

**DRAFT MINUTES of the Meeting of Depository Receipt Holders of Stichting Administratiekantoor Aandelen Triodos Bank, held in Tivoli Vredenburg in Utrecht on Friday 17 May 2019**

## **1. Opening**

Ms De Zwaan, Chair of the Board of the Foundation for the Stichting Administratiekantoor Aandelen Triodos Bank, [SAAT, Administration of Triodos Bank Shares] opened the meeting at 2:15pm. The agenda item on which the attendees will vote, will be discussed after 2:30pm. Ms De Zwaan welcomed those attending the meeting, including the depository receipt holders who participated in the meeting through the webcast, and thanked the depository receipt holders for their many contributions to the meeting and good questions over the past few years.

Ms De Zwaan adopted the agenda; subsequently the other members of the Board of the Stichting Administratiekantoor Aandelen Triodos Bank ('SAAT') introduced themselves. i) Mr Schoors from Belgium, Professor in Economics at Ghent University as well as an actor, ii) Mr Lageweg, who had already been a member of the Board of SAAT for two years, and who fulfils various supervisory directorships and is a leader of the campaign for food, health and nature, and iii) Mr Keller from Germany, who was appointed and joined the Board of SAAT in 2018, and is also the director of a hospital and a member of the Supervisory Board of a foundation. Ms De Zwaan introduced herself and stated that she was mainly active in the area of culture, education and healthcare. Mr Nawas had resigned from his position on the Board. The appointment of a new member will be put to a vote today.

The Chair mentioned the presence of Mr Bossenbroek, a civil-law notary at NautaDutilh, who would supervise the voting process.

In accordance with Article 10, paragraph 9, of SAAT's terms of administration, the Chair appointed Ms Van der Velden as minutes secretary. The draft minutes would be posted on the website before the end of August and be adopted in line with the terms of administration.

The Chair noted that the meeting had been convened in accordance with Article 10, paragraph 3, of SAAT's terms of administration. The notice convening the meeting was published in a national newspaper (Trouw) on 13 April 2019. Holders of depository receipts had received a convening notice by mail or email, depending on the choice they submitted. The documents for the meeting had been available for inspection and had been posted on the website. The Chair alerted those present that voting would at all times take place on the relevant item on the agenda, as specified in the notes to the agenda.

The Chair stated that she would report, later on during the meeting, how many depository receipt holders were present at the meeting and how many votes were present and/or represented at the meeting. Non-depository receipt holders might also be present. They were quite welcome, but did not have the right under the articles of association to speak at the meeting. Persons who had arrived after the start of the meeting and who had not registered could not vote, as had been announced in the letter sent to depository receipt holders after registering for the meeting. This was necessary to ensure the validity of the voting process.

Each depository receipt holder had the right to speak at the meeting and was allowed, in the first instance, to ask one question at a time. If a depository receipt holder wished to speak, he/she should go to a microphone. Questions could be asked through the microphone or the live webcast only. Depository receipt holders were asked to clearly state their name and place of residence before taking the floor.

## **2. Report of the Board of SAAT 2018**

The Chair referred to the report presented on pages 190 to 193 inclusive of the annual report. The report will be explained in the context of the in-depth explanation of the vote cast by SAAT in the General Meeting of Triodos Bank N.V.

SAAT's role is to safeguard Triodos' independence and mission. SAAT fulfils the role of independent shareholder of the bank, but is not the bank's owner. Votes are cast with due observance of the terms of administration, which provide that SAAT exercises the voting right on the shares it owns independently, and in doing so upholds the interests of the depositary receipt holders, the interests of the bank and the principles expressed in the objective and the mission of the bank. What is envisaged in the exercise of the banking business is stated in Article 2.2 of the articles of association of Triodos Bank N.V.

SAAT has an independent Board that is appointed by the depositary receipt holders. SAAT, the bank and the depositary receipt holders consult with one another. The depositary receipt holders vote on the appointment of the Board members of SAAT, the articles of association and how the Board is remunerated, if a proposal to such effect is submitted. The triodos.com website describes the areas of attention in the interaction with Triodos Bank and SAAT's execution.

