



**Application of
the Insurer's Code
by Atradius**

6 March 2015

1. Introduction

In December 2010, the Dutch Association of Insurance Companies (Verbond van Verzekeraars) published the Governance Principles, also known as the Insurer's Code, which were slightly amended as per 1 July 2013. The Insurer's Code lays out the principles for Dutch insurance companies in terms of corporate governance, risk management, audit and remuneration.

The Insurer's Code is a form of self-regulation on a 'comply or explain' basis, and was drawn up to contribute to restoring trust in the financial sector as a whole. The Insurer's Code applies to all activities in the Netherlands performed by insurance companies that are in possession of a licence granted under the Financial Supervision Act (Wet op het financieel toezicht (Wft)).

Insurance companies that are part of a group can apply parts of the Insurer's Code at group level. The Management Board of Atradius N.V. has decided to apply the principles contained in the Insurer's Code consolidated at group level, i.e. for the Management Board and Supervisory Board of Atradius N.V.

In this report Atradius reports on how the principles of the Insurer's Code are applied by in 2014.

2. Supervisory board

2.1 Composition and expertise

Text Insurer's Code	Application within Atradius
2.1.1 The supervisory board shall be composed in such a way that it is able to perform its tasks properly. Complementarity, a collegial board, independence and diversity are preconditions for the supervisory board to perform its tasks properly.	Atradius complies with this principle. The requirements are reflected in the Supervisory Board rules. The Supervisory Board currently consists of 8 members of different ages and professional background and from different sectors of industry.
Text Insurer's Code 2.1.2 The supervisory board shall have a sufficient number of members to properly perform its function, including in its committees. The appropriate number of members depends on the nature, size and complexity of the insurer.	Application within Atradius Atradius complies with this principle. Both Atradius' Supervisory Board and its Committees are sufficiently staffed given the nature, size and complexity of Atradius' business.
Text Insurer's Code 2.1.3 The members of the supervisory board shall have thorough knowledge of the insurer's functions in society and of the interests of all parties involved in the insurer. The supervisory board shall carefully consider the interests of all parties involved in the insurer, such as the insurer's clients, its shareholders and its employees.	Application within Atradius Atradius complies with this principle. The profile description of the Supervisory Board addresses these requirements. The extensive experience and the professional background of the members of the Supervisory Board ensures that they have thorough knowledge of Atradius' function in society and of the parties involved and are able to carefully consider the interests of all parties involved in Atradius, such as clients, shareholder and employees.
Text Insurer's Code 2.1.4 Each member of the supervisory board shall be capable of assessing the main aspects of the insurer's overall policy in order to form a balanced and independent opinion about the basic risks involved. Each member of the supervisory board shall also possess the specific expertise needed to perform his or her role in the supervisory board. To this end, if a vacancy arises on the supervisory board, an individual profile shall be drawn up for the new member of the board which profile fits the profile as drawn up for the entire board.	Application within Atradius Atradius complies with this principle. This requirement is incorporated in the Supervisory Board Rules and in the profile description of the Supervisory Board and consequently ensures that these requirements will also be applicable to new to be appointed Members of the Supervisory Board.

