ABN·AMRO

Supervisory Position Profile

Member of the Supervisory Board
Chair of the Audit Committee

About ABN AMRO

ABN AMRO Bank N.V. (ABN AMRO) is an enterprising bank with a primary focus on Northwest Europe. We serve clients in the retail, private and corporate banking sectors. Our ambition and strategy is to be a personal bank in the digital age. Accelerating the transition to an inclusive, circular and sustainable society. That is why our products and services are designed to contribute to a better future. By working together with our clients and partners, we are assisting in creating a clean, social and inclusive society.

Our history goes all the way back to 1765. In 1991, Algemene Bank Nederland (ABN) and AMRO Bank (which was the result of a merger of the Amsterdamsche Bank and the Rotterdamsche Bank in the 1960s) agreed to merge to create the original ABN AMRO. On 1 July 2010 the legal merger between ABN AMRO Bank and Fortis Bank Nederland was completed, creating a combined entity called ABN AMRO Bank N.V. And today, with approximately 19,000 colleagues and offices in 13 countries, we service over 6 million clients worldwide. In 2020, our operating income was EUR 7.9 billion.

Purpose & Strategy

At ABN AMRO, we take our role in society seriously. Our stakeholders need what our bank has to offer: a solid bank that provides security and a partner that supports them in planning for the future.

As a responsibly ambitious bank, we create long-term value that is anchored in our unique position of trust – a strong foundation for the future. This is at the heart of our purpose:

Banking for better, for generations to come, It is our compass in everything we do. We see opportunities to improve in a challenging environment, with Covid-19, impacting both health and the economic environment and low interest rates impacting revenues. Furthermore, our regulatory agenda and Anti-Money Laundering remediation, increasing competition from nonbanks and client expectations for convenience and mobile first demand an appropriate response. Looking at these challenges and building on our strong foundation, we have a clear vision of the bank we want to be. A bank with an inclusive environment in which our people are given the room to grow and the freedom to experiment.

A personal bank in the digital age, winning the hearts of our clients by delighting them at their key moments, providing convenience and innovative solutions. First choice partner for our clients in sustainability in climate change, the circular economy and social impact. Building a simple, future proof bank that is digital by design and has a rigorously more simple operating model. Developing and nurturing our culture and delivering on our regulatory agenda are clear priorities and we are committed to deliver on our targets and attractive distributions for shareholders.

Our strategy is underpinned by **3 strategic pillars**:

1. Reinventing the customer experience

Closer to our clients

We care for our clients. We help them pursue their ambitions and move forward responsibly. To do so, we are constantly innovating our services and exploring new business models.

Our clients expect convenience in their daily banking services. At key moments, they want access to our premium advisory services and tailored expertise. We offer them a customer journey that makes their lives easier and adds value to their business.

2. Supporting our clients' transition to sustainability

Accelerating the sustainability shift

We believe that all our clients will be affected by the transition to sustainability in one way or another in the years ahead. By making sustainability an integral part of our business, we are maximising our impact on society. Our focus is on **climate change**, **circular economy** and **social impact**. We provide distinctive expertise and are embedding sustainability in our products and services

3. Building a future proof bank

Working together as one

We can only pursue our purpose and safeguard our clients' interests if we have an agile organisation that works together as one bank, giving our clients a personal and flawless banking experience. This requires us to digitise and automate; organise ourselves around our clients and rigorously simplify our IT landscape Detecting and fighting financial crime and safeguarding our licence to operate is embedded in our organisation and processes.

We care for our people

We foster an inclusive environment in which our people are given the room to grow and the freedom to experiment. We offer our people an inspiring vision and clear choices, and trust them with the autonomy and responsibility that define our culture. ABN AMRO aims to be an agent for change and a leader in sustainability in the rapidly evolving banking landscape. In this dynamic and digitising sector, significant reductions in the number of current jobs are expected in the coming years. Our aim is to minimise forced redundancies by supporting our people through upskilling and reskilling

Culture, Leadership & Transition

How relevant we will be in the future will be decided by how we deliver on our purpose and strategy. Developing and nurturing our culture is a clear priority. Working together towards our ambitions for our clients, our colleagues, our investors and society at large will be the decisive factor for success. A diverse and inclusive workforce is of paramount importance to ABN AMRO. It enables colleagues to perform optimally, yields winning ideas and initiatives and it places us at the centre of society. That is why we are committed to have diverse groups represented at all levels of the organisation.

