

## Statutes of NRW.BANK

Dated June 28, 2021

Pursuant to Section 7 sub-section 1 sentence 1 letter a of the Act on NRW.BANK (“Gesetz über die NRW.BANK”) of March 16, 2004 (GV. NRW. p. 126), as last amended by the Act of March 26, 2019 (GV. NRW. p. 196), the Board of Guarantors of NRW.BANK adopted the following version of the Statutes of NRW.BANK on June 28, 2021:

### **Section 1 Name, Legal Form, Head Office**

- (1) NRW.BANK has legal capacity by operation of law. It is a credit institution in the legal form of an institution under public law.
- (2) NRW.BANK has its Head Office in Düsseldorf and Münster. The Bank may establish branch offices.
- (3) NRW.BANK uses a seal with the words “NRW.BANK Düsseldorf/Münster”.

### **Section 2 Guarantors, Liability**

- (1) The guarantor of the NRW.BANK is the State of North Rhine-Westphalia.
- (2) The Guarantor guarantees that the Bank is able to carry out its required functions (institutional liability).
- (3) The Guarantor is liable for the obligations of NRW.BANK in the event that the assets of NRW.BANK are insufficient for settlement. The Guarantor is directly liable for loans taken up and bonds issued by NRW.BANK, futures and forward transactions, rights arising from options and other loans to NRW.BANK as well as for loans expressly granted by NRW.BANK.

### **Section 3 Equity Capital**

- (1) NRW.BANK has capital amounting to EUR 17 billion, which is exclusively held by the Guarantor.
- (2) NRW.BANK may admit legal entities under public law – also from other federal states – as guarantors subject to their participation in the capital. The capital participations of the North Rhine-Westphalian guarantors must amount to a minimum of 51 per cent.
- (3) The capital and the reserves constitute the equity capital of NRW.BANK.

- (4) The equity capital is unlimited in time and may – except in the case of the liquidation of NRW.BANK or in the case of the offsetting of a loss – be repaid or otherwise reduced only after prior approval by the authority in charge of banking supervision. A claim of the guarantor to the return of equity capital arising in the event of liquidation shall be subordinate to all claims of all current and future creditors.
- (5) NRW.BANK may grant subsidies only to the extent that the funds required for this purpose will be refunded by the guarantor.

#### **Section 4 Retired Guarantors**

Retired Guarantors remain liable for liabilities of NRW.BANK which were justified at the date of the retirement becoming effective. The obligations from Section 11 of the Act for the Creation of Landesbank Nordrhein-Westfalen and for the Conversion of Westdeutsche Landesbank Girozentrale (“Gesetz zur Errichtung der Landesbank Nordrhein-Westfalen und zur Umwandlung der Westdeutschen Landesbank Girozentrale”) dated July 2, 2002 (GV. NRW. p. 284) continue to apply to a retired Guarantor.

#### **Section 5 Promotional Mission, Activities**

- (1) NRW.BANK has been commissioned by the government mission to support the federal state and its municipal corporations in meeting their public tasks, particularly in the fields of structural, economic, social and housing policy and carry out and administer promotional measures in compliance with the benefit regulations of the European Union. In this regard, it is governed by the principle of sustainability.
- (2) To fulfil its mission, NRW.BANK will operate in the following promotional segments:
  - a) securing and improving the small and medium-sized business sector, especially through finance for business start-ups and business expansion,
  - b) within the framework of social housing promotion,
  - c) providing venture capital,
  - d) urban development,
  - e) infrastructure initiatives,
  - f) agricultural, forestry and rural initiatives,
  - g) environmental protection initiatives,
  - h) technological and innovation initiatives,
  - i) purely social initiatives and
  - j) cultural and scientific initiatives.

Details of the tasks performed in the context of social housing promotion stated in sentence 1 letter b above are laid down in the “Gesetz zur Förderung und Nutzung von Wohnraum für das Land Nordrhein-Westfalen” (Law on the Promotion and Use of Housing for the State of North Rhine-Westphalia) of December 8, 2009 (GV. NRW. p. 772), as last amended by the Act of October 12, 2018 (GV. NRW. p. 554), and the promotional regulations of the federal state. Details regarding the other promotional segments are defined in the promotional guidelines.