<p>Text Insurer's Code</p> <p>2.1.5 As part of the process to fill the vacancy of chairman of the supervisory board, an individual profile shall be drawn up that also focuses on the insurer's requirements in terms of expertise and experience in relation to the financial sector and familiarity with the socio-economic and political culture and the social environment of the insurer's main markets.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. The requirement is incorporated in the Supervisory Board Rules and in the profile of the Supervisory Board, thereby ensuring adherence to this principle</p>
<p>Text Insurer's Code</p> <p>2.1.6 Each member of the supervisory board – the chairman in particular – shall be sufficiently available and contactable to properly perform his or her tasks in the supervisory board and the supervisory board's committees.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. The chairman and members of Atradius' Supervisory Board have demonstrated that they are sufficiently available and contactable to properly perform their duties in the Supervisory Board and the Supervisory Board Committees on which they serve. This principle is also included in the Supervisory Board Rules.</p>
<p>Text Insurer's Code</p> <p>2.1.7 Each member of the supervisory board shall receive suitable compensation for the amount of time that he or she spends on supervisory board activities. This compensation shall not depend on the insurer's results.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. Remuneration of Supervisory Board members is not dependent on Atradius' results. This is also reflected in the Atradius remuneration policy for the Supervisory Board.</p>
<p>Text Insurer's Code</p> <p>2.1.8 The chairman of the supervisory board shall organise a permanent education programme, with the aim of maintaining the expertise of the supervisory board directors at the required standard and improving their expertise where necessary. The learning programme shall cover relevant developments at the insurer and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards the client, integrity, risk management, financial reporting and audits. Every member of the supervisory board shall take part in the programme and meet the requirements of permanent education (PE).</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. A Permanent Education Plan is determined annually which covers the topics mentioned in this principle as well as subjects specific to Atradius. In the course of 2014 permanent education sessions were held covering the following topics:</p> <ul style="list-style-type: none"> • Innovation in the financial industry - best practices how to embed a culture of innovation in an organisation; • The Atradius' Internal Model & Related Uses; • Reinsurance (Fronting, Captives, co-insurance etc.). <p>These sessions were presented by internal and external specialists.</p>
<p>Text Insurer's Code</p> <p>2.1.9 The assessment of the effectiveness of the permanent education plan referred to in principle 2.1.8 shall be part of the annual evaluation performed by the supervisory board.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. A self-evaluation programme is being completed on an annual basis and includes, among other things, an assessment of the effectiveness of the permanent education plan.</p>

Text Insurer's Code	Application within Atradius
<p>2.1.10 In addition to the supervisory board's annual self-evaluation, the functioning of the supervisory board shall be evaluated under independent supervision once every three years. The involvement of each member of the supervisory board, the culture within the supervisory board and the relationship between the supervisory board and the executive board shall be part of this evaluation.</p>	<p>Atradius complies with this principle which is incorporated in the Supervisory Board Rules and in the self-assessment procedure for all Members of the Supervisory Board.</p>

2.2 Tasks and working methods

Text Insurer's Code	Application within Atradius
<p>2.2.1 As part of its supervisory tasks, the supervisory board shall pay special attention to the insurer's risk management. All discussions about risk management shall be prepared by a risk committee or a similar committee, which committee shall be appointed by the supervisory board from its ranks for this purpose.</p>	<p>Atradius complies with this principle. However, as Atradius considers risk management a key feature of its business model, all discussions about risk management are prepared and take place in the full Supervisory Board, rather than in a separate (risk) committee.</p>
Text Insurer's Code	Application within Atradius
<p>2.2.2 Both the risk committee and the audit committee shall be subject to specific requirements as regards competency and experience. For example, a number of members of the risk committee must have sound knowledge of the financial aspects of risk management or the experience needed to make a thorough assessment of risks. A number of members of the audit committee must have sound knowledge of financial reporting and internal control systems and audits or the experience needed to thoroughly supervise these areas.</p>	<p>Atradius complies with this principle. Members of the Audit Committee must meet certain specific expertise requirements as described in the Supervisory Board rules. At least one member must have relevant expertise in financial administration and accounting for listed companies or other large companies. Although within Atradius' Supervisory Board no separate risk committee exists, a sufficient number of Members of the Supervisory Board have sound knowledge of the financial aspects of risk management or the experience needed to make a thorough assessment of risks.</p>