With the strategic choices we have made, we embark on an exciting, yet challenging transition journey. So, how will we deliver on 'a personal bank in the digital age'?
We will follow a phased approach over the coming four years to execute on our strategy, prioritising and sequencing our strategic efforts. For 2021 the focus will be on strengthening our foundation and building out the desired IT and human capabilities for the future. During 2022 – 2023 we will harvest the benefits from the work done during 2021, while making progress on several fronts. We will implement a new engagement model for specific client segments, we will further reduce the number of our branches and complete our AML remediation efforts. The full benefits from the transformation will be realized by 2024 as a number of larger transformation activities will conclude.

But organisational change alone won't cut it: at the end of the day, it is also very much about our culture. About us, the people. How we do our jobs and how we treat each other. Our sense of integrity and how we bring it to life in our actions and decisions. Our culture only changes when we do.

Our leaders play a pivotal role in shaping our culture. They know how to deal with ambiguity by effectively setting priorities and enabling execution; balancing the short and long term. To better serve our customers, they are proactively driving collaboration across functions, Business Lines and organisational boundaries. They are consistently encouraging and empowering their teams to challenge the status quo, experiment, take smart risks and learn from both success and failure. While being mindful of who they are as a leader and how they show up for their teams, they can inspire and enable others around the WHY and WHAT of the ABN AMRO purpose and strategy, connecting the dots to values, and winning the hearts and minds of their teams.

Integrity and compliancy are fundamental to us at ABN AMRO. It is a staple in all aspects of what we do. It allows us to truly live our purpose; ensuring better banking for both current and future generations.

Corporate Governance

Good corporate governance is critical for us to realise our strategic ambition of being a trusted and professional partner for all our stakeholders, including clients, our shareholders, investors, employees and society at large. ABN AMRO is organised in a way that guarantees first-class management and effective supervision by the Executive Board and Supervisory Board.

Integrity, transparency and accountability are key elements of our corporate governance and business operations. These key elements ensure that we pursue effective risk management, comply with legislation and regulations and provide full transparency to stakeholders and market parties.

ABN AMRO has a two-tier governance model consisting of a Supervisory Board and an Executive Board.

Shareholder Structure

All shares in the capital of ABN AMRO Bank are held by two foundations: Stichting Administratiekantoor Beheer Financiële Instellingen (NLFI) and Stichting Administratiekantoor Continuïteit ABN AMRO Bank (STAK AAB). Currently NLFI holds 56.3% in ABN AMRO, of which 49.9% is directly held via ordinary shares and 6.4% is indirectly held via depositary receipts for shares in ABN AMRO. STAK AAB holds 50,1% of the shares in the issued capital of ABN AMRO.

Regulators

ABN AMRO is regulated by the European Central Bank (ECB), in close cooperation with the Dutch Central Bank (De Nederlandsche Bank or DNB), and by the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or AFM). In the framework of the Single Supervisory Mechanism (SSM), the ECB is responsible for regulating the larger banks in the euro area. The main aims of the SSM are to contribute to the safety and soundness of credit institutions and the stability of the European financial system and to ensure consistent supervision. The AFM supervises the operation of the financial markets in the Netherlands and monitors the behaviour of the entire financial services industry: savings, investments, insurance and loans.

Executive Board

The Executive Board is charged with managing the company, which means that it is responsible for determining the company's mission, vision, strategy, policy and objectives and for achieving those objectives. The Executive Board is guided in the performance of its duties by the interests and continuity of the company and the undertakings connected with it and makes a balanced assessment of the interests of all relevant stakeholders, including the customers, savers and deposit holders, shareholders, holders of depositary receipts, employees and the society at large.

The members of the Executive Board are collectively responsible for the management of ABN AMRO Bank N.V., the general course of business (*algemene gang van zaken*) and continuity of ABN AMRO and its subsidiaries. The Executive Board contributes to long-term value creation for the various stakeholders of the bank and focuses on client centricity. The members of the Executive Board promote the bank's and the subsidiaries' values through leading by example.

The Executive Board consists of: the CEO, CFO, CITO, CRO, three CCOs: (i) CCO Personal & Business Banking, (ii) CCO Corporate Banking, (iii) CCO Wealth Management, and the CHRO.

The members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board notifies the General Meeting of a proposed appointment of a member of the Executive Board.

ABN AMRO and NLFI have agreed in the Relationship Agreement that, as long as NLFI directly or indirectly holds 10% or more of ABN AMRO's issued share capital, it shall be given the opportunity to advise on the decision of the Supervisory Board to (re)appoint any member of the Executive Board and/or on the appointment of the Chairman of the Supervisory Board.