- (3) In the context of its mission, NRW.BANK may also provide loans and other kinds of financing to central, federal and local governments and special-purpose associations under public law and participate in projects financed by the European Investment Bank, the Development Bank of the European Council or comparable financing institutions for projects in the interest of the Community.
- (4) To fulfil its mission, NRW.BANK may use all financing tools used normally in the banking sector, in particular grant loans and credits, give guarantees and warranties and acquire interests. Within the framework of its mission, it is entitled to acquire an interest in companies being legal entities under public law including or excluding liability of guarantee authority. In case loans or credits are granted, banks are usually included according to the principle of transmission or by way of financing by a syndicate. In the relationship to other banks, NRW.BANK respects the principle of non-discrimination.
- (5) To fulfil its mission, NRW.BANK may also manage transactions and offer services which are related to its tasks. Within this framework, it may also perform treasury management and risk management services, raise subordinate guarantee capital and issue uncovered bearer bonds, profit participation rights, public-sector mortgage and other bonds, purchase and sell financial instruments and purchase and sell debts. Securities trading as well as the deposit-taking and giro business are also permissible if they are directly related to the performance of NRW.BANK's tasks.
- (6) Activities of NRW.BANK, which are not included in the sub-sections 1 to 5 or which do not meet the conditions defined there, are to be carried out by legally independent companies without public support, in which NRW.BANK may hold a majority interest, at the latest after July 18, 2005. Refinancing funds, guarantees and other services granted by NRW.BANK to such companies as well as services provided by such companies to NRW.BANK are to be paid in line with market conditions. The Guarantors of NRW.BANK on July 18, 2005 are liable for the discharge of all debts of NRW.BANK from activities in the sense of sentence 1. For debts of this kind which were agreed until July 18, 2001 there is no time limit, while for debts of this kind agreed after July 18, 2005, this is applicable only if their term does not exceed December 31, 2015. The Guarantors will meet their obligations under the guarantor liability towards the creditors of the debts of this kind agreed until July 18, 2005 immediately, as soon as they have stated in writing upon their maturity that the creditors of these debts cannot be satisfied from the assets of the institution in question. Obligations of NRW.BANK of this kind on the basis of their own guarantor liability or comparable liabilities are agreed and payable in the sense of sentences 3 to 5 at the same date as the debt secured by a liability of this kind. Several Guarantors are jointly and severally liable; the Guarantors among themselves are liable in proportion to their shares in the capital.
- (7) NRW.BANK shall conduct its activities in accordance with commercial principles, taking into account the public welfare. Profit is not the main object of the conduct of business.

## **Section 6 Cover for Bonds**

The mortgage or other bonds of NRW.BANK, either in circulation or to be issued, which are subject to the German Mortgage Bond Act dated May 22, 2005 (BGBl. I p. 1373), as last amended by Section 2 of the Act of May 12, 2021 (BGBl. I p. 1063), must be covered in accordance with the provisions of this Act.

## **Section 7 Executive Bodies**

- (1) The executive bodies of NRW.BANK are
  - a) the Board of Guarantors,
  - b) the Supervisory Board, and
  - c) the Managing Board.
- (2) The members of the executive bodies are obligated to maintain silence on all confidential information or secrets of NRW.BANK, in particular those business secrets which come to their knowledge as a result of their duties as a member of one of the executive bodies. This obligation also remains in effect when they are no longer a member of an executive body.

The authorisation to make statements or to give testimony in judicial proceedings in or out of court, contrary to the first sentence of this paragraph, will be given to the members of the Board of Guarantors, the Supervisory Board and the Managing Board by the Chairman of the Supervisory Board. The Chairperson of the Supervisory Board will be given such authorisation by the Chairperson next designated by rotation. This does not affect the authority of the Managing Board to make all necessary and appropriate statements in the interest of NRW.BANK as a part of the discharge of its management duties.

- (3) The members of the executive bodies are barred from participating in deliberations and from voting on issues which can potentially place them in a conflict of interest, particularly where the matter at hand may result in a direct advantage or disadvantage for themselves, for a related party or for a company or person they represent by virtue of law or by virtue of a proxy. Sentence 1 shall not apply where German Supervisory Law requires the members of the executive bodies to participate in decisions.

No conflict of interest shall be deemed to exist where guarantor representatives vote on intra-entity loans to the guarantor.

In cases of doubt whether a conflict of interest exists, the executive body shall take a vote, with the member concerned abstaining.

## **Section 8 Composition and Resolutions of the Board of Guarantors**

- (1) The Board of Guarantors is composed of:
- a) the member of the government of North Rhine-Westphalia responsible for finance,
  - b) the member of the government of North Rhine-Westphalia responsible for economics,
  - c) the member of the government of North Rhine-Westphalia responsible for housing, and
  - d) two other members delegated by the Guarantor.

The members pursuant to sentence 1 letter d above may not be simultaneously members of the Supervisory Board.

