

## **Rules of Procedure for the Managing Board of NRW.BANK**

## **Rules of Procedure for the Managing Board**

### **Pursuant to Section 27 sub-section 5 of the Statutes of NRW.BANK**

#### **Preamble**

The Managing Board of NRW.BANK adopts the following Rules of Procedure, which were approved by the Supervisory Board pursuant to Section 15 sub-section 2 letter i) of the Statutes at its meeting on September 25, 2023.

The Managing Board shall conduct the business of the Bank in compliance with the statutory provisions, the Statutes of the Bank, the guidelines adopted by the Supervisory Board and these Rules of Procedure. It represents the Bank in and out of court.

In doing so, it is committed to the interests of the Bank and observes the regulations of the Bank's Public Corporate Governance Code and Sustainability Guidelines. It shall cooperate with the other bodies of the Bank and the representatives of the employees in a spirit of trust and for the good of the Bank.

#### **Section 1 Overall Responsibility**

- (1) The members of the Managing Board are jointly responsible for the overall management of the business, in particular for the establishment and functionality of the Internal Audit unit, for the risk management system and for an otherwise appropriate business organisation. The Managing Board shall be regularly informed about important events and measures in the individual business units by the respective Board members responsible for them.
- (2) Notwithstanding the overall responsibility of the Managing Board, the Chairperson of the Managing Board shall decide on the organisational allocation of the business units to individual members of the Managing Board (formation of departments, business allocation plan), taking supervisory and statutory provisions into account. Within this allocation, each member of the Managing Board manages the units assigned to him/her or his/her department under his/her own responsibility within the framework of the Managing Board resolutions.
- (3) Insofar as measures and business activities of a business unit significantly affect one or more business units, the Managing Board member responsible for this business unit shall consult with the other Managing Board members involved beforehand. Each member of the Managing Board may request that measures or transactions of another business unit that significantly affect his/her business unit require a resolution of the Managing Board.
- (4) The departmental interests shall be subordinated to the overall good of the Bank. Each member of the Managing Board is obliged to bring about a discussion in the Managing Board in the event of serious concerns regarding a matter of another department if the concerns cannot be resolved by discussion with the other Managing Board member or the Chairperson of the Managing Board.

## **Section 2 Chairperson of the Managing Board**

- (1) The Chairperson of the Managing Board shall be responsible for coordinating the work of the Managing Board members. He/she shall work to ensure that the management of all business units is geared towards the objectives defined by the resolutions of the Managing Board.
- (2) The Chairperson of the Managing Board shall decide – after prior consultation of the other members of the Managing Board and in compliance with the supervisory and statutory provisions – on the allocation of responsibilities within the Managing Board (business allocation plan), which shall be promulgated in an organisational chart and in implementation provisions. The allocation of responsibilities shall ensure appropriate representation of Managing Board members at both head offices of the Bank.
- (3) The members of the Managing Board shall regularly inform the Chairperson of the Managing Board about all significant events and the course of business in the units of their department. The Chairperson of the Managing Board may request information on individual matters of their departments from the members of the Managing Board and may specify that he/she is informed in advance about certain types of transactions. The Chairperson of the Managing Board shall inform the members of the Managing Board as far as their departments are concerned.
- (4) The Chairperson of the Managing Board or, in the event of the his/her absence, the Deputy Chairperson of the Managing Board primarily represents the Managing Board and the Bank vis-à-vis the public, in particular vis-à-vis the state government, the political and municipal institutions, associations, companies and publication bodies.
- (5) The Chairperson of the Managing Board shall take a leading role in the business exchange with the bodies of the Bank and its members.

## **Section 3 Responsibilities**

- (1) The Managing Board shall decide on all matters in which the law, the Statutes, these Rules of Procedure or other regulations require a decision by the Managing Board. It moreover decides on transactions that are of particular importance and significance for NRW.BANK, in particular on
  - a) the development of the Bank's strategic orientation in accordance with the business, promotional and risk policy principles to be adopted by the Board of Guarantors pursuant to section 10 number 9 of the Statutes.
  - b) budget matters as well as their general guidelines, the distribution of the subsidies (Förderleistung) as well as the statement to the state government on the benchmarks pursuant to section 6 (1) of the Law on the Promotion and Use of Housing for the State of North Rhine-Westphalia (WFNG).
  - c) the preparation of the Bank's annual accounts.
  - d) transactions pursuant to Section 10 numbers 1 to 7 and 11 to 13 of the Statutes that require a resolution of the Board of Guarantors pursuant to Section 9 sub-section 3 of the Statutes.

