

Application of the
Dutch Corporate
Governance Code
by ING Groep N.V.
(FY 2017)

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Introduction

The revised Dutch Corporate Governance Code 2016 ('Code') as drawn up by the Monitoring Committee Dutch Corporate Governance, was published on 8 December 2016. The Code consists of principles and best practice provisions regarding the corporate governance of Dutch listed companies and the associated accountability towards shareholders.

The Code deviates from its predecessors as regards design and content. To underscore the importance of themes as long-term value creation, risk management, culture, effective management and supervision, remuneration and relations with shareholders, the functional arrangement of the Code was replaced by a topical one. By using words such as "continuity" and "long-term value creation", the revised Code is also more outspoken than its predecessors when it comes to its expectations concerning the outcome of corporate decision-making.

Dutch listed companies, including ING Groep N.V. ('ING Group'), are required to apply the Principles and Best Practice provisions of the Code or to explain why they deviate therefrom. This puts flesh on the basic principle that corporate governance is custom-made, as the Code explicitly declares.

This booklet, which will be updated annually, describes how ING Group applies the revised Code. If applicable, it is indicated that and why it deviates from the Code. In the column "Source: (www.ing.com)" ING Group only refers to a source which is publicly available.

ING Group's application of the Code is based on the official Dutch text of the Code which is available on the internet site of the Monitoring Committee (<http://www.mccg.nl/download?id=3364>). The Monitoring Committee also provided an unofficial English translation of the Code on its website which is included in this booklet and can be found on the internet site of the Monitoring Committee (<http://www.mccg.nl/download?id=3367>).

Chapter 1. Long-term value creation

| Text Dutch Corporate Governance Code 2016 Principle or Best Practice | Application by ING Group | Source (www.ing.com) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Principle 1.1 Long-term value creation The management board is responsible for the continuity of the company and its affiliated enterprise. The management board focuses on long-term value creation for the company and its affiliated enterprise, and takes into account the stakeholder interests that are relevant in this context. The supervisory board monitors the management board in this.</p> | ING Group applies this Principle. | <ul style="list-style-type: none"> > Article 1.1 (i) and 1.2 Executive Board Charter > Article 1.4a (i), 1.6 (ii), 2.2h and 7a Supervisory Board Charter 👁 Chapter 'Our strategy and how we create value' in Annual Report |
| <p>1.1.1 Long-term value creation strategy The management board should develop a view on long-term value creation by the company and its affiliated enterprise and should formulate a strategy in line with this. Depending on market dynamics, it may be necessary to make short-term adjustments to the strategy. When developing the strategy, attention should in any event be paid to the following:</p> <ol style="list-style-type: none"> i. the strategy's implementation and feasibility; ii. the business model applied by the company and the market in which the company and its affiliated enterprise operate; iii. opportunities and risks for the company; iv. the company's operational and financial goals and their impact on its future position in relevant markets; v. the interests of the stakeholders; and vi. any other aspects relevant to the company and its affiliated enterprise, such as the environment, social and employee-related matters, the chain within which the enterprise operates, respect for human rights, and fighting corruption and bribery. | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 1.2 and 1.5a Executive Board Charter > ING Group's zero tolerance approach to bribery and corruption 👁 Chapter 'The world around us' in Annual Report 👁 Chapter 'Our strategy and how we create value' in Annual Report 👁 Chapter 'Our business' in Annual Report 👁 Chapter 'Our people' in Annual Report 👁 Chapter 'Risk and capital management' in Annual Report |
| <p>1.1.2 Involvement of the supervisory board The management board should engage the supervisory board early on in formulating the strategy for realising long-term value creation. The management board renders account to the supervisory board of the strategy and the explanatory notes to that strategy.</p> | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Annex 2 sub a Executive Board Charter > Article 1.4a (i), 1.6 (ii) and 7a Supervisory Board Charter 👁 Chapter 'Report of the Supervisory Board' in Annual Report 2017 |
| <p>1.1.3 Role of the supervisory board The supervisory board should supervise the manner in which the management board implements the long-term value creation strategy. The supervisory board should regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it. In the report drawn up by the supervisory board, an account is given of its involvement in the establishment of the strategy, and the way in which it monitors its implementation.</p> | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 1.4 (i), 1.6 (ii) and 7a Supervisory Board Charter 👁 Chapter 'Report of the Supervisory Board' in Annual Report 2017 |

**Text Dutch Corporate Governance Code 2016
Principle or Best Practice**

Application by ING Group

Source (www.ing.com)

1.1.4 Accountability of the management board

In the management report, the management board should give a more detailed explanation of its view on long-term value creation and the strategy for its realisation, as well as describing which contributions were made to long-term value creation in the past financial year. The management board should report on both the short-term and long-term developments.

ING Group applies this Best Practice provision.

- 👁 Chapter 'Our strategy and how we create value' in Annual Report
- 👁 Chapter 'Improving the customer experience' in Annual Report

Principle 1.2 Risk management

The company should have adequate internal risk management and control systems in place. The management board is responsible for identifying and managing the risks associated with the company's strategy and activities.

ING Group applies this Principle.

- > Article 1.1 (i)-(iii), 1.5b, 1.5c, 3.3 (iii) and 3.4 Executive Board Charter
- 👁 Chapter 'Risk and capital management' in Annual Report 2017
- 👁 Chapter 'Risk management' of 'Consolidated annual accounts' in Annual Report 2017

1.2.1 Risk assessment

The management board should identify and analyse the risks associated with the strategy and activities of the company and its affiliated enterprise. It is responsible for establishing the risk appetite, and also the measures that are put in place in order to counter the risks being taken.

ING Group applies this Best Practice provision.

- > Article 1.1 (i)-(iii), 1.5b, 1.5c, 3.3 (iii), 3.4 and Annex 2 sub b Executive Board Charter
- 👁 Chapter 'Risk and capital management' in Annual Report 2017
- 👁 Chapter 'Risk management' of 'Consolidated annual accounts' in Annual Report 2017

1.2.2 Implementation

Based on the risk assessment, the management board should design, implement and maintain adequate internal risk management and control systems. To the extent relevant, these systems should be integrated into the work processes within the company and its affiliated enterprise it, and should be familiar to those whose work they are relevant to.

ING Group applies this Best Practice provision.

- > Article 1.1 (i)-(iii), 1.5b, 1.5c, 3.3 (iii) and 3.4 Executive Board Charter
- 👁 Chapter 'Risk management' of 'Consolidated annual accounts' in Annual Report 2017

1.2.3 Monitoring of effectiveness

The management board should monitor the operation of the internal risk management and control systems and should carry out a systematic assessment of their design and effectiveness at least once a year. This monitoring should cover all material control measures relating to strategic, operational, compliance and reporting risks. Attention should be given to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements should be made to internal risk management and control systems.

ING Group applies this Best Practice provision.

- > Article 1.1 (i)-(iii), 1.5b, 1.5c, 3.3 (iii) and 3.4 Executive Board Charter
- 👁 ING Group Whistleblower Policy

**Text Dutch Corporate Governance Code 2016
Principle or Best Practice**

Application by ING Group

Source (www.ing.com)

Principle 1.3 Internal audit function

The duty of the internal audit function is to assess the design and the operation of the internal risk management and control systems. The management board is responsible for the internal audit function. The supervisory board oversees the internal audit function and maintains regular contact with the person fulfilling this function.

ING Group applies this Principle.

- > Article 1.5i and 3.2 Executive Board Charter
- > Article 1.4h Supervisory Board Charter
- > Article 1.1 Corporate Audit Services Charter
- > Article 1.5d Audit Committee Charter

1.3.1 Appointment and dismissal

The management board both appoints and dismisses the senior internal auditor. Both the appointment and the dismissal of the senior internal auditor should be submitted to the supervisory board for approval, along with the recommendation issued by the audit committee.

ING Group applies this Best Practice provision.

- > Article 1.5i Executive Board Charter
- > Article 1.4h Supervisory Board Charter
- > Article 2.1 Corporate Audit Services Charter
- > Article 1.5d Audit Committee Charter

1.3.2 Assessment of the internal audit function

The management board should assess the way in which the internal audit function fulfils its responsibility annually, taking into account the audit committee's opinion.

ING Group applies this Best Practice provision.

- > Article 1.5i Executive Board Charter
- > Article 1.4h Supervisory Board Charter
- > Article 2.1 Corporate Audit Services Charter
- > Article 1.5c Audit Committee Charter
- 👁 Section 'Audit Committee meetings' of chapter 'Report of the Supervisory Board' in Annual Report 2017

1.3.3 Internal audit plan

The internal audit function should draw up an audit plan, involving the management board, the audit committee and the external auditor in this process. The audit plan should be submitted to the management board, and then to the supervisory board, for approval. In this internal audit plan, attention should be paid to the interaction with the external auditor.

ING Group applies this Best Practice provision.

- > Article 1.5i Executive Board Charter
- > Article 1.4h Supervisory Board Charter
- > Article 2.2 Corporate Audit Services Charter
- > Article 1.5b Audit Committee Charter
- 👁 Section 'Audit Committee meetings' of chapter 'Report of the Supervisory Board' in Annual Report 2017

1.3.4 Performance of work

The internal audit function should have sufficient resources to execute the internal audit plan and have access to information that is important for the performance of its work. The internal audit function should have direct access to the audit committee and the external auditor. Records should be kept of how the audit committee is informed by the internal audit function.

ING Group applies this Best Practice provision.

- > Article 1.5i Executive Board Charter
- > Article 1.4h Supervisory Board Charter
- > Article 2.1, 2.2, 3.1 and 3.2 Corporate Audit Services Charter
- > Article 1.5b Audit Committee Charter
- 👁 Section 'Audit Committee meetings' of chapter 'Report of the Supervisory Board' in Annual Report 2017

**Text Dutch Corporate Governance Code 2016
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Application by ING Group

Source (www.ing.com)

1.3.5 Reports of findings

The internal audit function should report its audit results to the management board and the essence of its audit results to the audit committee and should inform the external auditor. The research findings of the internal audit function should, at least, include the following:

- i. any flaws in the effectiveness of the internal risk management and control systems;
- ii. any findings and observations with a material impact on the risk profile of the company and its affiliated enterprise; and
- iii. any failings in the follow-up of recommendations made by the internal audit function.