- (2) Only individuals who possess special financial and economic expertise and who are able to further the interests of NRW.BANK shall be appointed members of the Board of Guarantors.
- (3) The members pursuant to sub-section 1 sentence 1 letters a to c above are Chairperson and Deputy Chairpersons of the Board of Guarantors. If the Chairperson is unable to attend the meeting, a member of the Board of Guarantors pursuant to sub-section 1 sentence 1 letters a to c above may act in place of her or him.
- (4) The right to vote at the Board of Guarantors is dependent on the proportional shares in the capital. If NRW.BANK holds its own shares, it is not entitled to a right to vote.
- (5) The voting right of the Guarantor shall be exercised by one representative of the Guarantor from the circle of its members as defined in sub-section 1 sentence 1 letter d.

## **Section 9 Meetings of the Board of Guarantors**

- (1) The Board of Guarantors shall be convened by its Chairperson if the Guarantor, the Supervisory Board or the Managing Board so request, specifying the agenda for the meeting. The Chairperson shall preside at the Board of Guarantors.
- (2) The convening notice for the Board of Guarantors shall be given in text form and shall be accompanied by an announcement in which the matters to be dealt with shall be specified, and two weeks' notice shall be given. In urgent cases, the time limit may be shortened and the convening notice can be given orally or by telephone. At the same time, the Managing Board shall be notified that the meeting is being convened.

- (3) For every item pursuant to Section 10 numbers 1 to 7 and 11 to 13, the Supervisory Board or the Managing Board shall make suggestions for the adoption of a resolution. These suggestions shall be made available to the Board of Guarantors together with the invitation. The authorisation of the Board of Guarantors to adopt a resolution on the items mentioned above without a suggestion made by the Supervisory Board or the Managing Board remains unaffected.
- (4) The Managing Board of NRW.BANK shall participate in the Board of Guarantors. The Board of Guarantors may also meet without the Managing Board.
- (5) The Board of Guarantors shall establish its own rules of procedure.

### **Section 10** **Tasks of the Board of Guarantors**

The Board of Guarantors shall resolve on

1. the amendments to the Statutes,
2. all equity measures according to German Banking Law (KWG) as announced on September 9, 1998 (BGBl. I p. 2776), as last amended by Section 2 of the Act of May 12, 2021 (BGBl. I p. 990),
3. the approval of the annual financial statements, the appropriation of profits and coverage of a possible loss,
4. the formal approval of the actions of the Supervisory Board and Managing Board members,
5. the appointment of auditors in accordance with the North Rhine-Westphalian Court of Audit as well as of the auditor for verification of the reporting requirements and code of conduct in accordance with the provisions of the Securities Trading Act as announced on September 9, 1998 (BGBl. I p. 2708), as last amended by Section 7 of the Act of May 12, 2021 (BGBl. I p. 990). the appointment of auditors in special cases,
6. the appointment of auditors in special cases,
7. measures taken in accordance with Section 5 sub-section 4 sentence 2,
8. the fixing of remuneration for members of the Board of Guarantors and for members of the Supervisory Board and its Committees and the members of the Advisory Boards,
9. the principles of business, promotional and risk policy,
10. the approval of the purchase and sale of interests and of equity measures for participating interests, if the measure is not of minor importance as defined by the Board of Guarantors; the latter does not apply to the participating interest in Portigon AG,
11. the approval of the signing of the agreement pursuant to Section 7 sub-section 1 sentence 1 letter k of the Act on NRW.BANK of March 16, 2004 (GV. NRW. p. 126), as last amended by the Act of March 26, 2019 (GV. NRW. p. 196) between the Ministry responsible for housing and NRW.BANK,
12. amendments to the Public Corporate Governance Code of NRW.BANK and
13. the taking out or amendment of D&O insurance for the members of the Board of Guarantors, the Supervisory Board or the Managing Board.

## **Section 11**

### **Reserve of Consent by the Board of Guarantors**

The voting rights of NRW.BANK at the general meeting of shareholders of Portigon AG may only be exercised by NRW.BANK in its capacity as a shareholder of Portigon AG with the prior consent by the Board of Guarantors of NRW.BANK.

## **Section 12**

### **Composition of the Supervisory Board**

- (1) The Supervisory Board is composed of 15 members, namely
- a) the member of the government of North Rhine-Westphalia responsible for finance,
  - b) the member of the government of North Rhine-Westphalia responsible for economics,
  - c) the member of the Government of North Rhine-Westphalia in charge of housing,
  - d) seven other members delegated by the Guarantor  
and
  - e) other members as employee representatives.

