

# Triodos Bank

**MINUTES of the Meeting of Depository Receipt Holders of Stichting Administratiekantoor Aandelen Triodos Bank, held in Beurs van Berlage Conference Centre in Amsterdam on Friday 19 May 2017**

**Adopted on 20 November 2017**

## 1. Opening

The meeting was opened by Ms De Zwaan, Chair of the Board of the Foundation for the Administration of Triodos Bank Shares [*Stichting Administratiekantoor Aandelen Triodos Bank, "SAAT"*] ("the "Board"). She welcomed those present, as well as welcoming any depository receipt holders attending the meeting through the webcast. She then adopted the agenda for the meeting, subsequently introducing herself and the other members of the Board of SAAT: Ms Van Boeschoten from the United Kingdom, Mr De Clerck from Belgium, and Mr Nawas and Mr Lageweg from the Netherlands. Although Ms Castañeda was present, she no longer occupied a seat at the Board table, having retired from the Board on 1 May 2017 upon accepting a position with the Triodos Bank branch in Spain. Her formal leave had been planned for later that day.

The Chair mentioned the presence of Mr Bossenbroek, a civil-law notary at NautaDutilh, who would oversee the voting process and was available to answer questions about the amendment of SAAT's terms of administration.

In accordance with Article 10, paragraph 9, of SAAT's terms of administration, the Chair appointed Ms Verheul as the minutes secretary. The draft minutes will 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. Depository receipt holders had received written invitations. The documents required for the meeting had been available for inspection, had been obtainable, 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 be able to safeguard the validity of the voting process.

Although an eye had to kept on the clock, there would be ample opportunity to ask questions. 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.

The Chair then proceeded to item 2 on the agenda.

## 2. Report by Board of SAAT for 2016

Before discussing the contents of the Board's report for 2016, the Chair briefly went into Triodos Bank's structure and the Board's duties as set out in the terms of administration. In the General Meeting of that morning the chairman had briefly addressed the bank's structure. SAAT owns the shares in Triodos Bank, but does not consider itself the owner of the bank itself. SAAT independently exercises the voting rights attaching to the shares it owns and, in so doing, lets itself be guided by the interests of the depository receipt holders, as well as by the bank's object

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and mission, as mentioned in Article 2, paragraph 2, of the Articles of Association of Triodos Bank N.V. The Board has increasingly realised that it is important that the things that have been put into practice in the past years be clearly showcased. SAAT has recorded the way in which it fulfils its role in a document, which will be posted on the website in the autumn and which offers the option of entering into a dialogue with depository receipt holders in more concrete terms, using that document as a basis. Such dialogue will address the Board's observations during the year, the subjects discussed by the Board and the Board's assessment of the annual report, among other issues. In this vision on SAAT's role, it is described, for instance, how SAAT is informed as a basis for exercising its voting rights for the purposes of approving the annual report or granting discharge, and in respect of appointments, as happened this morning.

The Chair stated that the key focus areas in the interaction with Triodos Bank were the bank's mission and independence, as well as its return. In terms of its mission, the Board looked at what the bank could achieve with the funds and resources available to it. In that respect, not only the impact the bank makes but also whether the bank can serve as a reference point in the financial world are very important, with the Board specifically looking at the impact of the bank's lending and investments, and of its products and services, and at the impact Triodos Bank makes in the public debate. The annual report is read with those perspectives in mind. SAAT has read in the annual report that Triodos Bank provides an insight into this – increasing – impact by describing it for each client, among other things. The Board has asked the bank to pay attention to the issue of rising inequality in society, calling on the bank to zoom in on that inequality and to wonder whether something can be done in that area based on the bank's mission. In addition, SAAT has studied Triodos Bank's report on making an impact on the basis of the Global Sustainable Development Goals. It is good to hear that various organisations surrounding Triodos Bank saw its positive effect and also wanted to create such a positive effect.