ING Group applies this Best Practice provision.

- > Article 1.3 and 2.2 Corporate Audit Services Charter
- 👁 Section 'Audit Committee meetings' of chapter 'Report of the Supervisory Board' in Annual Report 2017

1.3.6 Absence of an internal audit department

If there is no separate department for the internal audit function, the supervisory board will assess annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the audit committee, and will consider whether it is necessary to establish an internal audit department. The supervisory board should include the conclusions, along with any resulting recommendations and alternative measures, in the report of the supervisory board.

This Best Practice provision is not applicable to ING Group.

ING Group has an internal audit department.

Not applicable

Principle 1.4 Risk management accountability

The management board should render account of the effectiveness of the design and the operation of the internal risk management and control systems.

ING Group applies this Principle.

- > Article 1.1 (i)-(iii), 1.3, 1.5b, 1.5c, 3.3 (iii), 3.4 and 9 Executive Board Charter

1.4.1 Accountability to the supervisory board

The management board should discuss the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3 inclusive with the audit committee, and render account of this to the supervisory board.

ING Group applies this Best Practice provision.

In the context of the strengthening of ING Group's risk organisation, the Supervisory Board established a separate Risk Committee from its members in 2009. This Risk Committee has, insofar permitted by law, taken over the tasks of the Audit Committee with respect to risks and risk management, which enables the Audit Committee and the Risk Committee to focus on their own area of interest. By doing so, financial reporting as well as risk related topics will receive more scrutiny. The above contributes to good, or even better, corporate governance. This is confirmed by the fact that in the meantime, establishing a separate Risk Committee has become a best practice for financial institutions (Dutch Banking Code and Dutch Insurers Code) and a legal obligation for banks (Capital requirements directive), respectively.

- > Article 1.1 (i)-(iii), 1.3, 1.5b, 1.5c, 3.3 (iii), 3.4, 7c and 9 Executive Board Charter
- > Article 7c Supervisory Board Charter
- > Article 1.3 Audit Committee Charter
- > Article 1.2d Risk Committee Charter
- 👁 Chapter 'Risk management' of 'Consolidated annual accounts' in Annual Report 2017

1.4.2 Accountability in the management report

In the management report, the management board should render account of:

- i. the execution of the risk assessment, with a description of the principal risks facing the company in relation to its risk appetite. These risks may include strategic, operational, compliance and reporting risks;
- ii. the design and operation of the internal risk management and control systems during the past financial year;
- iii. any major failings in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned, along with a confirmation that these issues have been discussed with the audit committee and the supervisory board; and
- iv. the sensitivity of the results of the company to material changes in external factors.

ING Group applies this Best Practice provision.

In the context of the strengthening of ING Group's risk organisation, the Supervisory Board established a separate Risk Committee from its members in 2009. This Risk Committee has, insofar permitted by law, taken over the tasks of the Audit Committee with respect to risks and risk management, which enables the Audit Committee and the Risk Committee to focus on their own area of interest. By doing so, financial reporting as well as risk related topics will receive more scrutiny. The above contributes to good, or even better, corporate governance. This is confirmed by the fact that in the meantime, establishing a separate Risk Committee has become a best practice for financial institutions (Dutch Banking Code and Dutch Insurers Code) and a legal obligation for banks (Capital requirements directive), respectively.

- > Article 7c Supervisory Board Charter
- > Article 1.3 Audit Committee Charter
- > Article 1.2d and 1.2g Risk Committee Charter
- 👁 Chapter 'Dutch Corporate Governance Code Statement by the Executive Board' in Annual Report 2017

1.4.3 Statement by the management board

The management board should state in the management report, with clear substantiation, that:

- i. the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- iv. the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

ING Group applies this Best Practice provision.

In accordance with the Dutch text of the Code and additional guidance (publically) provided by the Monitoring Committee on 8 December 2016, material failings, if any, in the effectiveness of the internal risk management and control systems will be stated in the management report.

- 👁 Chapter 'Dutch Corporate Governance Code Statement by the Executive Board' in Annual Report 2017

Principle 1.5 Role of the supervisory board

The supervisory board should supervise the policies carried out by the management board and the general affairs of the company and its affiliated enterprise. In so doing, the supervisory board should also focus on the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting.

ING Group applies this Principle.

In the context of the strengthening of ING Group's risk organisation, the Supervisory Board established a separate Risk Committee from its members in 2009. This Risk Committee has, insofar permitted by law, taken over the tasks of the Audit Committee with respect to risks and risk management, which enables the Audit Committee and the Risk Committee to focus on their own area of interest. By doing so, financial reporting as well as risk related topics will receive more scrutiny. The above contributes to good, or even better, corporate governance. This is confirmed by the fact that in the meantime, establishing a separate Risk Committee has become a best practice for financial institutions (Dutch Banking Code and Dutch Insurers Code) and a legal obligation for banks (Capital requirements directive), respectively.

- > Article 1.1, 1.4a (iii), (iv) and 7c Supervisory Board Charter
- > Article 1.3 Audit Committee Charter
- > Article 1.2d Risk Committee Charter

1.5.1 Duties and responsibilities of the audit committee

The audit committee undertakes preparatory work for the supervisory board's decision-making regarding the supervision of the integrity and quality of the company's financial reporting and the effectiveness of the company's internal risk management and control systems. Among other things, it focuses on monitoring the management board with regard to:

- i. relations with, and compliance with recommendations and following up of comments by, the internal and external auditors;
- ii. the funding of the company;
- iii. the application of information and communication technology by the company, including risks relating to cybersecurity; and
- iv. the company's tax policy.

ING Group applies this Best Practice provision.

In the context of the strengthening of ING Group's risk organisation, the Supervisory Board established a separate Risk Committee from its members in 2009. This Risk Committee has, insofar permitted by law, taken over the tasks of the Audit Committee with respect to risks and risk management, which enables the Audit Committee and the Risk Committee to focus on their own area of interest. By doing so, financial reporting as well as risk related topics will receive more scrutiny. The above contributes to good, or even better, corporate governance. This is confirmed by the fact that in the meantime, establishing a separate Risk Committee has become a best practice for financial institutions (Dutch Banking Code and Dutch Insurers Code) and a legal obligation for banks (Capital requirements directive), respectively.

- > Article 1.1, 1.2b, 1.2h, 1.3, 1.6, 1.8 and 2.3 Audit Committee Charter
- > Article 1.1, 1.2d and 2.3 Risk Committee Charter

1.5.2 Attendance of the management board, internal auditor and external auditor at audit committee consultations

The chief financial officer, the internal auditor and the external auditor should attend the audit committee meetings, unless the audit committee determines otherwise. The audit committee should decide whether and, if so, when the chairman of the management board should attend its meetings.

ING Group applies this Best Practice provision.

- > Article 3.2 Audit Committee Charter

1.5.3 Audit committee report

The audit committee should report to the supervisory board on its deliberations and findings. This report must, at least, include the following information:

- i. the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3, inclusive;
- ii. the methods used to assess the effectiveness of the internal and external audit processes;
- iii. material considerations regarding financial reporting;
- iv. the way material risks and uncertainties referred to in best practice provision 1.4.3 have been analysed and discussed, along with a description of the most important findings of the audit committee.

ING Group applies this Best Practice provision.

In the context of the strengthening of ING Group's risk organisation, the Supervisory Board established a separate Risk Committee from its members in 2009. This Risk Committee has, insofar permitted by law, taken over the tasks of the Audit Committee with respect to risks and risk management, which enables the Audit Committee and the Risk Committee to focus on their own area of interest. By doing so, financial reporting as well as risk related topics will receive more scrutiny. The above contributes to good, or even better, corporate governance. This is confirmed by the fact that in the meantime, establishing a separate Risk Committee has become a best practice for financial institutions (Dutch Banking Code and Dutch Insurers Code) and a legal obligation for banks (Capital requirements directive), respectively.

- > Article 1.2.c, 1.4e, 1.5, 2.1 and 2.3 Audit Committee Charter
- > Article 1.2c, 1.2d, 2.1 and 2.3 Risk Committee Charter

**Text Dutch Corporate Governance Code 2016
Principle or Best Practice**

Application by ING Group

Source (www.ing.com)

1.5.4 Supervisory board

The supervisory board should discuss the items reported on by the audit committee as per of best practice provision 1.5.3.

ING Group applies this Best Practice provision.

In the context of the strengthening of ING Group's risk organisation, the Supervisory Board established a separate Risk Committee from its members in 2009. This Risk Committee has, insofar permitted by law, taken over the tasks of the Audit Committee with respect to risks and risk management, which enables the Audit Committee and the Risk Committee to focus on their own area of interest. By doing so, financial reporting as well as risk related topics will receive more scrutiny. The above contributes to good, or even better, corporate governance. This is confirmed by the fact that in the meantime, establishing a separate Risk Committee has become a best practice for financial institutions (Dutch Banking Code and Dutch Insurers Code) and a legal obligation for banks (Capital requirements directive), respectively.

- > Article 4.2, 7j, 7k and 7m Supervisory Board Charter
- > Article 1.2c Audit Committee Charter
- > Article 1.2c Risk Committee Charter

Principle 1.6 Appointment and assessment of the functioning of the external auditor

The supervisory board should submit the nomination for the appointment of the external auditor to the general meeting, and should supervise the external auditor's functioning.

ING Group applies this Principle.

- > Article 1.4g (i) Supervisory Board Charter

1.6.1 Functioning and appointment

The audit committee should report annually to the supervisory board on the functioning of, and the developments in, the relationship with the external auditor. The audit committee should advise the supervisory board regarding the external auditor's nomination for appointment/reappointment or dismissal and should prepare the selection of the external auditor. The audit committee should give due consideration to the management board's observations during the aforementioned work. Also on this basis, the supervisory board should determine its nomination for the appointment of the external auditor to the general meeting.

ING Group applies this Best Practice provision.