The number of members as employee representatives is half the number of members pursuant to sentence 1 letters a to d. They are elected directly by the employees. Nominations for the election shall take account of the characteristics of the composition of the staff. The staff council or at least 100 qualified voters are entitled to make nominations. The election is a vote for candidates. In all other respects, the State Staff Representation Act of December 3, 1974 (GV. NRW. p. 1514), as last amended by Article 14 of the Act of April 14, 2020 (GV. NRW. p. 218b) shall apply.

If a member of the government is responsible for several of the portfolios stated in sentence 1 letters a to c above and if membership in NRW.BANK's Supervisory Board pursuant to sentence 1 letters a, b or c above can therefore not be assumed individually, the government shall be entitled to delegate one additional member pursuant to sentence 1 letter d each to the Supervisory Board.

- (2) With the exception of the Chairperson, the members of the Supervisory Board pursuant to sub-section 1 sentence 1 letters a to c above are each authorised to be represented by a permanent representative. They are authorised to call such representatives to the meetings. Section 8 sub-sections 2 and 3 apply to the members of the Supervisory Board.

## **Section 13**

### **Membership in the Supervisory Board**

- (1) The term of office for members pursuant to Section 12, sub-section 1, sentence 1 letters d and e is five years. Upon expiry of the term of office, appointments remain in force until the newly constituted Supervisory Board meets for the first time.
- (2) Membership in the Supervisory Board expires



- a) in the case of a member pursuant to Section 12, sub-section 1 sentence 1 letter d, upon his removal by the appointing authority, which is possible at any time, and
  - b) in the case of a member pursuant to Section 12, sub-section 1 sentence 1 letter e, upon termination of his employment with NRW.BANK. Sections 25 and 26 of the State Staff Representation Act shall be applied accordingly.
- (3) If a member pursuant to Section 12, sub-section 1 sentence 1 letter d resigns from the Supervisory Board before expiry of his term of office, a new member may be delegated for the remainder of the term of office. The succession to a member who retires prematurely pursuant to Section 12, sub-section 1 sentence 1 letter e shall be governed by Section 28, sub-section 2 of the State Staff Representation Act.

#### **Section 14 Meetings of the Supervisory Board**

- (1) The Supervisory Board shall meet on being convened by the Chairperson of the Board of Guarantors as often as the business situation requires.

It must be convened upon demand of the Supervisory Authority, the Managing Board or if at least one third of the members so request, specifying the matter to be dealt with. The Chairperson of the Board of Guarantors shall preside at the Meetings of the Supervisory Board as their chairperson.

- (2) The convening notice shall be given in text form and shall be accompanied by an announcement of the agenda. As a rule it shall be communicated to the members at the latest two weeks before the meeting. In urgent cases, the time limit may be shortened and the convening notice may be given orally or by telephone.
- (3) The Supervisory Board constitutes a quorum if at least half of the persons entitled to vote, including the Chairperson or his/her Deputy, are present. Members who attend the meeting by way of a telephone or video conference or other electronic communication media and who are therefore able to follow the meeting are considered to be present at the meeting.
- (4) If the Supervisory Board does not constitute a quorum, a new meeting may be called within the next two weeks, giving five working days' notice, in order to attend to the same agenda. In this meeting the Supervisory Board constitutes a quorum without regard to the number of members present. This fact must be explicitly stated in the convening notice for the second meeting.
- (5) Resolutions are passed by the majority of votes of the members present. In the event of a tie, the vote of the Chairperson or, if the latter is unable to attend, of his/her Deputy, shall be the casting vote.
- (6) In urgent cases, the Chairperson may put individual items up for resolution without convening a meeting (voting by circulation of papers). The passing of resolutions by circulation of papers is permissible unless the Chairperson, a Deputy Chairperson or at least one third of the members call for a verbal consultation. A resolution by circulation of papers shall be passed by the majority of the votes of the members. Votes may be cast in text form.

- (7) The Managing Board shall participate in the meetings of the Supervisory Board. The Supervisory Board can meet without the Managing Board being present.
- (8) The Supervisory Board shall establish its own rules of procedure.

### **Section 15 Responsibilities of the Supervisory Board**

- (1) The Supervisory Board shall supervise the conduct of business by the Managing Board of NRW.BANK, in particular with regard to compliance with applicable banking supervisory regulations.
- (2) The Supervisory Board shall be responsible in particular for
  - a) the proposals for adoption as resolutions by the Board of Guarantors pursuant to Section 9, sub-section 3,
  - b) the appointment and removal of the members of the Managing Board as well as the appointment of a Board member as Chairperson of the Board and of another Board member as Deputy Chairperson of the Board or other Board members as Deputy Chairpersons of the Board,
  - c) the conclusion, amendment and termination of employment contracts with the Board members,
  - d) the principles relative to the employment of staff and the granting of pension rights to them,
  - e) the guidelines for the benefits to be granted under the Agreement between the staff council and NRW.BANK,
  - f) the determination of the types of business requiring approval by the Supervisory Board other than those mentioned in sub-section 3,
  - g) the guidelines for banking business in accordance with the principles of business, promotional and risk policy defined by the Board of Guarantors,
  - h) the guidelines on the Bank's corporate responsibility and other services,
  - i) the issuance of rules of procedure for the Supervisory Board, for the committees established by it and for the members of the Advisory Boards as well as the approval for the issuance of rules of procedure for the Managing Board and
  - j) the tasks imposed on it by the German Banking Act.