Subsequently, the Chair mentioned a number of specific trends and highlights that had occurred in the past year and that had had a direct impact, such as the current account in the United Kingdom, which enables people to use the bank's services more actively as clients. Another important factor clearly indicating how Triodos Bank carries out its role as a social innovator are the Spanish offices, where people and business owners can meet, creating a type of financial community. The momentum is expressly forward in terms of mission and impact.

The bank's return was explained in great detail at the General Meeting. Although circumstances – e.g. low interest rates and high costs due to laws, rules and regulations – has been difficult, the bank has nonetheless been able to achieve a prudent return, in accordance with its objects, and with heightening impact. Operating in line with the mission and pursuing a prudent return are preconditions for the bank's independence, as well as being indispensable in facilitating growth by raising capital.

The Chair expressed the hope that, by giving this explanation, she had provided a better understanding of how SAAT substantiated its voting rights as exercised at the General Meeting.

The annual report (pages 95-99 of the Dutch version and pages 229-232 of the English version) provides notes to the Board's activities in 2016, the decisions the Board has made and how the Board has arrived at those decisions.

Subsequently, the Chair briefly addressed the engagement overview and SAAT's interaction with the various discussion partners. The annual reporting cycle starts with the General Meeting and the Meeting of Depository Receipt Holders. The reporting cycle for the 2017 annual report in fact starts today. Throughout the year, the Board has spoken not only with customers, staff, the bank's Supervisory Board and Executive Board, but also with the Management Teams of the various branches of the bank.

The Chair stated that, in the run-up to this formal meeting of depository receipt holders, integrated meetings of depository receipt holders and customers had been held in the countries in which Triodos Bank has branches, at which the branches' activities have been explained. Various Board members reported on those meetings last year, but this year it has been decided to go for a brief

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photo impression.

The Chair noted that she could not predict what themes would emerge in 2017. The Board will challenge the bank's Executive Board to participate even more actively in the public debate on quality of life, including social inequality. The Board will also continue following the trends in sectors in which loans are issued, as well as the businesses operating in those sectors. Furthermore, the question will be asked as to what Triodos Bank's strategic projects contribute to the change that is taking place in society, and their effects in the medium term. The Executive Board had expressly stated that it pursues a return of 3% to 5%, within the context of low interest rates and costs due to laws, rules and regulations. The Board will test that target against trends in society and continue to ask the question whether the return is prudent.

The Chair stated that the composition of the Board would be an important topic for the Board itself. Ms Castañeda's farewell and Ms Van Boeschoten's retirement next year will mean two vacancies on the Board and, hence, will prompt a search for good candidates. A profile and a competence matrix have been prepared, which candidates will have to satisfy.

Finally, the Chair stated that, in the autumn, depository receipt holders would be sent a survey. The feedback provided on the basis of that survey, the questions asked at this meeting and the suggestions tabled will provide insights into what depository receipt holders consider important. The Board will consider and act upon those insights in the run-up to next year's General Meeting.

The Chair allowed those present to ask questions about the policies pursued. She stated that she would answer those questions from a shareholder's perspective and refer any questions directly related to the bank's activities to a representative of the bank.

Ms Speelpenning (Utrecht) wondered whether it was a wise move to pay a dividend of EUR 1.95 now that there is 0% interest on savings.

Mr Davidse (The Hague) thanked the Chair for her preliminary comments and elaboration. He read in the annual report that, as part of the activities that had been carried out last year, talks have been conducted with the management of Triodos Investment Management. He wondered how the investment policy was tested and how the Board dealt with the relevant questions and decisions. He also mentioned the provision of a type of summary of trends in numbers and of the geographical distribution of depository receipt holders' capital contributions. He wondered whether such information could be included in next year's annual report in a more structured way.

In response to this comment, the Chair stated that such a breakdown by country was in fact already included in the annual report in detail (page 83 of the Dutch version). This was the same data as used by the Board, offering a clear idea of numbers and geographical distribution.

