

**RABOBANK
INTERNATIONAL**

**GLOBAL
RI LEGAL
FRAMEWORK**

November 2012

Global RI Legal Framework

This Global RI Legal Framework provides a framework and mandate for the RI Legal function globally and sets out the following matters:

1. RI Legal's Vision
2. RI Legal's Mission
3. RI Legal's Mandate
4. RI Legal's Organisation
5. RI Legal's Policies

This Global RI Legal Framework (the 'Framework') has been adopted by both the MT's of RI and replaces the 2007 Global RI legal Framework. It shall apply globally, regionally and locally. Pursuant to this Framework, further tailor-made legal procedures and policies as may be desirable have been and shall be prepared by RI Legal in coordination with Regional and Local RI Management, as well as the Global Managers of the Global Business Groups as the case may be.

1. RI Legal's Vision

In line with Rabobank Group's vision to do honest, careful business in a transparent manner, RI Legal seeks to address, in a constantly changing legal environment, the legal issues and manage the legal risks inherent in the financial and operational activities of the Bank globally as effectively and efficiently as practicable.

2. RI Legal's Mission

In parallel with Rabobank Group's objective to consider the Rabobank Group customer's interest as its starting point for everything it does, it is RI Legal's mission to consider RI's strategic choices and business objectives in this context.

RI Legal is committed to creating value by taking a high quality, cost-effective, efficient, consistent, supportive, risk based approach to legal matters across all centres. In particular, to do so with respect to legal and documentation matters as well as to the type and level of transaction legal support (to be) provided. This is done in order to assist RI as much as possible in a corporate, social and responsible manner, thereby helping to protect the solvency, liquidity, reputation and integrity of RI, a prerequisite for continuity.

3. RI Legal's Mandate

RI Legal is to be involved in a timely manner for all transactional and corporate legal matters; for all other matters timely involvement is necessary where it is self-evident that the circumstances require that legal input is given. Detailed frameworks regarding the type and level of involvement of RI Legal can be recorded in local policies which shall always be in line with this Framework.

Any exceptions to this rule of involvement shall be determined by RI Legal after close consultation with the relevant business management.

If it is necessary to involve external counsel, RI Legal shall in principal be responsible for the selection and instruction of external counsel in close co-operation with the relevant internal areas.

RI Legal shall in its role as support function take a supportive approach as a business partner to achieve the business goals of RI. At the same time RI Legal shall in view of its role in relation to legal risks maintain a professional distance and observe appropriate checks and balances. RI Legal will act and advise objectively and independently to the respective Global, Regional and Local Management and Global Business Groups, as the case may be, on the legal matters at stake.

4. RI Legal's Organisation

RI Legal is divided in RI Legal Wholesale regions or locations and RI Legal Rural & Retail regions or locations, in line with the current RI organization. Some of these locations have International Direct Banking (IDB) business. Where applicable, each region shall have its Regional Counsel appointed by the relevant Regional Manager in concurrence with Head of Legal Wholesale or Head of Legal Rural & Retail (each a "Head of Legal"). This concurrence shall also be required for any termination of the appointment of the Regional Counsel.

The following functional responsibilities exist within RI Legal:

- Head of Legal Wholesale is functionally responsible for the legal function in Europe (Wholesale), Asia, North America Wholesale (including Canada and Mexico) and Argentina;
- Head of Legal Rural & Retail is functionally responsible for the legal function in Europe (R&R), Australia and New Zealand and North and South America (R&R) as well as for the local legal function supporting the business of International Direct Banking (IDB);
- Regional Counsel (where applicable) is functionally responsible for the local legal function in his or her region.

Pursuant to RI Legal's Mission, the aforesaid functional responsibility aims at:

- Ensuring a continuing adequate presence, functioning and monitoring of the local legal function in order to be able to manage the legal risks at stake;
- Clarifying central roles and directives to what is considered to be a uniform global set of minimum standards essential, effective and supportive to the RI Legal function;
- Managing legal reporting to what is necessary from a managerial, control and risk based point of view; and
- Creating essential global, regional and local feedback, co-operation and risk awareness within both RI Legal and RI.

The dual – functional and hierarchical – reporting line applies to each of the Regional Counsel and the local head of legal department.

Regional Counsel shall have a clear functional reporting line to the respective Head of Legal and a hierarchical reporting line to the Regional Manager or other regional person designated by him/her.

The local head of legal department shall have a well-structured and monitored functional reporting line to the relevant Regional Counsel (where applicable or in absence thereof to the relevant Head of Legal) and a hierarchical reporting line to the local General Manager or CFRO/CFO or – in the case of IDB – to the head of the IDB business unit. In case an affiliate or office does not have its own in-house counsel, appropriate arrangements are to be made with the relevant Regional Counsel (or in absence thereof respective Head of Legal) and the local General Manager.