- > Article 1.5g and 10c Executive Board Charter
- > Article 1.4g (i) and 7k Supervisory Board Charter
- > Article 1.4 and 1.4d Audit Committee Charter

1.6.2 Informing the external auditor about their functioning

The supervisory board should give the external auditor a general idea of the content of the reports relating to their functioning.

ING Group applies this Best Practice provision.

- > Article 1.4g (iv) Supervisory Board Charter

1.6.3 Engagement

The audit committee should submit a proposal to the supervisory board for the external auditor's engagement to audit the financial statements. The management board should play a facilitating role in this process. In formulating the terms of engagement, attention should be paid to the scope of the audit, the materiality to be used and remuneration for the audit. The supervisory board should resolve on the engagement.

ING Group applies this Best Practice provision.

- > Article 1.5g Executive Board Charter
- > Article 1.4g (ii) Supervisory Board Charter
- > Article 1.4 Audit Committee Charter

**Text Dutch Corporate Governance Code 2016
Principle or Best Practice**

Application by ING Group

Source (www.ing.com)

1.6.4 Accountability

The main conclusions of the supervisory board regarding the external auditor's nomination and the outcomes of the external auditor selection process should be communicated to the general meeting.

ING Group applies this Best Practice provision.

> *Article 1.4g (i) Supervisory Board Charter*

1.6.5 Departure of the external auditor

The company should publish a press release in the event of the early termination of the relationship with the external audit firm. The press release should explain the reasons for this early termination.

ING Group applies this Best Practice provision.

> *Article 1.5g Executive Board Charter*

Principle 1.7 Performance of the external auditor's work

The audit committee and the external auditor should discuss the audit plan and the findings of the external auditor based on the work the external auditor has undertaken. The management board and the supervisory board should maintain regular contact with the external auditor.

ING Group applies this Principle.

> *Article 1.5g and 1.5h Executive Board Charter*
> *Article 1.4g (iv) Supervisory Board Charter*
> *Article 1.4e Audit Committee Charter*

1.7.1 Provision of information to the external auditor

The management board should ensure that the external auditor will receive all information that is necessary for the performance of his work in a timely fashion. The management board should give the external auditor the opportunity to respond to the information that has been provided.

ING Group applies this Best Practice provision.

> *Article 1.1 (v) Executive Board Charter*

1.7.2 Audit plan and external auditor's findings

The external auditor should discuss the draft audit plan with the management board before presenting it to the audit committee. The audit committee should annually discuss with the external auditor:

- i. the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the external auditor in the audit plan; and
- ii. based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the financial statements and the management letter.

ING Group applies this Best Practice provision.

> *Article 1.5h Executive Board Charter*
> *Article 1.4e Audit Committee Charter*

1.7.3 Publication of financial reports

The audit committee should determine whether and, if so, how the external auditor should be involved in the content and publication of financial reports other than the financial statements.

ING Group applies this Best Practice provision.

> *Article 1.4f Audit Committee Charter*

1.7.4 Consultations with the external auditor outside the management board's presence

The audit committee should meet with the external auditor as often as it considers necessary, but at least once per year, outside the presence of the management board.

ING Group applies this Best Practice provision.

> *Article 3.1 Audit Committee Charter*

Text Dutch Corporate Governance Code 2016
Principle or Best Practice

Application by ING Group

Source (www.ing.com)

1.7.5 Examination of discussion points arising between the external auditor and the management board

The supervisory board should be permitted to examine the most important points of discussion arising between the external auditor and the management board based on the draft management letter or the draft audit report.

ING Group applies this Best Practice provision.

> *Article 7m Supervisory Board Charter*

1.7.6 External auditor's attendance of supervisory board meetings

The external auditor should in any event attend the meeting of the supervisory board at which the report of the external auditor on the audit of the financial statements is discussed.

ING Group applies this Best Practice provision.

> *Article 7m Supervisory Board Charter*

Chapter 2. Effective management and supervision

| Text Dutch Corporate Governance Code 2016 Principle or Best Practice | Application by ING Group | Source (www.ing.com) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Principle 2.1 Composition and size The management board and the supervisory board should be composed such that the requisite expertise, background, competencies and – as regards the supervisory board – independence are present for them to carry out their duties properly. The size of these two bodies reflects these requirements.</p> | <p>ING Group applies this Principle.</p> | <ul style="list-style-type: none"> > Profile of the Executive Board > Profile of the Supervisory Board > Section 'Composition of the Supervisory Board' of chapter 'Report of the Supervisory Board' in Annual Report 2017 |
| <p>2.1.1 Profile The supervisory board should prepare a profile, taking account of the nature and the activities of the enterprise affiliated with the company. The profile should address:</p> <ol style="list-style-type: none"> i. the desired expertise and background of the supervisory board members; ii. the desired diverse composition of the supervisory board, referred to in best practice provision 2.1.5; iii. the size of the supervisory board; and iv. the independence of the supervisory board members. <p>The profile should be posted on the company's website.</p> | <p>ING Group applies this Best Practice provision.</p> | <ul style="list-style-type: none"> > Profile of the Supervisory Board > Article 9 Supervisory Board Charter > Chapter 'Report of the Supervisory Board' in Annual Report 2017 > Chapter 'Corporate governance' in Annual Report 2017 |
| <p>2.1.2 Personal information The following information about each supervisory board member should be included in the report of the supervisory board:</p> <ol style="list-style-type: none"> i. gender; ii. age; iii. nationality; iv. principal position; v. other positions, in so far as they are relevant to the performance of the duties of the supervisory board member; vi. date of initial appointment; and vii. current term of office. | <p>ING Group applies this Best Practice provision.</p> | <ul style="list-style-type: none"> > Chapter 'Report of the Supervisory Board' in Annual Report 2017 > Chapter 'Corporate governance' in Annual Report 2017 |
| <p>2.1.3 Executive committee If the management board works with an executive committee, the management board should take account of the checks and balances that are part of the two-tier system. This means, among other things, that the management board's expertise and responsibilities are safeguarded and the supervisory board is informed adequately. The supervisory board should supervise this whilst paying specific attention to the dynamics and the relationship between the management board and the executive committee. In the management report, account should be rendered of:</p> <ol style="list-style-type: none"> i. the choice to work with an executive committee; ii. the role, duty and composition of the executive committee; and iii. how the contacts between the supervisory board and the executive committee have been given shape. | <p>This Best Practice provision is not applicable to ING Group.</p> <p>ING Group does not have an executive committee.</p> | <p>Not applicable</p> |
| <p>2.1.4 Expertise Each supervisory board member and each management board member should have the specific expertise required for the fulfilment of his duties. Each supervisory board member should be capable of assessing the broad outline of the overall management.</p> | <p>ING Group applies this Best Practice provision.</p> | <ul style="list-style-type: none"> > Article 9 Supervisory Board Charter > Article 2 Profile of the Executive Board > Article 2 Profile of the Supervisory Board |
| <p>2.1.5 Diversity policy The supervisory board should draw up a diversity policy for the composition of the management board, the supervisory board and, if applicable, the executive committee. The policy should address the concrete targets relating to diversity and the diversity aspects relevant to the company, such as nationality, age, gender, and education and work background.</p> | <p>ING Group applies this Best Practice provision.</p> | <ul style="list-style-type: none"> > Article 3.3 and 3.4 Profile of the Executive Board > Article 3.4 and 3.5 Profile of the Supervisory Board > Chapter 'Corporate governance' in Annual Report 2017 |

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.1.6 Accountability about diversity

The corporate governance statement should explain the diversity policy and the way that it is implemented in practice, addressing:

- i. the policy objectives;
- ii. how the policy has been implemented; and
- iii. the results of the policy in the past financial year.

If the composition of the management board and the supervisory board diverges from the targets stipulated in the company's diversity policy and/or the statutory target for the male/female ratio, if and to the extent that this is provided under or pursuant to the law, the current state of affairs should be outlined in the corporate governance statement, along with an explanation as to which measures are being taken to attain the intended target, and by when this is likely to be achieved.

ING Group applies this Best Practice provision.

👁 *Chapter 'Corporate governance' in Annual Report 2017*

2.1.7 Independence of the supervisory board

The composition of the supervisory board is such that the members are able to operate independently and critically vis-à-vis one another, the management board, and any particular interests involved.

In order to safeguard its independence, the supervisory board is composed in accordance with the following criteria:

- i. any one of the criteria referred to in best practice provision 2.1.8, sections i. to v. inclusive should be applicable to at most one supervisory board member;
- ii. the total number of supervisory board members to whom the criteria referred to in best practice provision 2.1.8 are applicable should account for less than half of the total number of supervisory board members; and
- iii. for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii.

ING Group applies this Best Practice provision.

> *Article 3.2 and 9.1b and 9.1g Supervisory Board Charter*
> *Article 1.3 and 2.6 of the Profile of the Supervisory Board*
👁 *Chapter 'Corporate governance' in Annual Report 2017*

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.1.8 Independence of supervisory board members

A supervisory board member is not independent if they or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:

- i. has been an employee or member of the management board of the company (including associated companies as referred to in Section 5:48 of the Financial Supervision Act (Wet op het financieel toezicht/Wft)) in the five years prior to the appointment;
- ii. receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a supervisory board member and in so far as this is not in keeping with the normal course of business;
- iii. has had an important business relationship with the company or a company associated with it in the year prior to the appointment. This includes in any event the case where the supervisory board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary or lawyer) and the case where the supervisory board member is a management board member or an employee of a bank with which the company has a lasting and significant relationship;
- iv. is a member of the management board of a company in which a member of the management board of the company which he supervises is a supervisory board member;
- v. has temporarily performed management duties during the previous twelve months in the absence or incapacity of management board members;
- vi. has a shareholding in the company of at least ten percent, taking into account the shareholding of natural persons or legal entities cooperating with him or her on the basis of an express or tacit, verbal or written agreement;
- vii. is a member of the management board or supervisory board – or is a representative in some other way – of a legal entity which holds at least ten percent of the shares in the company, unless the entity is a group company.

ING Group applies this Best Practice provision.

