

AUDIT COMMITTEE REGULATIONS

INTRODUCTION

The Supervisory Board appointed an Audit Committee, such in accordance with Article 6 of the Regulations.

Capitalised terms used in these Audit Committee regulations (**Audit Committee Regulations**) have the meaning set forth in the list of definitions as attached to the Regulations.

1 Role and responsibilities

- 1.1 Without prejudice to Article 6.1 of the Regulations, 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.
- 1.2 The responsibilities of the Audit Committee shall include:
 - (a) supervising and monitoring, and discussing with and advising the Management Board on, the effectiveness of the design and operation of the internal risk management and control systems, including supervising the enforcement of the relevant legislation and regulations, and supervising the effect of codes of conduct;
 - (b) supervising the submission of financial information by the Company (including choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the financial statements, forecasts, work of internal auditor and the External Auditor);
 - (c) supervising the compliance with recommendations and observations of the Company's internal auditor and the External Auditor;
 - (d) supervising the functioning of the internal audit department (if present); in particular co-determining the plan of action for the internal audit department, taking note of the findings and considerations of the internal audit department and giving an opinion on the way in which the internal audit function fulfils its responsibility to the Management Board;
 - (e) supervising the policy of the Company on tax planning;
 - (f) supervising the financing of the Company;
 - (g) supervising the applications of information and communication technology, including risks relating to cyber security;

- (h) maintaining frequent contact and supervising the relationship with the External Auditor;
 - (i) implementing the procedure for the selection of a statutory auditor and submitting a recommendation to the Supervisory Board for the (re)appointment or dismissal of a statutory auditor by the General Meeting, giving due consideration to the Management Board's observations of the work of the External Auditor;
 - (j) informing the Supervisory Board of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process;
 - (k) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
 - (l) determining whether and, if so, how the External Auditor shall be involved in the content and publication of financial reports other than the financial statements;
 - (m) issuing a recommendation on the appointment and dismissal of the senior internal auditor (if present);
 - (n) if there is no separate department for the internal audit function, issuing a recommendation to the Supervisory Board whether adequate alternative measures have been taken;
 - (o) submitting a proposal to the Supervisory Board for the External Auditor's engagement to audit the Annual Accounts;
 - (p) approving the Annual Accounts, the annual budget and major capital expenditures of the Company.
- 1.3 The Audit Committee shall, together with the Management Board and the External Auditor, be involved in the drawing up of the audit plan by the internal audit function (if present).
- 1.4 The Audit Committee and the External Auditor shall discuss the audit plan and the findings of the External Auditor based on the work the External Auditor has undertaken. The Audit Committee shall discuss with the External Auditor:
- (a) 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
 - (a) 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.

- 1.5 The Audit Committee shall report to the Supervisory Board on its deliberations and findings. This report must, at least, include the following information:
 - (a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
 - (b) the methods used to assess the effectiveness of the internal and external audit processes;
 - (c) material considerations regarding financial reporting;
 - (d) the way material risks and uncertainties have been analysed and discussed, along with a description of the most important findings of the Audit Committee.
- 1.6 The Audit Committee shall report annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the External Auditor, in particular his/her independence. The report shall address, inter alia, the desirability of rotation of partners within an audit firm that is responsible for the Company's audit, and the desirability of any non-auditing work for the Company by the External Auditor. The selection and recommendation of the External Auditor will also take into account the outcome of this report.
- 1.7 Unless it concerns the renewal of the audit engagement of the External Auditor, the recommendation as referred to in Article 1.2 under (i) shall be well-motivated and shall contain at least two choices for the audit engagement. The Audit Committee shall express a duly justified preference for one of the candidates. In its recommendation, the Audit Committee shall state that its recommendation is free from influence by a third party and that no contractual clauses restrict the choice by the General Meeting to certain categories or lists of statutory auditors or audit firms.
- 1.8 An audit engagement may be renewed but may not exceed a maximum duration of ten years. The duration of an engagement shall be calculated as from the Company's first financial year covered in the audit engagement letter. After any ten-year engagement period, a cool-off period of four years applies.
- 1.9 Unless it concerns the renewal of the audit engagement of the External Auditor, the recommendation as referred to in Article 1.2 under (j) shall be prepared following a selection procedure organised by the Company – under the responsibility of the Audit Committee – respecting the following criteria:
 - (a) the Company shall be free to invite any statutory auditors or audit firms (which are licenced to audit public-interest entities) to submit proposals for the provision of the statutory audit service provided that (i) Article 1.4 is respected and (ii) the organisation of the tender process does not

in any way preclude the participation in the selection procedure of firms which received less than 15% of the total audit fees from public-interest entities in the Netherlands in the previous calendar year;