- (3) The Managing Board needs the approval of the Supervisory Board for
  - a) the establishment of new buildings owned by the Bank as well as the acquisition and sale of real estate, in so far as it is not acquired either by private contract or by means of a foreclosure suit in order to avoid a loss, or in so far as the market value of the real estate does not fall below an amount to be determined by the Supervisory Board,
  - b) the establishment and liquidation of branch offices, and
  - c) the (partial) letting of the building of NRW.BANK on the property at Haroldstraße 5 in Düsseldorf or a subsequent address assigned to this property.

### **Section 16 Committees of the Supervisory Board**

- (1) The Supervisory Board shall form committees from among its members, which shall advise and assist it with its tasks.
- (2) The members of the committees must have the knowledge, skills and experience that are required to perform the tasks of the respective committee.
- (3) At least one of the members of each of the committees mentioned in sections 17 to 20 shall be a member of one of the other committees.

### **Section 17 Executive and Nomination Committee**

- (1) The Supervisory Board shall form an Executive and Nomination Committee. It shall consist of the following members
  - a) the members of the Supervisory Board pursuant to Section 12 sub-section 1 sentence 1 letters a to c, including the Chairperson of the Supervisory Board as Chairperson of the Executive and Nomination Committee, and
  - b) one member who shall be elected by the employee representatives pursuant to Section 12 sub-section 1 sentence 1 letter e, from among their own ranks.
- (2) The Executive and Nomination Committee meets at least once per year and as required. The Executive and Nomination Committee shall primarily perform the tasks imposed on it by the German Banking Act. It prepares the meetings of the Supervisory Board and resolves on the matters delegated to it by the Supervisory Board. Further details are laid down in the rules of procedure of the Executive and Nomination Committee.
- (3) The Chairperson of the Managing Board and the Deputy or Deputies shall take part in the meetings of the Executive and Nomination Committee. The provisions of Section 14 sub-section 7 sentence 2 shall apply accordingly.

## **Section 18 Audit Committee**

- (1) The Supervisory Board shall establish an Audit Committee from among its members.
- (2) The Audit Committee shall have nine members. The State of North Rhine-Westphalia shall delegate six of these members. The other members of the Audit Committee shall be employee representatives to be elected by the employee representatives pursuant to Section 12 sub-section 1 sentence 1 letter e.
- (3) The Audit Committee shall elect the Chairperson and the Deputy Chairperson from among the members.
- (4) The Audit Committee shall assemble at least once a year and when required. In particular, it shall deliberate on the result of the auditors' report of the annual financial statements and is authorised to examine each business transaction. The Supervisory Board is entitled to assign certain examinatory tasks to the Audit Committee. The Audit Committee has the right to consult experts. Further details are laid down in the rules of procedure of the Audit Committee.
- (5) The Managing Board shall attend the meetings of the Audit Committee. The provisions of Section 14 sub-section 7 sentence 2 shall apply accordingly.

## **Section 19 Risk Committee**

- (1) The Supervisory Board shall form a Risk Committee from among its members.
- (2) The Risk Committee shall consist of nine members of the Supervisory Board. The State of North Rhine-Westphalia shall delegate six of these members. The other members of the Audit Committee shall be employee representatives to be elected by the employee representatives pursuant to Section 12 sub-section 1 sentence 1 letter e.
- (3) The Risk Committee shall elect the Chairperson and the Deputy Chairperson from among the members.
- (4) The Risk Committee shall meet every three months and as required. It shall monitor the conduct of business of the Managing Board with regard to the risk types. It discusses the principles of the risk policy and the risk strategy with the Managing Board and receives the risk reporting. The Risk Committee shall take the credit decisions required to be taken by the supervisory body under the German Banking Act. In addition, it must be informed about loans with characteristics defined by the Supervisory Board. Further details are governed by the rules of procedure of the Risk Committee.
- (5) The Managing Board shall participate in the meetings of the Risk Committee. The provisions of Section 14 sub-section 7 sentence 2 shall apply accordingly.