3. Executive Board

3.1 Composition and expertise

Text Insurer's Code	Application within Atradius
<p>3.1.1 The executive board shall be composed in such a way that it is able to perform its tasks properly. Complementarity, a collegial board and diversity are preconditions for the executive board to perform its tasks properly.</p>	<p>Atradius complies with this principle. The Management Board consists of five members, which is considered sufficient in view of the size and business activities of Atradius. The Management Board rules also formally lay down these requirements.</p>
<p>3.1.2 Each member of the executive board shall possess a thorough knowledge of the financial sector in general and the insurance sector in particular. Each member of the executive board shall have thorough knowledge of the insurer's functions in society and of the interests of all parties involved in the insurer. In addition, each member of the executive board shall possess thorough knowledge so that he or she is able to assess and determine the main aspects of the insurer's overall policy and then form a balanced and independent opinion about the risks involved.</p>	<p>Atradius complies with this principle. The members of the Management Board have a long history in the financial sector, in various positions. The requirements in terms of composition and competencies of the Management Board have been further laid down in profile descriptions.</p>
<p>3.1.3 The chairman of the executive board shall organise a permanent education programme, with the aim of maintaining the expertise of the executive board directors at the required standard and improving their expertise where necessary. The learning programme shall cover relevant developments at the insurer and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards the client, integrity, risk management, financial reporting and audits.</p>	<p>Atradius complies with this principle. A permanent education programme has been devised which includes amongst other things the subjects mentioned in the Code. In the course of 2014 permanent education sessions were held covering the following topics:</p> <ul style="list-style-type: none">• Innovation in the financial industry - best practices how to embed a culture of innovation in an organisation;• The Atradius' Internal Model & Related Uses;• Reinsurance (Fronting, Captives, co-insurance etc.). <p>These sessions were presented by internal and external specialists.</p>

Text Insurer's Code	Application within Atradius
<p>3.1.4 Every member of the executive board shall take part in the programme referred to in 3.1.3 and meet the requirements of the permanent education programme. They have to satisfy this condition in order to function on the executive board. The supervisory board shall ascertain whether the members of the executive board continue to fulfil the expertise requirements developed by De Nederlandsche Bank (the Dutch central bank).</p>	<p>Atradius complies with this principle. Meeting the requirements of the permanent education programme is an obligation for all Management Board members.</p>
Text Insurer's Code	Application within Atradius
<p>3.1.5 Each year, the insurer shall indicate in its annual report in what manner it implemented principles 3.1.3 and 3.1.4.</p>	<p>In the annual report for 2014, further information will be included how the requirements of this programme have been met.</p>
Text Insurer's Code	Application within Atradius
<p>3.1.6 Taking into account the risk appetite approved by the supervisory board, the executive board shall ensure a balanced assessment between the commercial interests of the insurer and the risks to be taken.</p>	<p>Atradius complies with this principle. In performing its duties, the Management Board makes a balanced assessment of the commercial interest and financial risks of Atradius, taking into account Atradius' stakeholders and applicable laws, rules and regulations. The Management Board rules also formally lay down these requirements.</p>
Text Insurer's Code	Application within Atradius
<p>3.1.7 Within the executive board one member shall be responsible for preparing the decision making with regard to risk management. This member of the executive board shall be involved, in a timely manner, in the preparation of decisions that are of material significance for the insurer as regards the risk profile, especially where these decisions may result in departure from the risk appetite approved by the supervisory board. Risk management shall also include a focus on the interests of financial stability and on the impact that systemic risk could have on the risk profile of the insurer.</p>	<p>Atradius complies with this principle. The Management Board of Atradius has designated one of its members as Chief Risk Officer (CRO). The CRO has a dedicated responsibility for risk management.</p>

Text Insurer's Code	Application within Atradius
<p>3.1.8 The member of the executive board who is responsible for preparing the decision-making with regard to risk management may combine his or her function with other focus areas, on the condition that he or she does not bear any individual commercial responsibility for the commercial task areas and operates independently from those areas.</p>	<p>Atradius complies with this principle. The CRO is not responsible for commercial matters and operates independently from the commercial organisation which is the responsibility of the Chief Market Officers. This principle is also incorporated in the Management Board Rules.</p>