- (b) the Company shall prepare tender documents for the attention of the invited statutory auditors or audit firms. Those tender documents shall allow them to understand the business of the Company and the type of statutory audit that is to be carried out. The tender documents shall contain transparent and non-discriminatory selection criteria that shall be used by the Company to evaluate the proposals made by statutory auditors or audit firms;
 - (c) the Company shall be free to determine the selection procedure and may conduct direct negotiations with interested tenderers in the course of the procedure;
 - (d) where the AFM requires statutory auditors and audit firms to comply with certain quality standards, those standards shall be included in the tender documents;
 - (e) the Company shall evaluate the proposals made by the statutory auditors or the audit firms in accordance with the selection criteria predefined in the tender documents. The Company shall prepare a report on the conclusions of the selection procedure, which shall be validated by the Audit Committee. The Company and the Audit Committee shall take into consideration any findings or conclusions of any inspection report published by the AFM regarding the quality and transparency of the applicant statutory auditor or audit firm;
 - (f) the Company shall be able to demonstrate, upon request, to the AFM that the selection procedure was conducted in a fair manner.
- 1.10 The External Auditor shall receive the financial information underlying the adoption of the quarterly or half yearly accounts and other interim financial reports and shall be given the opportunity to respond to all information.
- 1.11 The External Auditor shall inform the chairman of the Audit Committee without delay if, during the performance of his/her duties, he/she 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 shall report this directly to the Chairperson.
- 1.12 Every member of the Supervisory Board shall have access to all books and records of the Audit Committee.

2 Composition and size Audit Committee

- 2.1 The Audit Committee shall consist of at least two members. More than half of the members of the Audit Committee, including the chairperson of the Audit Committee, shall be independent within the meaning of Article 3.5 of the Regulations.
- 2.2 All members of the Audit Committee must be members of the Supervisory Board.
- 2.3 The Supervisory Board shall appoint the members of the Audit Committee. The Supervisory Board may substitute the members of the Audit Committee at any time.
- 2.4 At least one member of the Audit Committee has competence in accounting and/or auditing. The members as a whole shall have competence relevant to the sector in which the Company is operating.
- 2.5 The Audit Committee may not be chaired by the Chairperson or by a former member of the Management Board. The chairperson of the Audit Committee shall be designated by the Supervisory Board.
- 2.6 Generally the term of office of a member of the Audit Committee will not be set in advance. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and the other Committees from time to time.
- 2.7 The composition of the Audit Committee shall be mentioned in the Supervisory Board Report.
- 2.8 The Company Secretary shall act as the secretary to the Audit Committee.
- 2.9 No member of the Audit Committee may receive, directly or indirectly, any compensation from the Company other than remuneration paid to members of the Supervisory Board for service on the Supervisory Board or a Committee thereof.
- 2.10 The chairperson of the Audit Committee or one of the other Audit Committee members shall use its best efforts to be available to answer questions about the Audit Committee's activities at the annual General Meeting.

3 Meetings of the Audit Committee

- 3.1 The Audit Committee shall hold at least four meetings per year and whenever one or more of its members have requested a meeting. The meetings shall generally be held at the office of the Company, but may also take place elsewhere or by means of a conference call, video-conference, or similar communications equipment provided that all members of the Audit Committee participating in the meeting can hear each other and none of them has

objected to this way of decision making. The quorum of any meeting shall be two members.

- 3.2 The Audit Committee shall meet with the External Auditor as often as it considers necessary, but at least once a year, outside the presence of the Management Board.
- 3.3 The CFO, the internal auditor (if present) and the External Auditor shall attend the Audit Committee meetings, unless the Audit Committee determines otherwise. The Audit Committee shall decide whether and, if so, when the CEO shall attend its meetings.
- 3.4 The convocation notices of an Audit Committee meeting shall be given by e-mail, fax or mail, at such time that all the members of the Audit Committee are given opportunity to participate in and prepare themselves for the meeting ultimately eight days in advance. In urgent cases, the chairperson of the Audit Committee may determine that the meeting shall be convened upon shorter notice, but in any case no later than two business days before the meeting. Any notice of the Audit Committee meeting shall contain the agenda for the meeting. The agenda stating the matters for decision, shall be drawn up by the chairperson of the Audit Committee. The other information and decision material for the meeting shall be circulated as soon as possible, but in any case no later than two business days before the meeting.
- 3.5 The Company Secretary shall take minutes of the meeting. The minutes shall be adopted in the same meeting or in the next meeting of the Audit Committee, and shall be signed by the chairperson of the Audit Committee and the Company Secretary. A copy of the minutes will be sent to the Supervisory Board.
- 3.6 If and when required, the chairperson of the Audit Committee shall provide further information to the Supervisory Board during its meetings on the results of the Audit Committee's discussions.
- 3.7 The number of meetings of the Audit Committee and the main items discussed shall be mentioned in the Supervisory Board Report.

4 Amendment

The Supervisory Board may amend these Audit Committee Regulations and/or revoke any powers granted by it to the Audit Committee

5 Regulations *mutatis mutandis* applicable

The relevant Articles of the Regulations shall apply *mutatis mutandis* to these Audit Committee Regulations.