## **Section 20 Remuneration Committee**

- (1) The Supervisory Board shall form a Remuneration Committee from among its members. It shall consist of the following members
  - a) the members of the Supervisory Board pursuant to Section 12 sub-section 1 sentence 1 letters a to c, including the Chairperson of the Supervisory Board as Chairperson of the Remuneration Committee, and
  - b) two members who shall be elected by the employee representatives pursuant to Section 12 sub-section 1 sentence 1 letter e, from among their own ranks, and
  - c) another member appointed by the Guarantor.
- (2) The Remuneration Committee shall meet at least once a year and as required. It must perform, in particular, the tasks imposed on it under the German Banking Act. Further details are laid down in the rules of procedure of the Remuneration Committee.
- (3) The Chairperson of the Managing Board and the Deputy or Deputies shall attend the meetings of the Remuneration Committee. The provisions of Section 14 sub-section 7 sentence 2 shall apply accordingly. Members of the Managing Board may not attend the meetings of the Remuneration Committee at which their remuneration is discussed.

## **Section 21 Promotional Committee**

- (1) The Supervisory Board shall form a Promotional Committee from among its members.
- (2) The Promotional Committee shall consist of nine members. The State of North Rhine-Westphalia shall delegate six of these members. The other members of the Audit Committee shall be employee representatives to be elected by the employee representatives pursuant to Section 12 sub-section 1 sentence 1 letter e.
- (3) The Promotional Committee shall elect the Chairperson and the Deputy Chairperson from among the members.
- (4) The Promotional Committee shall meet every three months and as required. The Promotional Committee shall discuss with the Managing Board the principles of the promotional policy including the distribution of the subsidies (Förderleistung) across the individual promotional segments and the promotional reporting. Further details are laid down in the rules of procedure of the Promotional Committee.
- (5) The Managing Board shall participate in the meetings of the Promotional Committee. The provisions of Section 14 sub-section 7 sentence 2 shall apply accordingly.

## **Section 22 Other Committees of the Supervisory Board**

- (1) The Supervisory Board may form other committees from among its members.
- (2) The composition and responsibilities of such committees shall be regulated by rules of procedure.
- (3) The Managing Board shall participate in the meetings of the other committees. The provisions of Section 14 sub-section 7 sentence 2 shall apply accordingly.

## **Section 23 Advisory Board for Housing Promotion**

- (1) The Advisory Board for Housing Promotion consists of
  - a) the member of the government of North Rhine-Westphalia responsible for housing as Chairperson,
  - b) one representative each of
    - aa) of the ministry in charge of finance,
    - bb) of the ministry in charge of economics,
    - cc) of the ministry in charge of social affairs,
  - c) nine members of the state parliament of North Rhine-Westphalia,
  - d) three representatives of the housing sector,
  - e) one representative each of the
    - aa) urban districts,
    - bb) regional districts,
    - cc) towns being an administrative part of a regional district,
    - dd) other municipalities being an administrative part of a regional district,
  - f) one representative of the tenants, and
  - g) one representative of the architectural community.
- (2) The Chairperson may appoint an employee of the Ministry as her/his permanent representative.
- (3) The members as stated in sub-section 1 letter c are elected by the Landtag for the duration of the election period according to the proportional representation system as applied by the Landtag for the election of its committees. The members under sub-section 1 letters d to g above shall be designated by the Ministry responsible for housing of the State of North Rhine-Westphalia on the recommendation of the umbrella organisations resident in North Rhine-Westphalia. The term of office of these members is dependent on the duration of the legislative period.
- (4) The Advisory Board for Housing Promotion shall be convened by its Chairperson when required and when the Supervisory Authority, the Managing Board or at least four members of the Advisory Board for Housing Promotion request that a particular topic be dealt with. Resolutions by the Advisory Board for Housing Promotion require a simple majority.

- (5) The Supervisory Board shall establish the rules of procedure for the Advisory Board for Housing Promotion.
- (6) The meetings shall be attended by the responsible member of the Managing Board and the management of NRW.BANK's organisational unit that is responsible for housing promotion.
- (7) The members of the Advisory Board for Housing Promotion shall be bound to secrecy pursuant to the provisions of Section 7, sub-section 2.

#### **Section 24** **Responsibilities of the Advisory Board for Housing Promotion**

- (1) The Advisory Board for Housing Promotion shall advise the Bank's executive and controlling bodies on the promotion of housing. It has to advise especially on the housing promotion product portfolio and the reporting about these products.
- (2) The Advisory Board for Housing Promotion may at any time require the Managing Board to report on the housing promotion product portfolio. In special cases, it may consult experts for the execution of its tasks.