- > Article 3.2 and 9.1b and 9.1g Supervisory Board Charter
- > Article 1.3 and 2.6 of the Profile of the Supervisory Board
- 👁 Chapter 'Corporate governance' in Annual Report 2017

2.1.9 Independence of the chairman of the supervisory board

The chairman of the supervisory board should not be a former member of the management board of the company and should be independent within the meaning of best practice provision 2.1.8.

ING Group applies this Best Practice provision.

- > Article 2.6 Profile of the Supervisory Board

2.1.10 Accountability regarding supervisory board member independence

The report of the supervisory board should state that, in the opinion of the supervisory board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and, if applicable, should also state which supervisory board member(s), if any, it does not consider to be independent.

ING Group applies this Best Practice provision.

- 👁 Chapter 'Report of the Supervisory Board' in Annual Report 2017

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

Principle 2.2 Appointment, succession and evaluation

The supervisory board should ensure that a formal and transparent procedure is in place for the appointment and reappointment of management board and supervisory board members, as well as a sound plan for the succession of management board and supervisory board members, with due regard to the diversity policy.

The functioning of the management board and the supervisory board as a collective and the functioning of individual members should be evaluated on a regular basis.

ING Group applies this Principle.

- > Article 3 Profile of the Executive Board
- > Article 3 Profile of the Supervisory Board
- > Article 1.4f, 1.4n, 1.4o, 2.2g, 7g and 7h Supervisory Board Charter
- > Article 1.2a and 1.3 Nomination and Corporate Governance Committee Charter
- 👁 Chapters in 'Corporate governance' in Annual Report 2017

2.2.1 Appointment and reappointment periods – management board members

A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The diversity objectives from best practice provision 2.1.5 should be considered in the preparation of the appointment or reappointment.

ING Group applies this Best Practice provision.

- > Article 3.4 Profile Executive Board
- 👁 Material elements of Executive Board Remuneration
- 👁 Annual General Meeting agenda with explanation
- 👁 Minutes Annual General Meeting 2017
- 👁 Chapter 'Corporate governance' in Annual Report 2017

2.2.2 Appointment and reappointment periods – supervisory board members

A supervisory board member is appointed for a period of four years and may then be reappointed once for another four-year period. The supervisory board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the supervisory board. In any appointment or reappointment, the profile referred to in best practice provision 2.1.1 should be observed.

ING Group applies this Best Practice provision.

- > Profile Supervisory Board
- > Article 10.1 Supervisory Board Charter
- 👁 Annual General Meeting agenda with explanation
- 👁 Minutes Annual General Meeting 2017
- 👁 Chapter 'Corporate governance' in Annual Report 2017

2.2.3 Early retirement

A member of the supervisory board or the management board should retire early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the supervisory board. In the event of the early retirement of a member of the management board or the supervisory board, the company should issue a press release mentioning the reasons for the departure.

ING Group applies this Best Practice provision.

- > Article 1.4 (i), 1.4 (iii) and 11.20 Executive Board Charter
- > Article 1.4d (ii) and 10.5 Supervisory Board Charter
- > Article 1.2a (vi) Nomination and Corporate Governance Committee Charter

2.2.4 Succession

The supervisory board should ensure that the company has a sound plan in place for the succession of management board and supervisory board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard should be given to the profile referred to in best practice provision 2.1.1 in drawing up the plan for supervisory board members. The supervisory board should also draw up a retirement schedule in order to avoid, as much as possible, supervisory board members retiring simultaneously. The retirement schedule should be published on the company's website.

ING Group applies this Best Practice provision.

- > Article 7g and 10.1 Supervisory Board Charter
- > Profile Supervisory Board
- > Profile Executive Board
- > Article 1.2a (ii), 1.2a (vii) and 1.3a Nomination and Corporate Governance Committee Charter
- 👁 Supervisory Board Retirement schedule

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.2.5 Duties of the selection and appointment committee

The selection and appointment committee should prepare the supervisory board's decision-making and report to the supervisory board on its deliberations and findings. The selection and appointment committee should in any event focus on:

- i. drawing up selection criteria and appointment procedures for management board members and supervisory board members;
- ii. periodically assessing the size and composition of the management board and the supervisory board, and making a proposal for a composition profile of the supervisory board;
- iii. periodically assessing the functioning of individual management board members and supervisory board members, and reporting on this to the supervisory board;
- iv. drawing up a plan for the succession of management board members and supervisory board members;
- v. making proposals for appointments and reappointments; and
- vi. supervising the policy of the management board regarding the selection criteria and appointment procedures for senior management.

ING Group applies this Best Practice provision.

- > Article 1 Nomination and Corporate Governance Committee Charter
- > Article 1.4d (i), (ii), 1.4e and 1.4m (i) Supervisory Board Charter

2.2.6 Evaluation by the supervisory board

At least once per year, outside the presence of the management board, the supervisory board should evaluate its own functioning, the functioning of the various committees of the supervisory board and that of the individual supervisory board members, and should discuss the conclusions that are attached to the evaluation. In doing so, attention should be paid to:

- i. substantive aspects, the mutual interaction and the interaction with the management board;
- ii. events that occurred in practice from which lessons may be learned; and
- iii. the desired profile, composition, competencies and expertise of the supervisory board.

ING Group applies this Best Practice provision.

- > Article 1.4o, 2.2g and 7h Supervisory Board Charter

2.2.7 Evaluation of the management board

At least once per year, outside the presence of the management board, the supervisory board should evaluate both the functioning of the management board as a whole and that of the individual management board members, and should discuss the conclusions that must be attached to the evaluation, such also in light of the succession of management board members. At least once annually, the management board, too, should evaluate its own functioning as a whole and that of the individual management board members.

ING Group applies this Best Practice provision.

- > Article 3.2 (xiv) Executive Board Charter
- > Article 1.4f, 2.2g and 7g Supervisory Board Charter

2.2.8 Evaluation accountability

The supervisory board's report should state:

- i. how the evaluation of the supervisory board, the various committees and the individual supervisory board members has been carried out;
- ii. how the evaluation of the management board and the individual management board members has been carried out; and
- iii. what has been or will be done with the conclusions from the evaluations.

ING Group applies this Best Practice provision.

- > Article 1.6 Supervisory Board Charter
- > Chapter 'Report of the Supervisory Board' in Annual Report 2017

Principle 2.3 Organisation of the supervisory board and reports

The supervisory board should ensure that it functions effectively. The supervisory board should establish committees to prepare the supervisory board's decision-making. The foregoing does not affect the responsibility of the supervisory board as an organ and of the individual members of the supervisory board for obtaining information and forming an independent opinion.

ING Group applies this Principle.

- > Article 1.3, 1.8 and 4 Supervisory Board Charter

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.3.1 Supervisory board's terms of reference

The division of duties within the supervisory board and the procedure of the supervisory board should be laid down in terms of reference. The supervisory board's terms of reference should include a paragraph dealing with its relations with the management board, the general meeting, the employee participation body (if any) and the executive committee (if any). The terms of reference should be posted on the company's website.

ING Group applies this Best Practice provision.

> Article 1.1, 1.3, 1.4a, 1.4k, 1.4l and 7g Supervisory Board Charter

2.3.2 Establishment of committees

If the supervisory board consists of more than four members, it should appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. Without prejudice to the collegiate responsibility of the supervisory board, the duty of these committees is to prepare the decision-making of the supervisory board. If the supervisory board decides not to establish an audit committee, a remuneration committee or a selection and appointment committee, the best practice provisions applicable to such committee(s) should apply to the entire supervisory board.

ING Group applies this Best Practice provision.

The Supervisory Board consists of more than four members and therefore relevant committees are installed.

> Article 4 Supervisory Board Charter
> Article 1 of each SB Committee Charter

2.3.3 Committees' terms of reference

The supervisory board should draw up terms of reference for the audit committee, the remuneration committee and the selection and appointment committee. The terms of reference should indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The terms of reference should be posted on the company's website.

ING Group applies this Best Practice provision.

> Article 4 Supervisory Board Charter
> Annex 2-5 Supervisory Board Charter

2.3.4 Composition of the committees

The audit committee or the remuneration committee should not be chaired by the chairman of the supervisory board or by a former member of the management board of the company. More than half of the members of the committees should be independent within the meaning of best practice provision 2.1.8.

ING Group applies this Best Practice provision.

> Article 4 and 9.1g Supervisory Board Charter
> Article 4.2 Audit Committee Charter
> Article 4.2 Remuneration Committee Charter

2.3.5 Committee reports

The supervisory board should receive from each of the committees a report of their deliberations and findings. In the report of the supervisory board it should comment on how the duties of the committees were carried out in the financial year. In this report, the composition of the committees, the number of committee meetings and the main items discussed at the meetings should be mentioned.

ING Group applies this Best Practice provision.

> Article 1.6 Supervisory Board Charter
> Article 2 of each SB Committee Charter
> Chapter 'Report of the Supervisory Board' in Annual Report 2017

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.3.6 Chairman of the supervisory board

The chairman of the supervisory board should in any case ensure that:

- i. the supervisory board has proper contact with the management board, the employee participation body (if any) and the general meeting;
- ii. the supervisory board elects a vice-chairman;
- iii. there is sufficient time for deliberation and decision-making by the supervisory board;
- iv. the supervisory board members receive all information that is necessary for the proper performance of their duties in a timely fashion;
- v. the supervisory board and its committees function properly;
- vi. the functioning of individual management board members and supervisory board members is assessed at least annually;
- vii. the supervisory board members and management board members follow their induction programme;
- viii. the supervisory board members and management board members follow their education or training programme;
- ix. the management board performs activities in respect of culture;
- x. the supervisory board recognises signs from the enterprise affiliated with the company and ensures that any (suspicion of) material misconduct and irregularities are reported to the supervisory board without delay;
- xi. the general meeting proceeds in an orderly and efficient manner;
- xii. effective communication with shareholders is assured; and
- xiii. the supervisory board is involved closely, and at an early stage, in any merger or takeover processes.

The chairman of the supervisory board should consult regularly with the chairman of the management board.

ING Group applies this Best Practice provision.