- e) the exercise of NRW.BANK's shareholder rights at the Annual General Meeting of Portigon AG that requires the approval of the Board of Guarantors pursuant to section 11 of the Statutes.
  - f) matters to be submitted to the Supervisory Board.
  - g) the adoption of work rules and staff guidelines as well as their amendment.
  - h) the written orders.
  - i) loans according to decision-making level 1, in particular large exposures and loans to governing and related bodies as well as loans that deviate materially from the risk strategy, and conflict cases of the Credit and Investment Committees (of decision-making level 2). In all cases, with the exception of conflict cases, it takes the decision based on a recommendation of the Credit and Investment Committees.
  - j) equity investments according to decision-making level 1.
  - k) the adoption of framework conditions for the Internal Audit unit and their amendment.
  - l) the selection and appointment of persons at the senior management level.
  - m) the conduct of legal disputes with a value in dispute of more than € 5.0 million.
  - n) the assumption of secondary activities by members of the Managing Board, in particular the entry into management and supervisory bodies of other companies as well as the holding of honorary offices in the interest of the Bank.
- (2) Measures and transactions from the department of a Managing Board member that are of extraordinary importance for the Bank or that involve an extraordinary economic or business policy risk require the prior consent of all members of the Managing Board.
- (3) In urgent cases under paragraphs 1 and 2 that cannot be postponed, a preliminary decision may be taken by the responsible Managing Board member in agreement with another member of the Managing Board, unless other arrangements have been made for such cases. In the case of sub-section 2, the approval of all members of the Managing Board shall be obtained subsequently without delay.
- (4) The Managing Board shall moreover decide on a competence structure, in particular for lending decisions at NRW.BANK, in compliance with the banking supervisory provisions and in agreement with the Supervisory Board. In accordance with supervisory requirements, the Managing Board may delegate decisions on loans to Credit and Investment Committees, which are made up of representatives from the back office and the front office.
- (5) Matters that a member of the Managing Board submits to the Managing Board for decision shall also require a majority decision of the Managing Board.
- (6) Notwithstanding the joint management of the business and the joint responsibility, the competence and responsibility of the individual members of the Managing Board shall be governed by the business allocation plan to be adopted pursuant to Section 1 sub-section 2.

#### **Section 4 Deputies**

- (1) In the absence of the Managing Board member responsible for the activities and results of a business unit, he/she shall be represented by his/her deputy in absentia, subject to any restrictions arising from supervisory and statutory provisions.
- (2) In the absence of both the Managing Board member responsible for the business unit and his/her deputy in absentia, any other Managing Board member shall be authorised to take decisions – to the extent permitted by supervisory and statutory provisions.

#### **Section 5 Committees**

- (1) Responsibilities that are not reserved to the Managing Board due to the importance of the matter may be delegated by the Managing Board to committees.
- (2) Their tasks and composition shall be governed by procedural rules of the committees to be adopted by the Managing Board in agreement with the other bodies.

#### **Section 6 Meetings**

- (1) The Managing Board regularly holds joint meetings. When convening a meeting, the Chairperson shall communicate the agenda and the resolution proposals on the items on the agenda.
- (2) The Chairperson of the Managing Board may convene extraordinary meetings. He/she is obliged to do so if a member of the Managing Board requests this, stating the reasons.
- (3) The meeting shall be chaired by the Chairperson of the Managing Board or, in the event of the latter's absence, the Deputy Chairperson of the Managing Board or, in the event of the latter's absence, by the longest serving member of the Managing Board. He/she shall determine the order in which the items on the agenda are dealt with and the manner and sequence of voting. The members of the Managing Board may call in persons who are not members of the Managing Board to deliberate on individual items on the agenda. The chair of the meeting may postpone the adoption of resolutions on individual items on the agenda.
- (4) Members of the Managing Board who attend a meeting by telephone or video conference shall be deemed to be present. By order of the Chairperson of the Managing Board, resolutions may also be adopted by circulation outside of meetings. At least two members of the Managing Board must participate in such a resolution if there are three Managing Board members and at least three members of the Managing Board must participate if there are four Managing Board members.
- (5) Minutes of the items and the results of the deliberations shall be kept to the extent that the Managing Board considers this necessary in the interest of proper management. The members of the Managing Board who did not participate in a resolution shall be informed by the minutes. The minutes shall be approved at the meeting following the receipt of the minutes.

- (6) As a general rule, the meetings are to be held alternately at the Bank's two head offices in Düsseldorf and Münster.

## **Section 7 Resolutions**

Unless otherwise provided by law, the following shall apply to resolutions of the Managing Board:

- (1) The Managing Board shall have a quorum if at least two Managing Board members are present if there are three Managing Board members and if at least three Managing Board members are present if there are four Managing Board members.
- (2) The Managing Board shall use its best endeavours to achieve unanimity in the adoption of resolutions. If unanimity cannot be achieved, the decision shall be taken by a majority of the votes of the Managing Board members present, unless provided otherwise. Outside of meetings, decisions shall be taken by the majority of its members. In the event of a tie, the Chairperson of the Managing Board shall have the casting vote.
- (3) Unanimity of all members of the Managing Board is always required for resolutions
  - a) within the meaning of Section 3 sub-section 1 letters a to e and i of these Rules of Procedure.
  - b) on personnel decisions.
  - c) pursuant to Section 3 sub-section 2 of these Rules of Procedure.