Themes discussed last year in the interaction with the Executive Board and the Supervisory Board included the cost ratio, efficiency, the performance of the various branches over the year, the remuneration policy within the Bank and the Supervisory Board and the level of the dividend in relation to the return realised by the bank. In meetings with the Executive Board on the annual report 2018 the mission and the essence were discussed. The mission of the bank is realised by two issues: the bank wants to fund changes in society by investing in projects and by changing the financial industry. Attention for the bank's beliefs has gained in urgency as a result of developments in society. The climate issue and social issues are expressed visibly in the bank's policy and the interaction between these themes is becoming increasingly important. SAAT is pleased that the bank has selected three themes: climate and energy, nutrition and agriculture and *social inclusion*. The Chair continued that SAAT is convinced that the bank will be able to leverage its experience to put these themes on the map and can accelerate the realisation of these themes based on the loan portfolio and also from the impact perspective.

The impact of Triodos Bank's operations was discussed with the Executive Board and the Supervisory Board. A number of parameters and indicators are available to measure the impact. The ratio between the deposits that are entrusted to the bank and the loan portfolio is increasing. More deposits are allocated to projects, which increases the impact. In addition, SAAT feels it is important that the bank is able to inform the depositary receipt holders on the impact realised. This year, Triodos Bank introduced the Platform for Carbon Accounting Financials (PCAF) method. Further important parameters are the Sustainable Development Goals and the impact per customer. The Chair expressed the hope that the depositary receipt holders receive consistent reports and that Triodos will be even better able in the future to make good choices in terms of where impact is generated. The Executive Board has explained the financial parameters: increased returns, dividends, the portfolio, capitalisation and the nature of the income. Interest rate margins are under pressure. SAAT monitors these issues. In addition, intense efforts are noted to generate impact and realise change on the themes described above. Further details can be found in the annual report.

In previous years depositary receipt holders received a questionnaire prior to the meeting on their satisfaction with the bank and SAAT. The intention is to carry out this survey again in the autumn. The satisfaction of the depositary receipt holders with the result of Triodos Bank has been consistently positive over the years. The opinions of the depositary receipt holders on the importance of social versus financial income over the past few years were also consistent. The same goes for the satisfaction with the balance between individual return and impact, and with SAAT's voting decisions. Every year, some depositary receipt holders give neutral answers to the questions in the survey. It is SAAT's ambition to provide more clarity, e.g. in the explanation, so that all depositary receipt holders can understand the statements and those depositary receipt holders who now hold neutral views will have sufficient information to give more informed answers.

Prior to SAAT's annual Meeting of Depositary Receipt Holders, the Executive Board members attended meetings with depositary receipt holders in the various countries. Meetings were also held with customers in the different countries. The Chair visited the branch in the United Kingdom on behalf of SAAT. The questions of the depositary receipt holders during the meetings there were mainly focused on the consequences of Brexit for the depositary receipt holders. SAAT was able to explain

these to the depositary receipt holders well. Following on from the meeting a customer day had been organised on which customers could meet the management of the bank and the Executive Board.

The meeting of the Belgian branch in early May was attended by Mr Schoors and the Chair. The meeting was attended by numerous depositary receipt holders. The Executive Board gave a presentation on the impact in the area of renewable energy, education and *social inclusion*. Also, a discussion was held on the transition of society and the economy and how the bank could contribute to this. Furthermore, ethical questions on the partners of the bank were addressed. Other issues that were discussed included absenteeism, staff reduction and personnel policy.

Mr Keller and the Chair visited the German branch last week. They discussed the responsibility that the bank can take for the climate issue with the customers. The German depositary receipt holders urgently appealed to the bank to resolve the relevant and pressing climate problem. SAAT was also asked in Germany how the mission is safeguarded and how much SAAT actually costs. The costs of SAAT are described in detail in the annual report. In addition, the annual report describes not just what is made possible by the money of the depositary receipt holders, but also presents inspiring stories of how issues and impact themes are tackled.

The branch in Spain was visited by the Chair, accompanied by Ms Valcarcel, nominated for appointment to the Board of SAAT, where they met customers and depositary receipt holders. The questions focused on the costs of the payment transactions in Spain. A question as to whether debit cards can be composted was a wonderful illustration of the commitment of depositary receipt holders and the transparency obligation that the bank has taken on. Both the employees of the bank and those of SAAT feel responsible for being able to answer this question correctly.

The Chair allowed depositary receipt holders the opportunity to ask questions about the policy conducted, stating that she would be answering questions from the perspective of a shareholder. Questions directly related to the bank's operations will be referred to the management of the bank.

Ms Van der Woude from Utrecht asked for more information on what is being done about the concept of *social inclusion*.