As a general rule the local head of legal department located at the office where a transaction is originated is responsible for the legal support provided unless otherwise agreed by the Regional Counsel or respective Head of Legal involved.

See *Appendix 1* for a detailed overview of the roles and responsibilities of each of the relevant layers with the RI Legal organization.

5. RI Legal's Policies

RI Legal has developed a range of legal policies which are a minimum requirement for the global legal organization. There are legal policies on global, regional and local level.

a. Global Legal Policies

Currently, the following global legal policies apply:

- RI Legal External Counsel Policy: this policy prescribes the minimum standard procedures and requirements to be observed in connection with the engagement and instruction of external legal counsel who are acting for the Bank;
- RI Legal Global Documentation Policy: this policy contains the minimum requirements for standard documentation issued under the responsibility of the RI Legal Function;
- RI Legal Global Sign Off Policy: this policy contains the legal Sign-off procedure that applies to RI and is intended to focus in particular on (potentially) high legal risk transactions;
- RI DCM Securitisation Legal Support Policy: this policy outlines the manner in which legal support is to be provided for the global securitisation product offering by DCM;
- Legal Framework Rabobank long term note issuance programmes: this policy sets out the way the legal department of Rabobank has organised support for TRG and GFM with respect to these programmes;
- RI Legal Global Trademark Registration Policy: this policy prescribes the principles to be observed in connection with the registration and protection of trademarks of Rabobank Group;
- RI Global Competition Policy: this policy provided a high level overview of the main aspects of competition law and elaborates on circumstances which occurs regularly in the

day to day business activities of all business lines, legal entities and branches pertaining to the RI organization; and

- RI Legal Global M&A Policy: this Policy is intended to focus in particular on M&A transactions for which approval of the Executive Board (EB) of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. is required.

b. Regional Legal Frameworks

Next to this Global RI Legal Framework there are Regional Legal Frameworks which purpose is to set out the organisation and responsibilities of RI Legal in the some of the regions, i.e. Europe, America (Wholesale) and Asia.

c. Local Legal Policies

Also per office and/or local legal team, RI Legal (or by absence thereof local management in conjunction with the Regional Counsel or respective Head of Legal) has issued certain local legal policies, where at least the following local legal policies and/or policy documents are relevant:

- Local Legal Framework per office: subject to this Global RI Legal Framework and/or Regional Legal Framework further Local Legal Frameworks have been formulated by RI in-house counsel - in case of offices without in-house counsel by local management - in coordination with Regional Counsel or Head of Legal as the case may be. In some locations, these local legal frameworks have developed into a Local Legal Procedure or Local Legal Charter, which is more elaborate and specific than a Local Legal Framework;
- Other local legal policies: these are to be/have been drafted according to local circumstances, and in conjunction and with the approval of Regional Counsel (where applicable) or respective Head of Legal.

Note there are also Credit Manuals and other local (business) policies and manuals in place: in these documents the roles and responsibilities of RI Legal may be addressed. It should be noted that Credit Manuals (or for that matter any business manual or policy) are the primary responsibility of the Credit and/or Business. This includes any sections in these documents that refer or relate to the activities of RI Legal. Owners of these manuals should therefore liaise with RI Legal when drafting or updating these sections in their manuals. Of course in as far reasonable RI Legal sees a secondary responsibility to endeavour that they are involved when these sections are drafted or updated by others.

Appendix 1: roles and responsibilities overview RI Legal

This Roles & Responsibilities Overview describes the Roles and Responsibilities of each of the relevant layers within the RI Legal Organisation, being (i) local RI in-house counsel (head or sole in-house counsel), (ii) Regional Counsel (where applicable) and (iii) Head of Legal Wholesale and Head of Legal Rural & Retail, as well addresses allocation of responsibilities in case of locations without RI in-house counsel.

It purports to provide for a (high level) minimum set of agreed upon roles and responsibilities divided in four categories, being category A (Core Task) and D (Local, Regional and Global Relationships) both business oriented and category B (Professional Effective Inspiring Work Environment) and C (Resourcing) being both RI Legal internally oriented.

Pursuant to this Global RI Legal Framework and this overview, further tailor-made legal policies, procedures and manuals as may be desirable may be prepared by RI Legal in coordination with Regional, Local Management and/or the Global Managers of the Global Business Groups to further define the relevant roles and/or responsibilities.