> *Article 2 and 6.2 Supervisory Board Charter*

2.3.7 Vice-chairman of the supervisory board

The vice-chairman of the supervisory board should deputise for the chairman when the occasion arises.

ING Group applies this Best Practice provision.

> *Article 2.2e Supervisory Board Charter*

2.3.8 Delegated supervisory board member

A delegated supervisory board member is a supervisory board member who has a special task. The delegation may not extend beyond the responsibilities of the supervisory board itself and may not include the management of the company. Its purpose is more intensive supervision and advice and more regular consultation with the management board. The delegation should be of a temporary nature only. The delegation may not detract from the duties and powers of the supervisory board. The delegated supervisory board member continues to be a member of the supervisory board and should report regularly on the execution of his special duty to the plenary supervisory board.

ING Group applies this Best Practice provision.

> *Article 5 Supervisory Board Charter*
> *Article 25.7 Articles of Association of ING Group*

2.3.9 Temporary management board function of a supervisory board member

A supervisory board member who temporarily takes on the management of the company, where the management board members are absent or unable to fulfil their duties, should resign from the supervisory board.

ING Group applies this Best Practice provision.

> *Article 10.6 Supervisory Board Charter*

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.3.10 Company secretary

The supervisory board should be supported by the company secretary. The secretary:

- should ensure that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with;
- should facilitate the provision of information of the management board and the supervisory board; and
- should support the chairman of the supervisory board in the organisation of the affairs of the supervisory board, including the provision of information, meeting agendas, evaluations and training programmes.

The company secretary should, either on the motion of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained.

If the secretary also undertakes work for the management board and notes that the interests of the management board and the supervisory board diverge, as a result of which it is unclear which interests the secretary should represent, the secretary should report this to the chairman of the supervisory board.

ING Group applies this Best Practice provision.

- > Article 3 Supervisory Board Charter
- > Article 1.5q, 4 and Annex 2 sub d Executive Board Charter

2.3.11 Report of the supervisory board

The annual statements of the company include a report by the supervisory board. In this report, the supervisory board should render account of the supervision conducted in the past financial year, reporting in any event on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.

ING Group applies this Best Practice provision.

- > Chapter 'Report of the Supervisory Board' in Annual Report 2017

Principle 2.4 Decision-making and functioning

The management board and the supervisory board should ensure that decisions are made in a balanced and effective manner whilst taking account of the interests of stakeholders. The management board should ensure that information is provided in a timely and sound manner. The management board and the supervisory board should keep their knowledge and skills up to date and spend sufficient time on their duties and responsibilities. They should ensure that, in performing their duties, they have the information that is required for effective decision-making.

ING Group applies this Principle.

- > Article 17.1 Articles of Association of ING Group
- > Article 1.1 (ii), 1.2, 1.5c (iv), 1.5j, 3.2 (xi) and 6 Executive Board Charter
- > Article 1.2, 1.4a, 1.8, 1.9, 2.2f, 2.3e, 7i and 11.7 Supervisory Board Charter

2.4.1 Stimulating openness and accountability

The management board and the supervisory board are each responsible for stimulating openness and accountability within the organ of which they form part, and between the different organs within the company.

ING Group applies this Best Practice provision.

- > Article 1.2, 11.1 and 11.7 Executive Board Charter
- > Article 1.6 (ii), 2.2h and 11.2 Supervisory Board Charter

2.4.2 Other positions

Management board members and supervisory board members should report any other positions they may have to the supervisory board in advance and, at least annually, the other positions should be discussed at the supervisory board meeting. The acceptance of membership of a supervisory board by a management board member requires the approval of the supervisory board.

ING Group applies this Best Practice provision.

- > Article 11.17, 11.17b, 11.18 and 11.19 Executive Board Charter
- > Article 1.4d (v), 2.2e, 7u, 11.13, 11.14 and 11.15 Supervisory Board Charter

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.4.3 Point of contact for the functioning of supervisory board and management board members

The chairman of the supervisory board should act on behalf of the supervisory board as the main contact for the management board, supervisory board members and shareholders regarding the functioning of management board members and supervisory board members. The vice-chairman should act as contact for individual supervisory board members and management board members regarding the functioning of the chairman.

ING Group applies this Best Practice provision.

> *Article 2.1 Supervisory Board Charter*

2.4.4 Attendance at supervisory board meetings

Supervisory board members should attend supervisory board meetings and the meetings of the committees of which they are a part. If supervisory board members are frequently absent from these meetings, they should be held to account on this. The report of the supervisory board should state the absenteeism rate from supervisory board and committee meetings of each supervisory board member.

ING Group applies this Best Practice provision.

> *Article 11.1 Supervisory Board Charter*
> *Chapter 'Report of the Supervisory Board' in Annual Report 2017*

2.4.5 Induction programme for supervisory board members

All supervisory board members should follow an induction programme geared to their role. The induction programme should in any event cover general financial, social and legal affairs, financial reporting by the company, any specific aspects that are unique to the relevant company and its business activities, the company culture and the relationship with the employee participation body (if any), and the responsibilities of a supervisory board member.

ING Group applies this Best Practice provision.

> *Article 2.2f, 2.3e and 11.7 Supervisory Board Charter*
> *Chapter 'Report of the Supervisory Board' in Annual Report 2017*

2.4.6 Development

The management board and the supervisory board should each conduct an annual review for their own organ to identify any aspects with regard to which the supervisory board members and management board members require training or education.

ING Group applies this Best Practice provision.

> *Article 1.5j Executive Board Charter*
> *Article 7i Supervisory Board Charter*

2.4.7 Information safeguards

The management board should ensure that internal procedures are established and maintained which safeguard that all relevant information is known to the management board and the supervisory board in a timely fashion. The supervisory board should supervise the establishment and implementation of these procedures.

ING Group applies this Best Practice provision.

> *Article 1.1 (ii), 1.5c (iv), 3.2 (xi) and 6 Executive Board Charter*
> *Article 1.4a Supervisory Board Charter*

2.4.8 Supervisory board members' responsibility for obtaining information

The supervisory board and each individual supervisory board member have their own responsibility for obtaining the information from the management board, the internal audit function, the external auditor and the employee participation body (if any) that the supervisory board needs in order to be able to carry out its duties as a supervisory organ properly.

ING Group applies this Best Practice provision.

> *Article 1.8 Supervisory Board Charter*

2.4.9 Obtaining information from officers and external parties

If the supervisory board considers it necessary, it may obtain information from officers and external advisers of the company. The company should provide the necessary means to this end. The supervisory board may require that certain officers and external advisers attend its meetings.

ING Group applies this Best Practice provision.

> *Article 1.9 Supervisory Board Charter*

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

Principle 2.5 Culture

The management board is responsible for creating a culture aimed at long-term value creation for the company and its affiliated enterprise. The supervisory board should supervise the activities of the management board in this regard.

ING Group applies this Principle.

- > Article 1.1 (i), 1.2 and 1.5b Executive Board Charter
- > Article 1.4a (i), 1.6 (ii) and 2.2h Supervisory Board Charter
- 👁️ ING Group's Orange Code brochure
- 👁️ Chapter 'Our people' in 'Report of the Executive Board' in Annual Report 2017
- 👁️ Chapter 'Our strategy and how we create value' in 'Report of the Executive Board' in Annual Report 2017

2.5.1 Management board's responsibility for culture

The management board should adopt values for the company and its affiliated enterprise that contribute to a culture focused on long-term value creation, and discuss these with the supervisory board. The management board is responsible for the incorporation and maintenance of the values within the company and its affiliated enterprise. Attention must be paid to the following, among other things:

- i. the strategy and the business model;
- ii. the environment in which the enterprise operates; and
- iii. the existing culture within the enterprise, and whether it is desirable to implement any changes in this.

ING Group applies this Best Practice provision.

- > Article 1.1 (i), 1.2 and 1.5b (ii) Executive Board Charter
- > Article 1.4a (i), 1.4a (xi), 1.6 (ii), 2.2h and 7v Supervisory Board Charter
- 👁️ ING Group's Orange Code brochure

The management board encourages behaviour that is in keeping with the values, and propagates these values through leading by example.

2.5.2 Code of Conduct

The management board should draw up a code of conduct and monitor its effectiveness and compliance with this code, both on the part of itself and of the employees of the company. The management board should inform the supervisory board of its findings and observations relating to the effectiveness of, and compliance with, the code. The code of conduct will be published on the company's website.

ING Group applies this Best Practice provision.

- > Article 1.1 (vi), 1.5b (ii), 3.2 (xi) and 11.1 Executive Board Charter
- > Article 1.4a (i) Supervisory Board Charter
- 👁️ ING Group's Orange Code brochure

2.5.3 Employee participation

If the company has established an employee participation body, the conduct and culture in the company and its affiliated enterprise should also be discussed in the consultations between the management board, the supervisory board and such employee participation body.

ING Group applies this Best Practice provision.

- > Article 2.2d and 2.3e Supervisory Board Charter

Conduct and culture is discussed between the Executive Board, (a delegation of) the Supervisory Board and the Central Works Council of ING Bank N.V. in their annual tripartite meetings.

2.5.4 Accountability regarding culture

In the management report, the management board should explain:

- i. the values and the way in which they are incorporated in the company and its affiliate enterprise; and
- ii. the effectiveness of, and compliance with, the code of conduct.

ING Group applies this Best Practice provision.

- > Article 1.4a (xi) and 1.6 (ii) Supervisory Board Charter
- 👁️ Chapter 'Our people' in 'Report of the Executive Board' in Annual Report 2017

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

Principle 2.6 Misconduct and irregularities

The management board and the supervisory board should be alert to indications of actual or suspected misconduct or irregularities. The management board should establish a procedure for reporting actual or suspicion of misconduct or irregularities, and take appropriate follow-up action on the basis of these reports. The supervisory board monitors the management board in this.

ING Group applies this Principle.