Ms ... [inaudible] from Hardenberg referred to a talk she attended from an assistant to Al Gore. Germany was asked about the climate problem. Many kinds of facilities and objectives can be pursued, but the question is to what extent - in the view of Triodos Bank - some kind of hierarchy can be decided on.

Mr Jonker from Zeist appealed to the bank. He was fascinated by the amount of time and effort Triodos Bank spent in and dedicated to the financial banking industry and society, but he felt the employees of the bank should never forget that they are still in the banking business.

With regard to the question on *social inclusion* Mr Lageweg replied that when he joined the bank some years ago this was a key aspect of his motivation. This morning, Mr Blom explained the theme of 'participation' by highlighting the direct connection between the themes Climate & Energy and Agriculture & Nutrition on the one hand and *social inclusion* on the other. Mr Lageweg supported making this connection. It concerns participation of people who often do not feel welcome in the world that Triodos Bank stands for. It is fitting for Triodos to be more outspoken about this. This debate was being conducted by SAAT with the Executive Board. SAAT advocated giving a great deal of attention to this important social theme.

The themes 'honest' and 'fair' touch upon the core of the subject of social and inclusiveness. Mr Lageweg added the concept 'true cost, true price' to that. 'True cost, true price' involves rewarding the contribution of a product or business to social goals. The world is on fire in the area of CO<sub>2</sub>, but also in social terms, e.g. in terms of inequality and health. Mr Lageweg stated that he favoured connecting these themes by tackling them in a focused way and by connecting social and economic sustainability, also in the products and services the bank offered. Mr Schoors added that there is a broad public platform in Belgium where a number of people are collaborating and discussing climate and social

policy. Conducting this climate policy requires broad public support.

To the third question Ms De Zwaan replied that SAAT's view is that Triodos Bank is a bank that should aim to run its banking business excellently in accordance with its mission basis, and set a good example in doing so by means of 'Change Finance'.

A question came in through the webcast. The questioner did not realise any return on his depositary receipt due to the net asset value. Is the bank faced with bad or different causes? The Chair stated that the bank should answer this question, not SAAT. Finance director Mr Wingelaar answered the question. The calculation of the issue price of the depositary receipts is rounded off to euros. So for example all values between €83.52 up to €84.48 are rounded off to €84. So there is definitely price development, but at this time it has not resulted in rounding off to a full euro higher. However, over the years the price has shown a steady upward movement.

Mr Douma from Rotterdam made an appeal and returned to the discussion on *social inclusion* for which he expressed his support. 10 years ago banks opted for tackling inequality in the world, but it has only got worse. There is a great deal of work to be done in that area and there is certainly a connection with the pricing of climate measures and *social inclusion*. Mr Douma had discussed this with Mr Blom during the break. Mr Douma had read in the report of the Executive Board about the satisfaction with the growth of Triodos Bank and its positive impact, but also that Triodos Bank is struggling with increasing regulation, pressure from regulators, costs, etc., and that it is challenging to find the right balance. Triodos Bank was taking a number of intrinsic measures in the area of its mission and strategic vision so as to take its own decisions in line with the bank's intentions, but it was also tackling the structure of the organisation by appointing a Chief Risk Officer for Risk Management and Compliance. Another intervention was the creation of a Banking Committee. Mr Douma said that he was not well placed to tell whether these were good things. Mr Douma appealed to the Executive Board, the Supervisory Board and SAAT to endeavour to continue to find the right balance in all these measures, i.e. making hard choices such as tackling the structure, but also to not lose sight of the social aspect of the organisation and the own decision-making of employees.

Mr Schut from Driebergen asked the Chair to take the 40% who stated 'I don't know' in the survey seriously and devote attention to them. Mr Schut also remarked that he was a little hard of hearing and his wife was deaf. He complimented the interpreter in the room, but felt that more could be done. Perhaps subtitling of the shareholder meeting might be an idea.

The Chair thanked the questioners for their appeals and contributions. The Chair confirmed that it was highly important that Triodos Bank was accessible and available and that it was open to discussions with the 44% of the depositary receipt holders who stated 'I don't know' in the survey. It was also important that SAAT was also able to communicate with customers who had to deal with the issues that Mr Douma outlined. SAAT will strive for that, as well as heeding the call to ensure the mental resilience of the employees of Triodos Bank.