Member of the Supervisory Board
Chair of the Audit Committee

Introduction

ABN AMRO is seeking to appoint a seasoned and highly respected (former) executive to the Supervisory Board and Chair of the Audit Committee. Reference is made to the rotation schedule.

This position is vital to the Audit Committee's effectiveness and accountability, in setting the committee's tone, culture and agenda. This position requires to be fulfilled by a financial expert with senior experience at the breadth and level of complexity of a public company like the ABN AMRO group. For this position it is necessary to understand the design and functioning of internal controls, to have knowledge of financial and non-financial internal and external reporting, to have the ability to assess estimates, accruals and reserves in financial statements, to have experience in analysing and evaluating financial statements and to understand and have direct experience with audit committee functions in general.

The Audit Committee further has a role in the awareness and monitoring of IT-related risks, as well as for taking opportunities to use technology more effectively to increase stakeholder value. Digital disruptions have been impacting the banking industry and are driving the emergence of new business models; they are impacting the whole value chain. ABN AMRO is well on the way in its transformation journey and has been focusing on, adapting, innovating and expanding its digital marketing, product/services offering and e-commerce capabilities to respond to the new consumer paradigm.

For the integration of ESG into its strategy, the Executive Board and Supervisory Board leverage the Audit Committee's financial disclosure oversight expertise, to oversee that ESG disclosures can get ahead of the growing demand for this information. As the demand for ESG disclosures rises, the Audit Committee has a critical role in the monitoring of these disclosures. Enhanced ESG disclosure is going to intensify in the coming years in view of the rising concerns about the impact of environmental and social issues on business operations and performance.

This position profile is supplementary to the collective profile of the ABN AMRO Supervisory Board, Annex 3 to the Supervisory Board Rules of Procedure.

The Supervisory Board, as a collective

The Supervisory Board supervises ABN AMRO's overall strategy and key policies within the applicable legal and regulatory framework. In addition, the Supervisory Board supervises, advises, challenges and supports the Executive Board in the exercise of its powers and duties, while preserving its statutory duties and responsibilities in compliance with applicable law and regulations, including the articles of association and rules of procedure. In fulfilling its duties, the Supervisory Board is guided by the interests of ABN AMRO and its business; it takes into account the relevant interests of all stakeholders.

The Supervisory Board's composition is based on the Supervisory Board's guiding principle that diversity of thought, expertise, background, competences and interpersonal styles, including but not limited to gender diversity, is a prerequisite for effective supervision and, by extension, for long-term value creation.

Supervisory Board members are appointed by the General Meeting, upon nomination by the Supervisory Board. The Supervisory Board must nominate candidates recommended by the Employees Council (being ABN AMRO's central works council) for one-third of the Supervisory Board members.

Your position as member of the Supervisory Board, Chair of the Audit Committee

In your role as member of the Supervisory Board, you:

- supervise the overall strategy and key policies within the applicable legal and regulatory framework;
- foster a culture focused on long-term value creation, financial and non-financial risk awareness, compliance with ABN AMRO's risk appetite;
- foster responsible and ethical behaviour and stimulate openness and accountability within ABN AMRO and the different corporate bodies;
- set the tone: dedicated, informed, probing, and independent. You are able and willing to hold management to account where necessary;
- oversee that ABN AMRO has robust governance arrangements, including a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks ABN AMRO is or might be exposed to;
- oversee that ABN AMRO has an effective control framework for managing integrity risks, including AML/CTF risks, and that ABN AMRO has procedures to ensure that identified shortcomings or deficiencies in relation to the managing integrity

risks result in appropriate remediation;
- are aware of the gatekeeper role of banks and the legal system around AML, including the CDD and reporting obligations of banks;
- give advice to the Executive Board regarding compliance with policies, laws and regulations and constructively challenge and encourage the Executive Board to monitor compliancy;
- periodically review the effectiveness of the internal governance framework, and if necessary, take appropriate steps to address any identified deficiencies;
- oversee the integrity of the internal control framework, including an effective and sound risk management framework and ensure the independent functioning of the heads of the internal control functions (Risk, Compliance, Audit);
- constructively challenge the strategy of ABN AMRO, and critically review proposals, information provided, and decisions by the Executive Board;
- oversee that ABN AMRO organises the exchange of the information necessary in a manner that ensures that each business line, subsidiary and the internal control function, is able to carry out its duties;
- supervise, advice, challenge and support the Executive Board in the exercise of its powers and duties, taking into account the dynamics and the relationship between the Supervisory Board and the Executive Board, and its members;
- regularly evaluate and assess the functioning of the Executive Board and its individual members and discuss the conclusions attached to the evaluation, also in light of the succession of Executive Board members;
- monitor the consistent implementation of ABN AMRO's risk culture, also with respect to the three lines of defence, to ensure sufficient risk ownership is taken;
- oversee the process of disclosure and communications with external stakeholders and competent authorities;
- have sufficient external awareness, inter alia through monitoring financial, non-financial, economic, social and other developments relevant to the interest of ABN AMRO and the interests of internal and external stakeholders;
- have sensitivity to surroundings, including focus on (international) financial services and ability to pick up signals from within the organisation and society.