- > Article 1.4a (xii) and 4 Supervisory Board Charter
- > Article 1.2k Audit Committee Charter
- 👁 Chapter 'Risk and capital management' in Annual Report 2017
- 👁 Section 'Risk Committee meetings' of chapter 'Report of the Supervisory Board' in Annual Report 2017

2.6.1 Procedure for reporting actual or suspicion of misconduct or irregularities

The management board should establish a procedure for reporting actual or suspected irregularities within the company and its affiliated enterprise. The procedure will be published on the company's homepage. The management board should ensure that employees have the opportunity to file a report without jeopardising their legal position.

ING Group applies this Best Practice provision.

- > Compliance Risk Management Charter
- 👁 ING Values
- 👁 ING Group Whistleblower Policy

2.6.2 Informing the chairman of the supervisory board

The management board should inform the chairman of the supervisory board without delay of any signs of actual or suspected material misconduct or irregularities within the company and its affiliated enterprise. If the actual or suspected misconduct or irregularity pertains to the functioning of a management board member, employees can report this directly to the chairman of the supervisory board.

ING Group applies this Best Practice provision.

- > Article 3.1, 3.2 (iii), (xi), 3.4 and 11.8 Executive Board Charter
- > Article 2 Supervisory Board Charter
- > Articles 3 and 3.3 Risk Committee Charter

2.6.3 Notification by the external auditor

The external auditor should inform the chairman of the audit committee without delay if, during the performance of his duties, he discovers or suspect an instance of misconduct or irregularity. If the actual or suspected misconduct or irregularity pertains to the functioning of a management board member, the external auditor should report this directly to the chairman of the supervisory board.

KPMG has confirmed to apply this best practice provision.

2.6.4 Oversight by the supervisory board

The supervisory board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions.

ING Group applies this Best Practice provision.

- > Article 1.10 Supervisory Board Charter

In order to safeguard the independence of the investigation in cases where the management board itself is involved, the supervisory board should have the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation.

Principle 2.7 Preventing conflicts of interest

Any form of conflict of interest between the company and the members of its management board or supervisory board should be prevented. To avoid conflicts of interest, adequate measures should be taken. The supervisory board is responsible for the decision-making on dealing with conflicts of interest regarding management board members, supervisory board members and majority shareholders in relation to the company.

ING Group applies this Principle.

- > Article 11.13 – 11.16 Executive Board Charter
- > Article 11.9 – 11.12 Supervisory Board Charter
- 👁 Section 'Ancillary positions/ conflicting interests' of chapter 'Corporate governance' in Annual Report 2017

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.7.1 Preventing conflicts of interest

Management board members and supervisory board members are alert to conflicts of interest and should in any case refrain from the following:

- i. competing with the company;
- ii. demanding or accepting substantial gifts from the company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- iii. providing unjustified advantages to third parties at the company's expense;
- iv. taking advantage of business opportunities to which the company is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

ING Group applies this Best Practice provision.

- > Article 11.6 Executive Board Charter
- > Article 11.8 Supervisory Board Charter
- > ING's Statement on Information Barriers & Conflicts of Interest
- > Generic Insider Code Netherlands ING Bank
- > ING's zero tolerance approach to bribery and corruption

2.7.2 Terms of reference

The terms of reference of the supervisory board should contain rules on dealing with conflicts of interest, including conflicting interests between management board members and supervisory board members on the one hand and the company on the other. The terms of reference should also stipulate which transactions require the approval of the supervisory board. The company should draw up regulations governing ownership of, and transactions in, securities by management or supervisory board members, other than securities issued, by the company.

ING Group applies this Best Practice provision.

- > Articles 7.1, 7.6 and 11.13 – 11.15 Executive Board Charter
- > Articles 1.4a (x), 1.4d (vi), 2.3d, 6.4, 7, 8.1, 8.5 and 8.6 Supervisory Board Charter

2.7.3 Reporting

A conflict of interest may exist if the company intends to enter into a transaction with a legal entity:

- i. in which a member of the management board or the supervisory board personally has a material financial interest; or
- ii. which has a member of the management board or the supervisory board who is related under family law to a member of the management board or the supervisory board of the company.

ING Group applies this Best Practice provision.

- > Article 11.9 Supervisory Board Charter

A management board member should report any potential conflict of interest in a transaction that is of material significance to the company and/or to such management board member to the chairman of the supervisory board and to the other members of the management board without delay. The management board member should provide all relevant information in that regard, including the information relevant to the situation concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

A supervisory board member should report any conflict of interest or potential conflict of interest in a transaction that is of material significance to the company and/or to such supervisory board member to the chairman of the supervisory board without delay and should provide all relevant information in that regard, including the relevant information pertaining to his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the chairman of the supervisory board has a conflict of interest or potential conflict of interest, he should report this to the vice-chairman of the supervisory board without delay.

The supervisory board should decide, outside the presence of the management board member or supervisory board member concerned, whether there is a conflict of interest.

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.7.4 Accountability regarding transactions: management board and supervisory board members

All transactions in which there are conflicts of interest with management board members or supervisory board members should be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with management board members or supervisory board members that are of material significance to the company and/or to the relevant management board members or supervisory board members should require the approval of the supervisory board. Such transactions should be published in the management report, together with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3 and 2.7.4 have been complied with.

ING Group applies this Best Practice provision.

- > Article 11.15 Executive Board Charter
- > Article 11.11 Supervisory Board Charter
- 👁 Section 'Transactions involving actual or potential conflicts of interest' of chapter 'Corporate governance' in Annual Report 2017

2.7.5 Accountability regarding transactions: majority shareholders

All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company should be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the company and/or to such persons should require the approval of the supervisory board. Such transactions should be published in the management report, together with a declaration that best practice provision 2.7.5 has been complied with.

ING Group applies this Best Practice provision in the event that a person holds at least 10%.

- > Annex 2 sub k-m Executive Board Charter

2.7.6 Personal loans

The company should not grant its management board members and supervisory board members any personal loans, guarantees or the like unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the supervisory board. No remission of loans should be granted.

ING Group applies this Best Practice provision.

- 👁 Section 'Transactions involving actual or potential conflicts of interest' of chapter 'Corporate governance' in Annual Report 2017
- 👁 Sections 'Loans and advances to Executive Board members' and 'Loans and advances to Supervisory Board members' of chapter 'Remuneration Report' in Annual Report 2017

Principle 2.8 Takeover situations

In the event of a takeover bid for the company's shares or for the depositary receipts for the company's shares, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, both the management board and the supervisory board should ensure that the stakeholder interests concerned are carefully weighed and any conflict of interest for supervisory board members or management board members is avoided. The management board and the supervisory board should be guided in their actions by the interests of the company and its affiliated enterprise.

ING Group applies this Principle.

- > Article 1.2 Executive Board Charter
- > Article 1.2 Supervisory Board Charter

2.8.1 Supervisory board involvement

When a takeover bid for the company's shares or for the depositary receipts for the company's shares is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the management board should ensure that the supervisory board is involved in the takeover process and/or the change in the structure closely and in a timely fashion.

ING Group applies this Best Practice provision.

- > Article 9 Executive Board Charter
- > Article 7s Supervisory Board Charter

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

2.8.2 Informing the supervisory board about request for inspection by competing bidder

If a takeover bid has been announced for the shares, or depositary receipts for shares, in the company, and the management board receives a request from a competing bidder to inspect the company's records, the management board should discuss this request with the supervisory board without delay.

ING Group applies this Best Practice provision.

- > *Article 9 Executive Board Charter*
- > *Article 7t Supervisory Board Charter*

2.8.3 Management board's position on a private bid

If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, the management board of the company should as soon as possible make public its position on the bid and the reasons for this position.

ING Group applies this Best Practice provision.

- > *Article 1.5d Executive Board Charter*

Chapter 3. Remuneration

| Text Dutch Corporate Governance Code 2016 Principle or Best Practice | Application by ING Group | Source (www.ing.com) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Principle 3.1 Remuneration policy – management board The remuneration policy applicable to management board members should be clear and understandable, should focus on long-term value creation for the company and its affiliated enterprise, and take into account the internal pay ratios within the enterprise. The remuneration policy should not encourage management board members to act in their own interest, nor to take risks that are not in keeping with the strategy formulated and the risk appetite that has been established. The supervisory board is responsible for formulating the remuneration policy and its implementation.</p> | ING Group applies this Principle. | <ul style="list-style-type: none"> > Article 1.4d (iii) and 1.4d (iv) Supervisory Board Charter > Article 2.2 Remuneration Committee Charter 👁 Section 'Remuneration Policy for the Executive Board' of chapter 'Remuneration Report' in Annual Report 2017 |
| <p>3.1.1 Remuneration policy proposal The remuneration committee should submit a clear and understandable proposal to the supervisory board concerning the remuneration policy to be pursued with regard to the management board. The supervisory board should present the policy to the general meeting for adoption.</p> | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 2.2 Remuneration Committee Charter > Article 1.4d (iii) Supervisory Board Charter <p>The Remuneration Policy of the EB was adopted by the Annual General Meeting on 27 April 2010 and amended on 9 May 2011, 12 May 2014 and 11 May 2015 and 8 May 2017</p> |
| <p>3.1.2 Remuneration policy The following aspects should in any event be taken into consideration when formulating the remuneration policy:</p> <ol style="list-style-type: none"> i. the objectives for the strategy for the implementation of long-term value creation within the meaning of best practice provision 1.1.1; ii. the scenario analyses carried out in advance; iii. the pay ratios within the company and its affiliated enterprise; iv. the development of the market price of the shares; v. an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character; vi. if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and vii. if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded. | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 2.2 Remuneration Committee Charter 👁 Section 'Remuneration Policy for the Executive Board' of chapter 'Remuneration Report' in Annual Report 2017 |
| <p>3.1.3 Remuneration – executive committee If the management board works with an executive committee, the management board should inform the supervisory board about the remuneration of the members of the executive committee who are not management board members. The management board should discuss this remuneration with the supervisory board annually.</p> | <p>This Best Practice provision is not applicable to ING Group.</p> <p>ING Group does not have an executive committee.</p> | Not applicable |
| <p>Principle 3.2 Determination of management board remuneration The supervisory board should determine the remuneration of the individual members of the management board, within the limits of the remuneration policy adopted by the general meeting. The remuneration committee should prepare the supervisory board's decision-making regarding the determination of remuneration. The inadequate performance of duties should not be rewarded.</p> | ING Group applies this Principle. | <ul style="list-style-type: none"> > Article 1.3d Remuneration Committee Charter > Article 1.4d (iii) Supervisory Board Charter |

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

3.2.1 Remuneration committee's proposal

The remuneration committee should submit a proposal to the supervisory board concerning the remuneration of individual members of the management board. The proposal is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the company and its affiliated enterprise.

