Selection, Appointment and Remuneration Committee shall be a member of the management board of a listed company.

## **Article 6. Mode of operation**

- 6.1 At least two meetings shall be held per year. The Selection, Appointment and Remuneration Committee shall not hold a meeting unless at least two members are present.
- 6.2 The Corporate Secretary of FMO shall be appointed as secretary of the Selection, Appointment and Remuneration Committee. Together with the chairman of the Selection, Appointment and Remuneration Committee, the secretary shall prepare an agenda for each meeting. The agenda is to be distributed to the members of the Selection, Appointment and Remuneration Committee, the Supervisory Board and others attending the meeting. The members of the Selection, Appointment and Remuneration Committee will receive the agenda and the associated documents at least seven days in advance, not counting the day of the notice and the day of the meeting. In urgent cases, the Chairman of the Selection, Appointment and Remuneration Committee may determine that the agenda and/or the associated documents can be sent out on a shorter notice.
- 6.3 The Selection, Appointment and Remuneration Committee determines who is to be present at its meetings, and who apart from the Supervisory Board is to receive the minutes of the meetings of the Selection, Appointment and Remuneration Committee.
- 6.4 The chairman of the Selection, Appointment and Remuneration Committee shall report its findings and recommendations at a meeting to the Supervisory Board. Each year, a report setting out the Selection, Appointment and Remuneration Committee's activities during the year together with its most important results, deliberations and findings will be submitted to the Supervisory Board.

- 6.5 The composition of the Selection, Appointment and Remuneration Committee, the number of meetings of the Selection, Appointment and Remuneration Committee and the main features of the remuneration report are shown in the report of the Supervisory Board.
- 6.6 If the Selection, Appointment and Remuneration Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the company's Management Board members.

## **Article 7. Powers**

- 7.1 The Selection, Appointment and Remuneration Committee has the power to request all information it considers necessary. The company's employees will be instructed by the Management Board to comply fully with the Committee's requests for information.
- 7.2 The Selection, Appointment and Remuneration Committee has the right to seek independent advice.
- 7.3 The Selection, Appointment and Remuneration Committee has no independent decision making powers in respect of its findings and recommendations; these powers are reserved for the Supervisory Board.

## **Article 8. Final provision**

These standing rules together with the composition of the Selection, Appointment and Remuneration Committee and the remuneration report referred to in article 4 are to be placed on the FMO website.