Notwithstanding the provision in Section 7 sub-section 6, no member of the Managing Board may abstain from voting.

- (4) Resolutions on matters from the area of responsibility of Managing Board members shall only be adopted if at least the responsible Managing Board member or his/her deputy in absentia is present. Each member of the Managing Board has the right to object to a resolution that affects essential interests of his/her department. The objection has the consequence that the resolution is not adopted for the time being and that the matter has to be discussed again and decided at the next meeting. If the Managing Board resolves anew, the resolution shall be binding.
- (5) Resolutions of the Managing Board shall be recorded in text form. Dissenting votes shall be indicated.
- (6) If there is a reason in the person of a Managing Board member that may justify an apprehension of bias in a decision in which the respective Managing Board member participates or which he/she has to take himself/herself, he/she has to inform the Managing Board thereof before the decision is taken. Such a reason exists in particular if there is a conflict of interest in resolutions on loans to governing and related bodies within the meaning of Section 15 sub-section 1 sentence 2 of the German Banking Act (KWG). If the Managing Board affirms the apprehension of bias, the Managing Board member is excluded from the deliberation and the adoption of the resolution on this matter.

## **Section 8 Implementation**

The implementation of the measures decided by the Managing Board shall be initiated by the respective responsible Managing Board member and supervised by the Managing Board. If, in individual cases, a business allocation has not yet been made, the Chairperson of the Managing Board shall be responsible for the initiation and implementation.

## **Section 9 Cooperation with the Supervisory Board**

- (1) The Managing Board and the Supervisory Board cooperate closely to the benefit of the Bank. Based on the nature and purpose of the business, the Managing Board shall define the strategic approach of the Bank and discuss it with the Supervisory Board as well as deliberate on the current state of strategic implementation at regular intervals.
- (2) For transactions of fundamental importance, the Statutes and the German Banking Act (KWG) specify provisions requiring the approval of the Supervisory Board.
- (3) The Managing Board shall inform the Supervisory Board regularly, without delay and comprehensively of all issues important to NRW.BANK with regard to planning, business development, risk situation, risk management and compliance as well as changes of the economic environment which are important for the Bank. The Managing Board shall point out deviations of the actual business development from previously formulated plans and targets, indicating the reasons therefor.
- (4) The Chairperson of the Managing Board shall regularly inform the Chairperson of the Supervisory Board about the course of business, the situation of the Bank and general business policy issues. The Chairperson of the Supervisory Board and his/her deputies shall be informed immediately of important events (Section 27 sub-section 6 sentence 1 of the Statutes), in particular events that may have a significant influence on the Bank's situation, its liquidity or profitability, its liable equity capital or the liability of the guarantors.
- (5) The Managing Board shall at all times supply any information requested to the Chairperson of the Supervisory Board, his/her deputies and the Supervisory Board (Section 27 sub-section 6 sentence 2 of the Statutes).
- (6) In addition to the annual report, the Managing Board shall inform the Supervisory Board at least quarterly in writing of any significant and serious objections raised by the Internal Audit unit as well as of any objections in these categories that have not been remedied yet. The Supervisory Board must be informed immediately of any particularly serious deficiencies. In addition, the Managing Board shall submit the annual reports of the WpHG Compliance Officer, the MaRisk Compliance Officer and the Money Laundering Officer to the Supervisory Board.

## **Section 10 Conflicts of Interest**

- (1) During their employment for NRW.BANK, the members of the Managing Board are obliged to act in the Bank's best interests and are subject to a comprehensive non-competition obligation. Each member of the Managing Board shall inform the fellow members of the Managing Board of any conflicts of interest prior to the adoption of a resolution. Conflicts of interest shall be disclosed to the Supervisory Board without delay.
- (2) The members of the Managing Board do not run any business or practice any profession other than their office at NRW.BANK. Any secondary activities or the entry into a supervisory board or a similar body of a business enterprise require the approval of the Supervisory Board. The holding of honorary posts requires the approval of the Managing Board.

The members of the Managing Board shall notify the Supervisory Board at the latest by March 31 of each year of the remuneration and benefits received for secondary activities performed in the previous year and of the expense allowances which they have received in connection with the holding of honorary posts.

- (3) The members of the Managing Board always act with integrity, as required by NRW.BANK's Corporate Governance Code.
- (4) If there is an apprehension of bias of a member of the Managing Board, the right to deliberate and adopt resolutions shall be governed by Section 7 sub-section 6.

## **Section 11 Obligation of Secrecy**

The members of the Managing Board are bound to secrecy. They may not make unauthorised use of business or trade secrets of which they get knowledge during performance of their duties. This obligation shall remain in force even after leaving the services of the Bank.

These Rules of Procedure shall enter into force on September 25, 2023. At the same time, the Rules of Procedure of June 21, 2021 shall cease to be in force.