ING Group applies this Best Practice provision.

- > Article 1.3d Remuneration Committee Charter
- 👁 Section 'Remuneration Executive Board' of chapter 'Remuneration Report' in Annual Report 2017

3.2.2 Management board members' views on their own remuneration

When drafting the proposal for the remuneration of management board members, the remuneration committee should take note of individual management board members' views with regard to the amount and structure of their own remuneration. The remuneration committee should ask the members of the management board to pay attention to the aspects referred to in best practice provision 3.1.2.

ING Group applies this Best Practice provision.

- > Article 1.3d Remuneration Committee Charter
- 👁 Section 'Remuneration Executive Board' of chapter 'Remuneration Report' in Annual Report 2017

3.2.3 Severance payments

The remuneration in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the management board member, or in the event of seriously culpable or negligent behaviour on the part of the management board member.

ING Group applies this Best Practice provision.

- 👁 Material elements of the Executive Board Remuneration
- 👁 Section 'Remuneration Executive Board' of chapter 'Remuneration Report' in Annual Report 2017

Principle 3.3 Remuneration – supervisory board

The supervisory board should submit a clear and understandable proposal for its own appropriate remuneration to the general meeting. The remuneration of supervisory board members should promote an adequate performance of their role and should not be dependent on the results of the company.

ING Group applies this Principle.

- > Article 1.4n and 12.1 Supervisory Board Charter
- 👁 Section 'Remuneration Supervisory Board' of chapter 'Remuneration Report' in Annual Report 2017

3.3.1 Time spent and responsibility

The remuneration of the supervisory board members should reflect the time spent and the responsibilities of their role.

ING Group applies this Best Practice provision.

- > Article 1.4n and 12.1 Supervisory Board Charter
- 👁 Section 'Remuneration Supervisory Board' of chapter 'Remuneration Report' in Annual Report 2017

3.3.2 Remuneration of supervisory board members

Supervisory board members may not be awarded remuneration in the form of shares and/or rights to shares.

ING Group applies this Best Practice provision.

- > Article 12.1 Supervisory Board Charter
- 👁 Section 'Remuneration Supervisory Board' of chapter 'Remuneration Report' in Annual Report 2017

3.3.3 Share ownership

Shares held by a supervisory board member in the company on whose supervisory board they serve should be long-term investments.

ING Group applies this Best Practice provision.

- > Article 11.6 Supervisory Board Charter
- 👁 Section 'ING shares and employee stock options held by Supervisory Board members' of chapter 'Remuneration Report' in Annual Report 2017

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

Principle 3.4 Accountability for implementation of remuneration policy

In the remuneration report, the supervisory board should render account of the implementation of the remuneration policy in a transparent manner. The report should be posted on the company's website.

ING Group applies this Principle.

> Article 2.2 Remuneration Committee Charter
👁 Section 'Remuneration Executive Board' of chapter 'Remuneration Report' in Annual Report 2017

3.4.1 Remuneration report

The remuneration committee should prepare the remuneration report. This report should in any event describe, in a transparent manner, in addition to the matters required by law:

- i. how the remuneration policy has been implemented in the past financial year;
- ii. how the implementation of the remuneration policy contributes to long-term value creation;
- iii. that scenario analyses have been taken into consideration;
- iv. the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
- v. in the event that a management board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and
- vi. in the event that a current or former management board member receives a severance payment, the reason for this payment.

ING Group applies this Best Practice provision.

> Article 2.2 Remuneration Committee Charter
👁 Section 'Remuneration Executive Board' of chapter 'Remuneration Report' in Annual Report 2017

3.4.2 Agreement of management board member

The main elements of the agreement of a management board member with the company should be published on the company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the management board member will be proposed.

ING Group applies this Best Practice provision.

👁 Material elements of Executive Board Remuneration

Chapter 4. The general meeting

| Text Dutch Corporate Governance Code 2016 Principle or Best Practice | Application by ING Group | Source (www.ing.com) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Principle 4.1 The general meeting The general meeting should be able to exert such influence on the policies of the management board and the supervisory board of the company that it plays a fully-fledged role in the system of checks and balances in the company. Good corporate governance requires the fully-fledged participation of shareholders in the decision-making in the general meeting.</p> | ING Group applies this Principle. | <p>👁 <i>Minutes Annual General meeting</i></p> |
| <p>4.1.1 Supervisory board supervision The supervisory board's supervision of the management board should include the supervision of relations with shareholders.</p> | ING Group applies this Best Practice provision. | <p>> <i>Article 1.4a (viii) Supervisory Board Charter</i></p> |
| <p>4.1.2 Proper conduct of business at meetings The chairman of the general meeting is responsible for ensuring the proper conduct of business at meetings in order to promote a meaningful discussion at the meeting.</p> | ING Group applies this Best Practice provision. | <p>> <i>Articles 32.1 and 32.5 Articles of Association ING Group</i> 👁 <i>Minutes Annual General meeting</i></p> |
| <p>4.1.3 Agenda The agenda of the general meeting should list which items are up for discussion and which items are to be voted on. The following items should be dealt with as separate agenda items:</p> <ul style="list-style-type: none"> i. material changes to the articles of association; ii. proposals relating to the appointment of management board and supervisory board members; iii. the policy of the company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend); iv. any proposal to pay out dividend; v. resolutions to approve the management conducted by the management board (discharge of management board members from liability); vi. resolutions to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability); vii. each substantial change in the corporate governance structure of the company and in the compliance with this Code; and viii. the appointment of the external auditor. | ING Group applies this Best Practice provision. | <p>👁 <i>Annual General Meeting agenda with explanation</i></p> |
| <p>4.1.4 Proposal for approval or authorisation A proposal for approval or authorisation by the general meeting should be explained in writing. In its explanation the management board should deal with all facts and circumstances relevant to the approval or authorisation to be granted. The notes to the agenda should be posted on the company's website.</p> | ING Group applies this Best Practice provision. | <p>> <i>Article 1.5o (i) and 9 Executive Board Charter</i> > <i>Article 1.4k (i) and 7r Supervisory Board Charter</i> 👁 <i>Annual General Meeting agenda with explanation</i></p> |
| <p>4.1.5 Shareholder's explanation when exercising the right to put items on the agenda If a shareholder has arranged for an item to be put on the agenda, he should explain this at the meeting and, if necessary, answer questions about it.</p> | This Best Practice provision is not directed to ING Group, but rather to its shareholders. | Not applicable |

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

4.1.6 Placing of items on the agenda by shareholders

A shareholder should only exercise the right to put items on the agenda after they have consulted with the management board on this. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the company's strategy, for example as a result of the dismissal of one or several management board or supervisory board members, the management board should be given the opportunity to stipulate a reasonable period in which to respond (the response time). The opportunity to stipulate the response time should also apply to an intention as referred to above for judicial leave to call a general meeting pursuant to Section 2:110 of the Dutch Civil Code. The relevant shareholder should respect the response time stipulated by the management board, within the meaning of best practice provision 4.1.7.

This Best Practice provision is not directed to ING Group, but rather to its shareholders.

Not applicable

4.1.7 Stipulation of the response time

If the management board stipulates a response time, this should be a reasonable period that does not exceed 180 days from the moment the management board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The management board should use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s), and should explore the alternatives. At the end of the response time, the management board should report on this consultation and the exploration to the general meeting. This should be monitored by the supervisory board.

ING Group applies this Best Practice provision.

- *Article 1.5o (ii) Executive Board Charter*
- *Article 1.5k (ii) Supervisory Board Charter*

The response time may be stipulated only once for any given general meeting and should not apply to an item in respect of which the response time had been previously stipulated, or to meetings where a shareholder holds at least three-quarters of the issued capital as a consequence of a successful public bid.

4.1.8 Attendance of members nominated for the management board or supervisory board

Management board and supervisory board members nominated for appointment should attend the general meeting at which votes will be cast on their nomination.

ING Group applies this Best Practice provision.

- 👁️ *Minutes Annual General meeting*

4.1.9 External auditor's attendance

The external auditor may be questioned by the general meeting in relation to his report on the fairness of the financial statements. The external auditor should for this purpose attend and be entitled to address this meeting.

ING Group applies this Best Practice provision.

- 👁️ *Minutes Annual General meeting*

The participants in the General Meeting can ask their questions in relation to the report on the fairness of the financial statements via the Chairman of the meeting to the external auditor.

4.1.10 General meeting's report

The report of the general meeting should be made available, on request, to the shareholders no later than three months after the end of the meeting, after which shareholders should have the opportunity to react to the report in the following three months. The report should then be adopted in the manner provided for in the articles of association.

ING Group applies this Best Practice provision.

- 👁️ *Minutes Annual General meeting*

Principle 4.2 Provision of information

The management board and the supervisory board should ensure that the general meeting is adequately provided with information.

ING Group applies this Principle.