The answer to the question about Triodos Investment Management was brief. The Triodos Investment Management funds have their own Supervisory Board overseeing the investments. The discussion about the investment policy is conducted there. The discussions of the Board with Triodos Investment Management focus on the impact the funds make in relation to the bank's mission. Mr Nawas added that, where the Board looked at the impact made by the funds managed by Triodos Investment Management, this is done from a greater distance than in the relationship with the Executive Board and the Supervisory Board of Triodos Bank. The specific question now asked about choices made to invest in a specific fund or not is not for the Board to answer. It is the Board's duty to broadly engage in a dialogue about the extent to which the funds contribute to the bank's mission, which is the Board's to safeguard.

The Chair then addressed the question as to the relationship between interest rates and dividend. It is primarily up to the Executive Board to make the relevant choice. The Board checks whether the Executive Board acts in line with the mission and prudence in respect of return. Mr Blom added that it had to be acknowledged in this respect that, in principle, savings are not at risk and can be withdrawn without a problem if necessary. The bank can, under normal circumstances, take back the investment of a depository receipt holder, but there is no guarantee of liquidity. The

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difference between interest rates and return is carefully monitored, with the interests of the various stakeholders also being considered. The Executive Board holds the view that the difference between 0% interest and 3% to 5% return is currently in balance. The Chair agreed. From SAAT's perspective, 3% to 5% represents a modest return that is not achieved at the expense of savers. The dividend policy to distribute a fixed dividend in principle is a good decision.

There being no further questions, the Chair addressed item 3 on the agenda.

### 3. Appointment and reappointment of SAAT Board members

The Chair briefly addressed the Board's rotation schedule. The invitation to the meeting included information on the candidate to be appointed and the Board member to be reappointed. In the first instance, the Board selects the candidates, with interviews subsequently being held with the Executive Board and the Supervisory Board. In accordance with Article 6, paragraph 4, of SAAT's Articles of Association, nomination is subject to the approval of the Executive Board, which approval is, in turn, subject to the approval of the Supervisory Board (Article 8, paragraph 1, subsection m., of Triodos Bank's Articles of Association). The Executive Board and the Supervisory Board have approved the nominations for appointment and reappointment.

The Chair then proceeded to item 3a on the agenda.

#### 3a. Appointment of Mr Koen J.L. Schoors

The Board is pleased that Mr Koen J.L. Schoors has declared his willingness to put himself forward as a candidate for the Board, in order to safeguard, together with the other Board members, the bank's independence and mission, and the return for the depository receipt holders. He has vast academic knowledge of the banking and financial sectors, as well as being highly socially engaged and having a certain level of "activism". These features make him extremely suitable for this position. Therefore, the Board is pleased to nominate Mr Schoors as a member of the Board of SAAT.

Mr Schoors said that he felt a huge drive to make economic and social models more sustainable. He has held several managerial positions, including in the field of social economy and in the renewable energy sector. Triodos Bank is a good example of an organisation that successfully embodies the core value of sustainability. Therefore, he very much wishes to use his competencies and experience to contribute to Triodos Bank's vision of the future.

The Chair allowed those present to ask Mr Schoors questions.

Mr Davidse (The Hague) said that Triodos Bank had ensued from anthroposophy. He asked Mr Schoors whether he felt connected with that philosophy. Mr Schoors said that he agreed with its ideas – to the extent that they are known to him – and with the idea of a society in which quality of life is pivotal. He would be excited to contribute to helping to improve society and give each human being a place in it.

Before taking a vote, the Chair stated that 143 depository receipt holders with voting rights were present, together representing 48,542 votes. In addition, powers of attorney with voting instructions had been received for 289,833 votes. In other words, a total of 338,375 votes could be cast at the meeting. The Chair pointed out that the powers of attorney with clear voting instructions had been issued to Triodos Bank's General Counsel and not to SAAT's Board. This would safeguard independence.

Following a concise explanation of the voting procedure, a vote was taken about the appointment of Mr Schoors. The Chair noted that, with 99.2% of the votes, Mr Schoors had been appointed as a Board member. She wholeheartedly welcomed Mr Schoors as a Board member and stated that she was looking forward to working with him.