In your role as Chair of the Audit Committee, you:

- have a clear understanding of the Audit Committee's duties and responsibilities; be able to commit the necessary time, and have the requisite business, financial, communication, and leadership skills;
- are responsible for the proper functioning of the Audit Committee;
- assess the reports prepared by the external auditor;
- assess and monitor the external auditor's independence and objectivity;
- evaluate the overall performance of Group Audit together with the CEO;
- are capable of chairing meetings effectively and creating an open atmosphere that encourages everyone to participate on an equal footing;
- supervise the design and reporting procedures of the internal control framework, follow-up procedures, and internal control functions, in particular the internal audit function;
- monitor and assess the effectiveness of the internal and external auditor, the audit process and quality control;
- monitor and assess the effectiveness of internal risk management and control systems through attendance of the Risk & Capital Committee meetings in which these items are discussed;
- understand the changing societal and regulatory expectations on reporting and disclosures within the financial sector;
- understand and assess the soundness of the methodologies that are used to develop metrics and other ESG disclosures;
- understand and assess the impact of ESG commitments on financial statements and the return on sustainable investments;
- oversee the appropriate antifraud controls, ethics and compliance programs, and the detection of misconduct or irregularity, such as fraud, defalcation and other illegal acts;
- have the Audit Committee's agenda focus on the important issues;
- support the CFO;
- report to the Supervisory Board, identify any matters within its remit which require action or improvement and make recommendations for measures to be taken;
- undertake preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of ABN AMRO's financial and non-financial reporting and the effectiveness of ABN AMRO's internal control systems.

Your profile

The candidate should have extensive experience as a financial executive. Either as a (former) CFO, an external auditor or as a broader business leader in the financial services sector. The candidate has experience as a board member within a listed environment, at the highest level and preferably a CPA/RA qualification. More in particular the candidate:

- has extensive experience with financial and non-financial reporting and internal control systems;
- oversees the entire financial reporting process and controls and understands whether those processes and controls are operating effectively;
- has the ability to critically challenge the Executive Board and senior management, specifically in the areas of finance, tax, risk and compliance and maintain an open relationship and constructive dialogue;

- understands the application of information and communication technology, including risks relating to cybersecurity;
- understands the reporting and auditing on sustainability policies, sustainable strategy, business performance, and disclosures;
- has excellent analytical skills;
- has cultural awareness;
- has experience in/with boardroom dynamics and collegial boards, in order to contribute to the functioning of the board, as a collective, in an effective manner;
- has sensitivity to, and understanding of, the broad range of stakeholders, including focus on (international) financial services and ability to pick up signals from within the organization and society;
- complements the other members of the Supervisory Board in terms of personality and experience;
- has the ability to take a helicopter view and show good judgement, including the weighing of information and possible courses of action in order to reach a logical conclusion and studying, recognizing and understanding essential elements and issues;
- has the ability to convey the core values of the bank;
- has stewardship skills (the awareness of the bank's long-term interests);
- has risk awareness;
- has critical faculties;
- is independent;
- has the ability to be assertive and confrontational;
- is steadfastness, through the adoption of a constructive but critical attitude;
- is contemplative and reflective;
- is resolute;
- has good communication skills.

Key relationships

- Reports to: the Supervisory Board
- Direct contacts: the CFO, Head of Group Audit, external auditor
- Other relationships/stakeholders: various stakeholders, including (international) regulators, Group Audit and external audit.

Fit & proper assessment

The Supervisory Board and each of its members need to be assessed individually and collectively as being suitable for their position, able to fulfil his/her duties and meet the fit and proper requirements according to the competent regulator. This new Supervisory Board member's appointment will require regulatory approval from the ECB.