### **3. Appointment of Ms Valcarcel as member of the Board of SAAT**

The Chair referred to the profile of the Board of SAAT that member should generally fulfil, such as having financial knowledge, understanding and ambition with regard to the mission of Triodos Bank and the impact created by Triodos Bank. What is also important is that there should be differences among the Board members as a reflection of the differences that Triodos represents by different nationalities, knowledge, background and gender. For this reason, the Board of SAAT is delighted to be strengthened with a female Spanish candidate, who after Mr Nawas' departure can give substance to the wish for knowledge expansion by means of her banking background and financial expertise. The candidate, Ms Valcarcel, has proved that she has these qualities in abundance. She started her career in accountancy and banking, completed a PhD on impact and sustainability and has made a choice to serve with funds that have attention for and invest in social issues. The Chair was extraordinarily pleased that Ms Valcarcel was prepared to give her time, attention and energy to SAAT and Triodos Bank. It was for these reasons that she was nominated.

Ms Valcarcel stepped on to the stage for a brief explanation of her background and education in the area of law and business administration. Ms Valcarcel stated that she had worked for banks and asset

management companies in the financial industry for 10 years before she learned about sustainable development, in which her focus was on *social inclusion*, *social finance* and *social investment*. She was also a sponsor of a *social finance cooperation*. Ms Valcarcel considered it a privilege to work in the Netherlands and continue to work towards changing finance.

The Chair opened up the meeting for questions for Ms Valcarcel. There were no further questions.

The Board of SAAT proposed to appoint Ms Valcarcel as a member of the Board of SAAT for a four-year term, effective as of the end of this annual meeting of depositary receipt holders. In accordance with Article 8, paragraph 1(m) of the articles of association of Triodos Bank, the Supervisory Board of Triodos Bank N.V. had given its prior approval to the positive decision that the Executive Board of Triodos Bank N.V. had taken in accordance with Article 6, paragraph 4 of the articles of association of SAAT in relation to the appointment of Ms Valcarcel.

The Chair then stated that there were 117 depositary receipt holders entitled to vote in the meeting, who jointly represented 41,903 votes. Prior to the meeting, 10,096 depositary receipt holders had granted a proxy to an independent representative of the bank, representing 257,872 votes. So a total of 299,775 votes could be cast. The Chair noted that the articles of association of Triodos Bank stated that a depositary receipt holder may cast a maximum of 1,000 votes.

After a brief explanation of the voting procedure, and a test vote based on a trial question, the appointment of Ms Valcarcel was put to the vote.

The Chair noted that Ms Valcarcel had been appointed as a member of the Board of SAAT. She welcomed to Ms Valcarcel to the Board and said she was looking forward to working with her.

#### **4. Any other business**

Mr Lamers, an anthroposophy apprentice, stated that he had become a depositary receipt holder recently and was curious what we would be able to learn from Triodos Bank and how this would relate to anthroposophy.

The Chair invited Mr Lamers to further explain the answer to his question in a personal meeting based on the themes, the origin and source of inspiration and the bank's objectives. Mr Bierman, director of Triodos Netherlands, also offered to discuss the theme in a personal meeting.

Mr Lageweg referred to the highly important appeal that was made for interaction between SAAT and its depositary receipt holders, and added two more appeals. Mr Lageweg invited the depositary receipt holders to bring along any potentially interested people to future meetings, who normally might not attend the General Meeting at all, or every year. He also highlighted the Heart-Head Day on 23 May, which might be interesting for corporate depositary receipt holders, an event that hundreds of business relations would attend. Mr Lageweg would appreciate it if depositary receipt holders attended this event. Themes that interest relations of the bank could be discussed in an informal atmosphere.

Before the Chair closed the meeting, he recalled that the company today had said goodbye to Mr Nawas. The Chair expressed his profound gratitude for his work over the past five years. Mr Nawas had contributed a great deal to SAAT, both from his background in the banking business and with his personal qualities. SAAT would sorely miss Mr Nawas in the future. The Chair thanked Mr Nawas for sharing his knowledge and for the experience he brought to SAAT, and stated he looked forward to working with him in his new role as a member of the Supervisory Board.

#### **5. Close**

The Chair thanked the depositary receipt holders for attending the meeting and for their involvement with Triodos Bank and wished everyone a safe trip home.

J.G.J.M de Zwaan  
*Chair of the Board of  
Stichting Administratiekantoor  
Triodos Bank Shares*

J. van der Velden  
*Minutes secretary*