#### **Section 25** **Advisory Board of NRW.BANK**

- (1) The Advisory Board of NRW.BANK shall be formed to provide expert advice to NRW.BANK in the conduct of its business and in order to promote contacts with the business community, the public administration, the banking industry and the sciences. The members of the Advisory Board are appointed and removed by the Prime Minister of the State of North Rhine-Westphalia. The Supervisory Board may propose members for the Advisory Board.
- (2) The member of the government of North Rhine-Westphalia responsible for economics shall preside over the Advisory Board of NRW.BANK.
- (3) The Chairperson shall convene the Advisory Board at least once a year.
- (4) The members of the Advisory Board shall be bound to secrecy pursuant to the provisions of Section 7, sub-section 2.

#### **Section 26** **Parliamentary Advisory Board**

- (1) The number of members of the Parliamentary Advisory Board shall be determined by the number of members of the smallest committee of the North Rhine-Westphalian Landtag.
- (2) The members shall be elected by the Landtag for the duration of the election period in accordance with the proportional election system applied by the Landtag to the election of its committees. Membership shall end at the end of the election period or when a new member is elected.

- (3) The Parliamentary Advisory Board shall elect a Chairperson as well as a Vice Chairperson from among its members.
- (4) The Managing Board shall attend the meetings of the Parliamentary Advisory Board. The Managing Board reports to the Parliamentary Advisory Board on the risk position and business situation of NRW.BANK at least twice a year. The Parliamentary Advisory Board shall take note of the report of the Managing Board.
- (5) The Parliamentary Advisory Board shall be convened to meet by the Chairperson at least twice a year and whenever required or when the Managing Board or at a minimum of four members of the Parliamentary Advisory Board apply for a certain issue to be discussed. Resolutions by the Parliamentary Advisory Board require a simple majority.
- (6) The Supervisory Board shall issue rules of procedure for the Parliamentary Advisory Board.
- (7) Pursuant to Section 7 sub-section 2, the members of the Parliamentary Advisory Board are obligated to maintain silence.

### **Section 27 Managing Board**

- (1) The Managing Board shall conduct the business of NRW.BANK.
- (2) It shall consist of the requisite number of members, who shall be appointed by the Supervisory Board. The Supervisory Board may also appoint deputy members; the deputy members shall have the same rights and obligations as the members of the Managing Board.
- (3) The members of the Managing Board shall be appointed for a period of no more than five years subject to the approval of the Federal Supervisory Authority. Subsequent terms of office, each lasting five years at most, are permissible. Reappointments to the Managing Board shall be decided upon no earlier than twelve months and no later than six months prior to the expiry of the respective appointment period. The provisions in sentences 1 to 3 apply to deputy members of the Managing Board accordingly.
- (4) The Supervisory Board is empowered to revoke the appointment of Managing Board members should significant grounds for such action arise. Such grounds are gross negligence in the execution of duty, inability to conduct the business of the Bank in the required manner or a sustained and grave impairment of the basis of mutual trust. The revocation of appointment remains in effect unless reversed by legal process.
- (5) The Managing Board shall establish its own rules of procedure. The Chairperson shall decide the distribution of business responsibility within the Managing Board.
- (6) The Chairperson of the Managing Board shall inform the Chairperson of the Supervisory Board and her/his Deputies about important matters. The Managing Board shall at all times supply any information requested to the Chairperson of the Supervisory Board, her/his Deputies and the Supervisory Board.



## **Section 28 Representation and Signing Authority**

- (1) NRW.BANK shall be represented in court and out of court by two members of the Managing Board or jointly by one member of the Managing Board and an authorised signatory (“Prokurist”). The Managing Board may authorise another procedure for routine business. The signing authorities are published in customary bank signature lists.
- (2) Documents that meet the requirements of sub-section 1 above are legally binding on NRW.BANK in any individual case, irrespective of compliance with other provisions of these Statutes. Documents issued by NRW.BANK bearing the seal of NRW.BANK and documents issued by Wohnungsbauförderungsanstalt Nordrhein-Westfalen bearing the seal of Wohnungsbauförderungsanstalt Nordrhein-Westfalen are public documents.