3.2 Tasks and working methods

Text Insurer's Code	Application within Atradius
<p>3.2.1 In all of its actions, the insurer's executive board shall ensure that it carefully considers the interests of all of the parties involved in the insurer, such as the insurer's clients, its shareholders and its employees. These considerations shall take into account the continuity of the insurer, the environment in society in which the insurer operates and legislation, regulations and codes that apply to the insurer.</p>	<p>Atradius complies with this principle and has included these considerations in the Management Board Rules.</p>
<p>3.2.2 Maintaining a continued focus on its clients' interests is a necessary precondition for the continuity of the insurer. Without prejudice to the principle formulated in 3.2.1, the executive board shall ensure that the insurer always treats its clients with due care. The executive board shall see to it that the duty of care for the client is embedded in the insurer's culture.</p>	<p>Atradius complies with this principle. Atradius' mission is to strengthen our customers' credit management and support their growth by providing them with accurate assessments of the payment default risk of their buyers, effective collections of overdue invoices, and reliable surety protection against a range of contractual defaults.</p> <p>To further embed treating clients with due care our Code of Conduct and our Customer Service Charter articulate this subject. The Customer Service Charter (also available on the Atradius website) is a formal commitment in response to requests from customers for greater certainty in customer service in an increasingly volatile and unpredictable global credit environment. It sets out the standards we aim to provide for quality, timeliness and accuracy of our services for all customers, large or small. This principle is also included in the Management Board Rules.</p>

<p>Text Insurer's Code</p> <p>3.2.3 The members of the executive board shall perform their tasks in a meticulous, expert and fair manner, taking into account the applicable laws, codes and regulations. Each member of the executive board shall sign a moral and ethical conduct declaration. A model-declaration has been included in the explanatory notes to this Code. This model- declaration can be supplemented by each insurer as it deems appropriate.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. All members of the Management Board have signed the moral ethical declaration and a reference to this has been included on the Atradius corporate website. In 2013, all members also took the 'Insurer's Oath'.</p>
<p>Text Insurer's Code</p> <p>3.2.4 The executive board shall ensure that the declaration referred to in principle 3.2.3 is translated into principles that form guidelines for the behaviour of all of the insurer's employees. The content of these principles shall be expressly pointed out to every new employee of the insurer when he or she joins the insurer by inserting a reference to these principles in the new employee's contract of employment. Every new employee shall be required to comply with these principles.</p>	<p>Application within Atradius</p> <p>Atradius complies with the spirit of this principle. The principles that can be derived from the declaration were already included in Atradius' Code of Conduct. As the Code of Conduct applies to all Atradius employees, Atradius has opted not to include a specific reference in employee's contract regarding these principles.</p>

4. Risk Management

Text Insurer's Code	Application within Atradius
<p>4.1 The executive board – and primarily the chairman of the executive board – shall be responsible for adopting, implementing, monitoring and, where necessary, adjusting the insurer's overall risk policy. The executive board shall propose the risk appetite to the supervisory board for approval at least once a year. Any material changes to the risk appetite in the interim shall also require the supervisory board's approval.</p>	<p>Atradius complies with this principle which is incorporated in the Management Board Rules. The Management Board (MB) is ultimately responsible for risk management and internal control within the Group. Without affecting this responsibility, the authority to take decisions in this context has been delegated to the Risk Strategy Management Board (RSMB), which is composed of the Management Board members and the Directors of Group Risk Management, Finance and Strategy & Corporate Development.</p> <p>This structure ensures that the RSMB is properly informed of all relevant technical aspects related to risk, strategy and accounting when taking decisions. The RSMB's responsibility includes the development of the framework to manage risk as well as the on-going overview of the largest risks. The RSMB establishes the internal risk control system by determining risk control policies and prescribing risk mitigation activities. In addition, the RSMB ensures that there are processes and systems to review the effectiveness of risk management and the internal control system.</p> <p>The Supervisory Board is responsible for overseeing the MB implements, including amongst other things, the risk management and internal control system. In this respect, the MB, along with the risk management functions, periodically present results, development plans to the Supervisory Board and relevant committees thereof.</p>
Text Insurer's Code	Application within Atradius
<p>4.2 The supervisory board shall supervise the risk policy pursued by the executive board. As part of their supervision, the supervisory board shall discuss the insurer's risk profile and assess at a strategic level whether capital allocation and liquidity impact in the general sense are in line with the approved risk appetite. In the performance of this supervisory role, the supervisory board shall be advised by the risk committee formed from the ranks of the supervisory board for this purpose.</p>	<p>Atradius complies with this principle. Discussion of the risk profile of Atradius is a recurring topic during every Supervisory Board meeting. Considering the importance that is attached to risk management by the Supervisory Board, such topic is discussed with the entire Supervisory Board being present.</p>