I **Roles and Responsibilities RI in-house counsel (head or sole in-house counsel)**

I.A Core Task – Professional Legal Support:

1. Provide legal support in relation to transactions/products/corporate matters/services/litigation etc. (incl. sign off, instruction external counsel, providing standard tools to and to be used by the business) from a risk based approach;
2. Agree with Local Management and/or business as to support to be provided and areas to be covered (e.g. possibly service level agreements, procedures (periodic review/ monitoring), product policies);
3. Establish and maintain panel of law firms;
4. In-house counsel to ensure own awareness of nature and volume of existing and new local business activities;
5. In-house counsel to ensure own and business' awareness of existing and new legal risks/issues; and
6. In-house counsel to perform a quality check of the legal work outsourced to other internal departments.

I.B Professional Effective Inspiring Work Environment – instruments:

1. Training programmes to be followed (e.g. comply with internal or external professional educational requirements);
2. Effective and efficient use of external legal knowledge sources, develop, maintain up-to-date local standard documentation by and for in house counsel (e.g. formats, guidelines, manuals); and
3. Co-operation and sharing knowledge among local in-house counsel within office and region and with RN Legal.

I.C Resourcing:

1. Capacity – number of FTEs – align legal support to business;
2. Hiring and firing;
3. Job descriptions (other in-house counsel in the department);
4. Objectives setting and appraisals including roles and responsibilities under I.A, I.B and I.D; and
5. Formulating and maintaining training programmes.

I.D Local, Regional and Global relationships:

1. Compliance with applicable legal policies (incl. this Global RI Legal Framework);
2. Signal the need for and design or review local legal policies in consultation with Regional Counsel or relevant Head of Legal where appropriate;
3. For the local head of legal department: a dual line reporting to Regional Counsel or relevant Head of Legal and Local Management – regular, prompt and ad hoc; and
4. Assist Regional Counsel or relevant Head of Legal in drafting yearly (updated) office profiles.

II **Roles and Responsibilities Regional Counsel**

1. Manage and monitor (M&M) the roles and responsibilities of RI in-house counsel I.A through I.D above.
2. In addition to M&M I.A:
 1. Supervise material litigation within the region;
 2. Maintain solid relationship with Local and Regional Management to ensure proper legal support and timely involvement of in-house counsel; and
 3. Make an assessment of the quality of the legal support by – at least once a year – reviewing one or two transaction files of the offices in the region.
3. In addition to M&M I.B:
 1. (Assist) setting and maintaining local, regional and global legal standards where appropriate;
 2. Initiate active co-operation and sharing knowledge among in-house counsel within the region; and
 3. Co-operation and sharing knowledge among local legal teams, Regional Counsel and RN Legal.
4. In addition to M&M I.C:
 1. Consent to hiring and firing of local head of legal department/sole in-house counsel;
 2. Job description local head of legal department/sole in-house counsel and assist setting job description other in-house counsel; and
 3. Contribution objectives setting and appraisal local head of legal department/sole in-house counsel.
5. In addition to M&M I.D:
 1. (Assist) setting and maintaining legal policies where appropriate;
 2. Keep bringing this Global RI Legal Framework and other relevant legal policies to the attention of the relevant business areas on a regular basis;
 3. Dual line reporting to relevant Head of Legal and Regional Management – regular, prompt and ad hoc; and
 4. Regular office visit/call reports.
6. In the absence of in-house counsel, responsibility to arrange for structured managed outsourcing of legal support to external counsel taking into account the key responsibilities as defined under I.A and, to the extent reasonably feasible, I.D in close co-operation with Local Management and respective Head of Legal. Perform a regular quality check of the outsourced legal work.

III **Roles and Responsibilities Head of Legal Wholesale and Head of Legal Rural & Retail**

1. Manage and monitor (M&M) the roles and responsibilities of Regional Counsel II.1 through II.6 above (please note that in absence of such Regional Counsel, “Regional Counsel” should read local “local head of legal department”) .
2. In addition to M&M II.2:
 1. Where appropriate provide RN Legal support and co-ordination.
3. In addition to M&M II.3:
 1. Set in co-operation with Regional Counsel legal standards where appropriate; and
 2. Initiate active co-operation and sharing knowledge among Regional Counsel and RN Legal.
4. In addition to M&M II.4:
 1. Consent to hiring and firing of Regional Counsel;
 2. Job description of Regional Counsel; and
 3. Contribution objective setting and appraisal Regional Counsel.
5. In addition to M&M II.5:
 1. Initiate/co-ordinate and (assist) setting and maintaining legal policies where appropriate;
 2. Informing members of MT’s where appropriate and other relevant Regional Management, respectively Head of Global Product/Client Groups or Support Functions as the case may be; and
 3. Reporting to Head of RN Legal – regular, prompt and ad hoc.