## **Section 29 Annual Financial Statements and Annual Report**

- (1) The financial year is the calendar year.
- (2) The annual financial statements and management report shall be prepared, audited and published in accordance with the regulations in force.
- (3) NRW.BANK shall annually publish an Annual Report.
- (4) In accordance with Section 65a sub-section 1 of the Budget Law as announced on April 26, 1999 (GV. NRW. p. 158) and last amended by the Act of December 19, 2019 (GV. NRW. p. 1030), NRW.BANK shall publish the compensation granted to each individual member of the Managing Board, the Supervisory Board, the Board of Guarantors and the Advisory Boards for their activity in the fiscal year, stating their names as well as the non-performance-related and performance-related components and components with a long-term incentivising effect in the notes to the financial statements. Sentence 1 shall also apply to:
  - a) benefits promised to the above members in case of premature termination of their activity;
  - b) benefits promised to the above members in case of regular termination of their activity, stating the present value as well as the amounts spent or provisioned by NRW.BANK for this purpose in the fiscal year;
  - c) amendments to these promises agreed in the fiscal year and
  - d) benefits promised and granted in the course of the fiscal year to a former member that has terminated their activity in the course of the fiscal year.

- (5) In accordance with Section 65a sub-section 1 of the Budget Law, NRW.BANK shall ensure that private-law companies in which it holds a majority shareholding separately publish the compensation granted to each individual member of the management, the Supervisory Board, the Advisory Board or a similar body for their activity in the fiscal year in the notes to the financial statements as defined under sub-section 4 above. If no notes to the financial statements need to be prepared, NRW.BANK shall ensure that the compensation is published separately in another appropriate place.
- (6) Where NRW.BANK holds no majority shareholding but directly or indirectly holds at least 25 percent in a company, it shall ensure publication as described under sub-section 5 above. This shall not apply to investments in privately owned companies made as part of its promotional mission pursuant to Section 3 sub-section 4 of the Act on NRW.BANK.
- (7) Sub-sections 4 and 5 shall apply accordingly to benefits granted to members of the Supervisory Board, the Board of Guarantors, an Advisory Board or a similar body for services personally provided by the latter, especially advisory and intermediary services.
- (8) Every year, the Managing Board and the Supervisory Board must declare in the context of the Report on Public Corporate Governance or on another occasion stipulated by law or by ordinance that the recommendations of the Public Corporate Governance Code of NRW.BANK have been complied with. The declaration is part of the Financial Report of NRW.BANK.

### **Section 30 Distribution of Profits**

NRW.BANK's net profits for the financial years ending after January 1, 2010 will be used to cover the interest payments which the state is obliged to make in respect of its utilisation of federal loans for the promotion of housing construction and modernisation (financial aid as defined in Section 104a (4) of the German Basic Law in the version that was in force until August 31, 2006). After December 31, 2010, the net profit for a particular year shall be used exclusively to fund the interest payments that are due in the following year; made at the behest of the state government, these payments will flow directly to the federal government. The remaining net profit for the year is to be allocated to the reserves.

### **Section 31 Liquidation of NRW.BANK**

- (1) NRW.BANK may only be liquidated by law. Unless stipulated otherwise by law, appropriate proceedings shall be instituted in the event of the liquidation of NRW.BANK. Any assets remaining after the liquidation shall accrue to the Guarantor.
- (2) Insolvency proceedings with respect to NRW.BANK's assets are not permissible.

### **Section 32 Supervisory Authority**

- (1) Governmental control over NRW.BANK is exercised by the Ministry of the Interior. Governmental control in the context of governmental social housing promotion is exercised in agreement with the Ministry responsible for housing.
- (2) Individual approval by the Supervisory Authority is necessary for measures under Section 3 sub-section 2, Section 5 sub-section 4 sentence 2, Section 10 No. 1, 2 and 10 as well as Section 15 sub-section 2, b in conjunction with Section 27 sub-section 3.
- (3) NRW.BANK shall bear the costs resulting from any action of the Supervisory Authority, in particular those resulting from audits demanded by it. This shall not affect the reimbursement of the costs for government control as defined in Section 11 sub-section 7 of the Act on NRW.BANK ("Gesetz über die NRW.BANK").

### **Section 33 Approval and publication of the Statutes and their amendments**

- (1) The Statutes and their amendments require approval by the Supervisory Authority.
- (2) The Statutes and their amendments are published in the "Gesetz- und Verordnungsblatt für das Land Nordrhein-Westfalen".

### **Section 34 Other Publications**

Publication in the Bundesanzeiger (Federal Gazette) is deemed to be sufficient in so far as publications are necessary pursuant to the legal requirements, the provisions of these Statutes or the directives of the Board of Guarantors.

### **Section 35 Employment of Civil Servants**

Civil servants may be transferred to NRW.BANK. Further regulations regarding the employment of civil servants may be laid down in the Statutes to the extent that such regulations are in compliance with the provisions of the German Civil Servants Act.

### **Section 36 Effective Date, Expiry**

These Statutes shall become effective on the day after their publication. At the same time, the Statutes of NRW.BANK dated June 24, 2019 (GV. NRW. p. 507) shall expire.

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Institution under public law

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