<p>Text Insurer's Code</p> <p>4.3 The supervisory board shall assess periodically at the strategic level whether the commercial activities in the general sense are appropriate in the context of the insurer's risk appetite. The executive board shall provide the supervisory board with the relevant information for this assessment in such a way that the supervisory board is able to form a sound opinion.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. The Supervisory Board discusses and assesses on a quarterly basis the Risk Report presented by the CRO. Risk Management is a standard agenda item within the Supervisory Board – various risk related topics are discussed in the Supervisory Board following specific items reported in the Risk Report.</p>
<p>Text Insurer's Code</p> <p>4.4 The executive board shall ensure that risk management is arranged adequately so that the executive board is aware in good time of any material risks run by the insurer so that these risks can be managed properly. The executive board shall take any decisions that are of material significance for the risk profile, the capital allocation or the liquidity impact.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. Governance over risk management is adequately documented and includes all material risks Atradius may be exposed to.</p>
<p>Text Insurer's Code</p> <p>4.5 Every insurer shall have a Product Approval Process. The executive board shall organise the product approval process and shall be responsible for the process working properly. Products that go through the product approval process at the insurer shall not be launched on the market or distributed without careful consideration of the risks by the insurer's risk manager and a careful assessment of any other relevant factors, including the duty of care towards the client. Based on an annual risk analysis, the in-house auditor shall check whether the product approval process has been designed properly, is present and is working effectively and shall then inform the executive board and the relevant supervisory board committee (risk committee or similar committee) about the results.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. Introduction of new products and / or policy modules are subject to approval by the Group Product Committee and follows a structured and documented process. The effectiveness of this process is tested by Internal Audit following their audit cycle and risk analysis, which forms the basis for the annual audit planning. All audit reports are provided to the Management Board. Summaries of audit findings are reported to the Audit Committee of the Supervisory Board.</p>

5. Audit

Text Insurer's Code	Application within Atradius
<p>5.1 The executive board shall ensure that a systematic audit is conducted of the management of the risks related to the insurer's business activities.</p>	<p>Atradius complies with this principle. On behalf of the Management Board, the Internal Audit Unit within Atradius is responsible for a systematic testing of the management of the risks related to Atradius activities.</p>
<p>5.2 Each insurer shall have its own, internal auditor who shall occupy an independent position within the insurer. The head of the internal audit team shall present a report to the chairman of the executive board and shall report to the chairman of the audit committee.</p>	<p>Atradius complies with this principle. The Audit Charter describes the positioning and reporting lines of the Internal Audit Unit in line with the requirements formulated in the Insurer's Code.</p>
<p>5.3 The internal auditor shall have the task of assessing whether the internal control measures have been designed properly, are present and are working effectively. This assessment shall include the quality and effectiveness of the system of governance, risk management and the insurer's control procedures. The internal auditor shall report the findings to the executive board and the audit committee.</p>	<p>Atradius complies with this principle. The Audit Charter describes the role, tasks and responsibilities of the Internal Audit Unit in line with the requirements formulated in the Insurer's Code.</p>
<p>5.4 The internal auditor, the external auditor and the supervisory board's risk committee and/or audit committee shall consult periodically, including as regards the risk analysis and the audit plan of both the internal auditor and the external auditor.</p>	<p>Atradius complies with this principle. The Director Internal Audit and external auditor participate in the meetings of the Audit Committee. Risk analysis and annual audit planning are part of the agenda.</p>
<p>5.5 As part of the general audit assignment for the financial statements, the external auditor shall produce a report for the executive board and the supervisory board which shall contain the external auditor's findings concerning the quality and effectiveness of the system of governance, risk management and the insurer's control procedures.</p>	<p>Atradius complies with this principle. The external auditor reports its findings on the quality and effectiveness of the system of governance, risk management and the insurer's control procedures in the Management Letter and the Report to the Management Board and Supervisory Board.</p>
<p>5.6 The internal auditor shall take the initiative in arranging talks with De Nederlandsche Bank and the external auditor at least once a year to discuss each other's risk analysis and findings and each other's audit plan at an early stage.</p>	<p>Atradius complies with this principle. The Internal Audit Unit maintains regular contacts with DNB and the external auditor and obtains input for the audit planning from these parties.</p>