The Chair then proceeded to address item 3b on the agenda.

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## 3b. Reappointment of Mr M. Nawas

Mr M. Nawas has been a Board member since 2014. As he had been appointed before 2015, the old, three-year appointment term applies to him. However, in 2015, it was decided that the appointment term would be extended to four years. During his three years as a Board member, Mr Nawas has made important contributions, adding a deeper level to Board discussions. He has a thorough knowledge of the banking business and is devoted to the bank's mission. Therefore, the Board is very pleased to nominate Mr Nawas for reappointment.

Mr Nawas stated that he very much wanted to be reappointed. A lot of positive things ensue from Triodos Bank for society. In the past three years, he has focused on the relationship between risk and return, as well as on the bank's mission, and how this subsequently translates into the quality matrix for the composition of the Board. Making all this more explicit and attempting to fine-tune it had led to a better dialogue and more in-depth questions in relation with the Executive Board and the Supervisory Board, not only about the bank's mission and independence but also about questions regarding returns – not just financial returns but also the impact in the long run. He very much wished to be part of that dialogue for another term.

There being no questions for Mr Nawas, a vote was taken.

The Chair noted that Mr Nawas had been reappointed as a Board member with 98.78% of the votes. Mr Nawas thanked the attending depository receipt holders for the confidence placed in him.

The Chair then moved on to item 4 on the agenda.

## 4. Approval of the amendment of the terms of administration of SAAT

The Chair stated that the notes to the agenda contained an elaborate explanation of the amendments proposed to SAAT's terms of administration. In addition, the draft notarial deed, as well as the full text of the current terms of administration and of the proposed terms of administration after amendment, plus concise notes, have been appended to the documents attached to the agenda and posted on Triodos Bank's website.

One of the goals of the amendment of the terms of administration is to simplify the procedure for convening general meetings, to authorise the Board for an indefinite period to have a registration date set and to clarify a number of provisions of the terms of administration. The Chair stated that the Board had heard the call and appeal made during the General Meeting as to keeping communications accessible to depository receipt holders who do not have a computer or do not use digital communication tools. The bank expressly aims to stay in touch with all depository receipt holders as it seeks options to achieve this, regardless of this provision. The Chair asked whether there were any further questions other than those already addressed.

Mr Mannesse (Capelle aan den IJssel) expressed the view that the explanation was a bit more honed than that of this morning, referring convening notices being posted on the website and making documents for meetings available by email. He wondered how this related to convocations being issued digitally. The Chair stated that not sending digital notices of convocation in general surely could not be the goal. The amendment merely provides for convocations being published in a national newspaper and does not provide for invitations via email. Mr Bossenbroek commented that the proposed amendment was identical to the proposed and approved amendment of Triodos Bank's Articles of Association. Convening notices will be published in a national newspaper and posted on Triodos Bank's website. This does not, however, in any way change the promise made to keep depository receipt holders up-to-date in other ways. He understands that this could in any case include email messages, but it is up to the bank and SAAT to take a decision on this matter. The civil-law notary stated that the provisions to be laid down in the Articles of Association and the terms of administration constituted the bare minimum for being able to take legally valid decisions.

The Chair concluded that the issue had not been fine-tuned compared to what was discussed at the General Meeting and that it was expressly up to the bank and SAAT to communicate with

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depository receipt holders through other channels.

When asked by Ms Speelpenning (Utrecht) whether no personal notification whatsoever would be required from SAAT in respect of depository receipt holders, the Chair stated that, to satisfy the obligations ensuing from the terms of administration, a notice of convocation published in a national newspaper and posted on Triodos Bank's website would suffice. This is not to say that the Board is not responsible for proper communications in respect of depository receipt holders and that, where the Board is concerned, the additional issue of notices of convocation by email should be considered.

Mr Mannesse (Capelle aan den IJssel) said he understood the purely legal interpretation, but that was all, as far as he was concerned. As such, he could not but vote against the motion, as the amendments do not include SAAT's duty to liaise with depository receipt holders directly.