- 👁️ *Annual General Meeting agenda with explanation*

| Text Dutch Corporate Governance Code 2016 Principle or Best Practice | Application by ING Group | Source (www.ing.com) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>4.2.1 Substantiation of invocation of overriding interest If the management board and the supervisory board decide not to provide the general meeting with all information desired with the invocation of an overriding interest on the part of the company, they must give reasons for this.</p> | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 1.5o (iii) Executive Board Charter > Article 1.7 Supervisory Board Charter |
| <p>4.2.2 Policy on bilateral contacts with shareholders The company should formulate an outline policy on bilateral contacts with the shareholders and should post this policy on its website.</p> | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 1.5e Executive Board Charter 👁 Section 'Investor Relations and bilateral contacts with investors' of chapter 'Corporate governance' in Annual Report 2017 |
| <p>4.2.3 Meetings and presentations Analyst meetings, analyst presentations, presentations to institutional or other investors and press conferences should be announced in advance on the company's website and by means of press releases. Analysts' meetings and presentations to investors should not take place shortly before the publication of the regular financial information. All shareholders should be able to follow these meetings and presentations in real time, by means of webcasting, telephone or otherwise. After the meetings, the presentations should be posted on the company's website.</p> | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 1.5e Executive Board Charter 👁 ING Group's Investor Relations 👁 Section 'Investor Relations and bilateral contacts with investors' of chapter 'Corporate governance' in Annual Report 2017 |
| <p>4.2.4 Posting information in a separate section of the website The company should post and update information which is relevant to the shareholders and which it is required to publish or submit pursuant to the provisions of company law and securities law applicable to it in a separate section of the company's website.</p> | ING Group applies this Best Practice provision. | 👁 ING Group's Investor Relations |
| <p>4.2.5 Management board contacts with press and analysts The contacts between the management board on the one hand and the press and financial analysts on the other should be handled and structured carefully and with due observance of the applicable laws and regulations. The company should not do anything that might compromise the independence of analysts in relation to the company and vice versa.</p> | ING Group applies this Best Practice provision. | <ul style="list-style-type: none"> > Article 1.5e Executive Board Charter 👁 Section 'Investor Relations and bilateral contacts with investors' of chapter 'Corporate governance' in Annual Report 2017 |
| <p>4.2.6 Outline of anti-takeover measures The management board should outline all existing or potential anti-takeover measures in the management report and should also indicate in what circumstances and by whom these measures may likely be used.</p> | ING Group applies this Best Practice provision. | 👁 Section 'Capital' of chapter 'Corporate governance' in Annual Report 2017 |
| <p>Principle 4.3 Casting votes Participation of as many shareholders as possible in the general meeting's decision-making is in the interest of the company's checks and balances. The company should, in so far as possible, give shareholders the opportunity to vote by proxy and to communicate with all other shareholders.</p> | <p>ING Group applies this Principle.</p> <p>Best Practice provision 4.3.1 is not directed to ING Group, but rather to its shareholders. ING Group deviates from Best Practice provision 4.3.3.</p> | 👁 Annual General Meeting agenda with explanation |
| <p>4.3.1 Voting as deemed fit A shareholder should vote as he sees fit. A shareholder who makes use of the voting advice of a third party is expected to form his own judgment on the voting policy or the voting advice provided by this adviser.</p> | This Best Practice provision is not directed to ING Group, but rather to its shareholders. | Not applicable |

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

4.3.2 Providing voting proxies or voting instructions

The company should give shareholders and other persons entitled to vote the possibility of issuing voting proxies or voting instructions, respectively, to an independent third party prior to the general meeting.

ING Group applies this Best Practice provision.

👁️ *Annual General Meeting agenda with explanation*

4.3.3 Cancelling the binding nature of a nomination or dismissal

The general meeting of shareholders of a company not having statutory two-tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.

ING Group deviates from this Best Practice provision.

> *Articles 18.2, 18.3, 24.2 and 24.3 Articles of Association ING Group*

According to the Articles of Association of ING Group, resolutions of the general meeting referred to in best practice provision 4.3.3 require a majority of votes representing more than 50% of the issued share capital. This measure safeguards that a General Meeting with a low attendance rate cannot adopt certain significant shareholder proposals and thus contributes to good governance. It replaces, as of July 2016, the previous depositary receipts structure which served the same purpose. Although the depositary receipt structure being fully compliant with the (previous and current) Code, a substantial part of the investor base (99,6% of the issued share capital) voted in favour of with the replacement by the current measure.

A second meeting referred to in Best Practice provision 4.3.3. will not be convened as this would make the above-mentioned majority requirement ineffective.

4.3.4 Voting right on financing preference shares

The voting right attaching to financing preference shares should be based on the fair value of the capital contribution.

This Best Practice provision is not applicable to ING Group as ING Group abolished its financing preference shares in 2008.

Not applicable

4.3.5 Publication of institutional investors' voting policy

Institutional investors (pension funds, insurers, investment institutions and asset managers) should post annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies.

This Best Practice provision is not applicable due to the fact that ING Group is not an institutional investor.

Not applicable

4.3.6 Report on the implementation of institutional investors' voting policy

Institutional investors should report annually, on their website and/or in their management report, on how they implemented their policy on the exercise of the voting rights in the relevant financial year. In addition, they should report on their website at least once per quarter on whether and, if so, how they have voted as shareholders at general meetings. This report will be posted on the website of the institutional investor.

This Best Practice provision is not applicable due to the fact that ING Group is not an institutional investor.

Not applicable

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

Principle 4.4 Issuing depositary receipts for shares

Depositary receipts for shares can be a means of preventing a majority (including a chance majority) of shareholders from controlling the decision-making process as a result of absenteeism at a general meeting. Depositary receipts for shares should not be issued as an anti-takeover protective measure. The board of the trust office should issue voting proxies under all circumstances and without limitations to all depositary receipt holders who request this. The holders of depositary receipts so authorised can exercise the voting right at their discretion. The board of the trust office should have the confidence of the holders of depositary receipts. Depositary receipt holders should have the possibility of recommending candidates for the board of the trust office. The company should not disclose to the trust office information which has not been made public.

This Principle and the Best Practice provisions 4.4.1-4.4.8 are not applicable due to the fact that ING Group has not issued depositary receipts for shares. According to its Articles of Association, ING is not authorised to cooperate with the issue of depositary receipts for shares.

> Article 5.4 Articles of Association ING Group

4.4.1 Trust office board

The board of the trust office should have the confidence of the holders of depositary receipts and operate independently of the company that has issued the depositary receipts. The trust conditions should specify in what cases and subject to what conditions holders of depositary receipts may request the trust office to call a meeting of holders of depositary receipts.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

4.4.2 Appointment of board members

The board members of the trust office should be appointed by the board of the trust office, after the job opening has been announced on the website of the trust office. The meeting of holders of depositary receipts may make recommendations to the board of the trust office for the appointment of persons to the position of board member. No management board members or former management board members, supervisory board members or former supervisory board members, employees or permanent advisers of the company should be a member of the board of the trust office.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

4.4.3 Board appointment period

A person may be appointed to the board of the trust office for a maximum of two four-year terms, followed by a maximum of two two-year terms. In the event of a reappointment after an eight-year period, reasons should be given in the report of the board of the trust office.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

4.4.4 Attendance of the general meeting

The board of the trust office should attend the general meeting and should, if desired, make a statement about how it proposes to vote at the meeting.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

4.4.5 Exercise of voting rights

In exercising its voting rights, the trust office should be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and the enterprise affiliated with it into account.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

4.4.6 Periodic reports

The trust office should report periodically, but at least once per year, on its activities. The report should be posted on the company's website.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

Text Dutch Corporate Governance Code 2016 Principle or Best Practice

Application by ING Group

Source (www.ing.com)

4.4.7 Contents of the reports

The report referred to in best practice provision 4.4.6 should, in any event, set out:

- i. the number of shares for which depositary receipts have been issued and an explanation of changes to this number;
- ii. the work carried out in the financial year;
- iii. the voting behaviour in the general meetings held in the financial year;
- iv. the percentage of votes represented by the trust office during the meetings referred to under iii.;
- v. the remuneration of the members of the board of the trust office;
- vi. the number of meetings held by the management and the main items dealt with in them;
- vii. the costs of the activities of the trust office;
- viii. any external advice obtained by the trust office;
- ix. the (other) positions held by the board members of the trust office; and
- x. the contact details of the trust office.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

4.4.8 Voting proxies

The board of the trust office should issue voting proxies under all circumstances and without limitations to all depositary receipt holders who request this. Each depositary receipt holder may also issue binding voting instructions to the trust office in respect of the shares which the trust office holds on his behalf.

This Best Practice provision is not applicable to ING Group, see Principle 4.4.

Not applicable

Chapter 5. One-tier governance structure

| Text Dutch Corporate Governance Code 2016 Principle or Best Practice | Application by ING Group | Source (www.ing.com) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <p>Principle 5.1 One-tier governance structure The composition and functioning of a management board comprised of both executive and non-executive directors must be such that the supervision by non-executive directors is properly carried out, and independent supervision can be assured.</p> | <p>ING Group has a two-tier governance structure. Therefore, this Principle and the Best Practice provisions 5.1.1-5.1.5 are not applicable to ING Group.</p> | <p>> Article 17.1 Articles of Association</p> |
| <p>5.1.1 Composition of the management board The majority of the management board is made up of non-executive directors. The requirements for independence stipulated in best practice provisions 2.1.7 and 2.1.8 apply to the non-executive directors.</p> | <p>This Best Practice provision is not applicable to ING Group, see Principle 5.1.</p> | <p><i>Not applicable</i></p> |
| <p>5.1.2 Chairman of the management board The chairman of the management board chairs the meetings of the management board. The chairman of the management board should ensure that the management board as a collective, as well as the management board's committees, have a balanced composition and function properly.</p> | <p>This Best Practice provision is not applicable to ING Group, see Principle 5.1.</p> | <p><i>Not applicable</i></p> |
| <p>5.1.3 Independence of the chairman of the management board The chairman of the management board should not be an executive director or former executive director of the company, and should be independent within the meaning of best practice provision 2.1.8.</p> | <p>This Best Practice provision is not applicable to ING Group, see Principle 5.1.</p> | <p><i>Not applicable</i></p> |
| <p>5.1.4 Composition of committees The committees referred to in best practice 2.3.2 should be comprised exclusively of non-executive directors. Neither the audit committee nor the remuneration committee can be chaired by the chairman of the management board or by a former executive director of the company.</p> | <p>This Best Practice provision is not applicable to ING Group, see Principle 5.1.</p> | <p><i>Not applicable</i></p> |
| <p>5.1.5 Accountability for supervision by non-executive directors The non-executive directors render account of the supervision exercised in the past financial year. They should, as a minimum, report on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.</p> | <p>This Best Practice provision is not applicable to ING Group, see Principle 5.1.</p> | <p><i>Not applicable</i></p> |