6. Remuneration Policy

6.1 Basis

Text Insurer's Code	Application within Atradius
<p>6.1.1 The insurer shall implement a meticulous, restrained and long-term remuneration policy that is in line with its strategy and risk appetite, objectives and values, taking into account the long-term interests of the insurer, the relevant international context and wider societal acceptance. The supervisory board and the executive board shall take this basis into account when performing their tasks in relation to the remuneration policy.</p>	<p>Atradius complies with this principle. The Remuneration Policy for the Atradius Group articulates several design principles in line with the Insurer's Code. Remuneration shall contribute to sound and efficient risk management and shall not encourage taking more risk than acceptable to Atradius.</p>

6.2 Governance

Text Insurer's Code	Application within Atradius
<p>6.2.1. The supervisory board is responsible for execution and evaluation of the remuneration policy with respect to the members of the Management Board. Apart from that, the supervisory board approves the remuneration policy applicable to senior management and supervises the execution thereof by the Management Board. The supervisory board also approves the remuneration policy applicable to other employees. The remuneration policy also addresses retention, exit and entry packages/allowances.</p>	<p>Atradius complies with this principle. The requirement is incorporated in the Supervisory Board Rules. Also the Remuneration Policy Atradius Group reflects these requirements.</p>
Text Insurer's Code	Application within Atradius
<p>6.2.2 The supervisory board shall annually discuss the highest variable incomes at the insurer. The supervisory board shall ensure that the executive board assesses whether variable incomes are consistent with the remuneration policy adopted by the insurer, and in particular whether they comply with the principles set out in this section. Furthermore, the supervisory board shall discuss material retention, exit and welcome packages, assess whether they are consistent with the remuneration policy adopted by the insurer and ensure that these packages are not excessive.</p>	<p>Atradius complies with this principle. The requirement is incorporated in the Remuneration Policy Atradius Group.</p>

6.3 Remuneration of members of the executive board

Text Insurer's Code	Application within Atradius
<p>6.3.1 The total income of a member of the executive board shall be in reasonable proportion to the remuneration policy adopted by the insurer. At the time when his or her total income is decided, it shall be slightly below the median level for comparable positions in the relevant markets both inside and outside the financial sector. The relevant international context shall be a major factor.</p>	<p>As an internationally active insurer, Atradius adopts as a design principle that remuneration shall be set at levels appropriate to local employment market conditions to attract to and retain talented employees with the Atradius Group, while observing the Remuneration Policy Atradius Group and applicable laws, rules and regulations.</p>
<p>6.3.2 In the event of dismissal, remuneration may not exceed one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for an executive board member who is dismissed during his or her first term of office, such board member shall be eligible for severance pay not exceeding twice the annual salary.</p>	<p>All contracts with Members of the Management Board that have been agreed after publishing the Governance Principles of 15 December 2010 will in principle be in compliance with this requirement.</p>
<p>6.3.3 When variable remuneration is awarded to the executive board, the long-term component shall be taken into account as well as profitability and/or continuity of the insurer and a material part of the variable remuneration shall be conditional and shall not be paid until at least three years have passed.</p>	<p>Atradius complies with this principle. The design of variable remuneration as described in Atradius' Remuneration Policy is in line with the legal requirements resulting from DNB's Controlled Remuneration Policy. 50% Of variable pay is deferred and 100 % pay out of variable pay is reached after three years.</p>
<p>6.3.4 Shares granted to executive board members without financial consideration shall be retained for a period of at least five years or at least until the end of the employment, if this period is shorter. If options are granted, they shall, in any event, not be exercised in the first three years after the date on which they were awarded.</p>	<p>This principle does not apply to Atradius as there is no share (option) plan in place.</p>