There being no further questions, the Chair put the approval to amend SAAT's terms of administration to the vote. The Chair noted that the motion had been adopted with 98.21% of the votes.

The Chair once again stated that the Board had taken proper note of the call from depository receipt holders as to communications. The Board will consider the issue.

Subsequently, the Chair moved on to item 5 on the agenda.

## 5. Any other business

Mr Braakman (Schagen) asked about the origin of the trinity in the bank's name and logo.

Mr Van der Meer (The Hague) asked about the legal status of depository receipts – does SAAT or Triodos Bank own them – and about the person to turn to if he wished some of his money to be paid back to him in case of calamities.

Mr Van den Beugel (Vught) wanted to share a recent experience he had had with the activities of Triodos Bank. He was very pleased with Private Banking's initiatives to bring business owners in need of funding into contact with the bank's clients. He mentioned a project in Ghana with respect to compost made of organic waste and renewable energy. He extended his compliments for this initiative.

Mr Kloet (Amsterdam) said that he understood that the Board of SAAT wanted to trigger the bank's Executive Board to become more "activist" in certain areas, for instance in the area of social inequality. He said that, in principle, this appealed to him very much, and he would like to have it explained a bit more.

The Chair proposed to start with the last question. She stated that the Board calls upon Triodos Bank to contribute, within the context of its activities, to furthering cohesion in society where society currently features a lot of opposites – not just "rich versus poor" but also other opposites. Social cohesion is relevant for quality of life. It is, however, up to the Executive Board to assess and decide whether it can answer SAAT's call.

As to the question about the origin of Triodos Bank's name, Mr De Clerck said that the name "Triodos" was Greek and meant "three ways" – three ways by which Triodos Bank can contribute to development with the aid of money. The idea of the bank's founders to forge this connection with the bank's objectives was to travel the threefold way focusing on the long term. Mr Blom added that it was a special name, there not being many companies reflecting their methods in their names. The bank's lending and investment operations revolve around three questions: what is the leading motive, what are the ideas and ideals and have these been embedded socially, and is it healthy economically and ecologically. Through those three ways and by asking these questions, the image of the business is made very diverse and all-encompassing. Triodos Bank acts on that basis to this day and that is where it makes the difference: asking the three questions

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and connecting them in the most fundamental way possible.

The Chair then addressed the question of the legal status of depository receipts. The depository receipt holder owns the depository receipt. SAAT owns the shares in the Bank. Should a depository receipt holder have a complaint about his/her depository receipt, he/she should, in the first instance, contact the bank, because SAAT plays no role in that respect. Eventually, the economic risk in a depository receipt is vested in the holder of that depository receipt. Mr Nawas added that the Executive Board was authorised to acquire depository receipts at the General Meeting, which is necessary to achieve a specific level of liquidity, so that depository receipt holders can sell their depository receipts. When asked by Mr Van der Meer where he could turn in case of a calamity, the Chair stated that, if the bank were to become insolvent, as in his example, depository receipt holders will become creditors of the bank.

Ms Koiter (Amsterdam) expressed a heartfelt cry about throwing away food. She made the simple suggestion to state, in the notice of convocation to subsequent meetings, that depository receipt holders can bring doggy bags, so they can take any left-over food home. In so doing, Triodos Bank can show that it is different from the large banks.

The Chair thanked Ms Koiter for her suggestion and subsequently closed the "any other business" agenda item. Before formally closing the meeting, she addressed Ms Castañeda. The Chair stated that she bade her farewell as a fellow Board member but would still have her as a friend. She thanked Ms Castañeda for the commitment she had shown over the past years, and for her involvement and clear insights, and finally for the contributions she had made to SAAT's work.

## 6. Close

The Chair thanked the depository receipt holders for attending the meeting and for their involvement with Triodos Bank. She stated that she was looking forward to the feedback from the survey and wished everyone a safe trip home.

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

E.L. Verheul  
*Minutes secretary*