6.4 Variable remuneration

Text Insurer's Code	Application within Atradius
<p>6.4.1 The allocation of variable remuneration shall be related to the insurer's long-term objectives.</p>	<p>Atradius complies with this principle. The long-term objectives of Atradius are one of the design principles of the Remuneration Policy Atradius Group.</p>

<p>Text Insurer's Code</p> <p>6.4.2 Every insurer shall set a maximum ratio of variable remuneration to fixed salary that is appropriate for the insurer in question. The variable remuneration per annum of members of the executive board shall not exceed 100% of the member's fixed income.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle, which is incorporated in the Remuneration Policy Atradius Group.</p>
<p>Text Insurer's Code</p> <p>6.4.3 Variable remuneration shall be based on the performances of the individual, his part of the business and the performance of the insurer as a whole according to pre-determined and assessable performance criteria. In addition to financial performance criteria, non-financial performance criteria shall also make up a significant portion of the assessment of the individual. Performance criteria shall be defined in terms that are as objective as possible in the insurer's remuneration policy.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. In the Remuneration Policy Atradius Group it is outlined that variable pay is based upon achieving Group targets, Unit targets and individual targets. Also non-financial performance criteria are part of the variable remuneration. Atradius already applied these performance criteria before the Insurer's Code was issued.</p>
<p>Text Insurer's Code</p> <p>6.4.4 When performances are assessed based on the pre-determined performance criteria, financial performances shall be adjusted to allow for estimated risks and capital costs.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle. Estimated risk is in the provisions and the shareholders determine the Group Target as a function of Return on Equity.</p>
<p>Text Insurer's Code</p> <p>6.4.5 In exceptional circumstances – for example, if application of the pre-determined performance criteria would result in undesired variable remuneration for a member of the executive board – the supervisory board shall have the discretionary power to adjust the variable remuneration if, in its opinion, this remuneration would have unfair or unintended effects.</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle, which is incorporated in the Remuneration Policy Atradius Group.</p>
<p>Text Insurer's Code</p> <p>6.4.6 The supervisory board shall be authorised to reclaim variable remuneration allocated to a member of the executive board based on inaccurate data (whether or not the inaccurate data is financial in nature).</p>	<p>Application within Atradius</p> <p>Atradius complies with this principle, which is incorporated in the Remuneration Policy Atradius Group.</p>

7. Adherence to Rules and Regulations

Text Insurer's Code	Application within Atradius
<p>The insurer arranges for a process that ensures new rules and regulations are identified and implemented in a timely manner. The insurer evaluates this process on an annual basis. Involved in this process are at least the following functions: executive board, supervisory board, risk management, compliance, internal audit and the actuarial function.</p>	<p>Atradius complies with this principle. Within Atradius, Legal is responsible for pro-actively identifying all applicable, new and changed laws, rules and regulations applicable to Atradius and advising (local) management and the (Local/Group) Compliance Function on the consequences thereof for Atradius' business. The Compliance Function, jointly with the business takes a risk based approach in identifying, assessing, mitigating, monitoring and reporting on compliance with applicable laws, rules and regulations. The Supervisory Board and Management Board are periodically updated on the management of Compliance and of the compliance risk by the Group Compliance Function.</p>