

*True but unofficial translation*

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## **REGULATIONS FOR THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD OF DE VOLKSBANK N.V.**

11 February 2021

De Volksbank N.V. (de Volksbank) consists of four brands (trade names): ASN Bank, BLG Wonen, RegioBank and SNS. These brands operate under the banking licence of de Volksbank. De Volksbank is a wholly-owned subsidiary of *Stichting administratiekantoor financiële instellingen* (NLF1). NLF1 issued depositary receipts for shares to the Dutch State.

The mission of de Volksbank is: “Banking with a human touch”. To live up to this mission, de Volksbank has formulated an ambition based on the principle of Shared Value. Shared Value optimises the aggregate value from which all stakeholders can benefit.

De Volksbank applies the Banking Code and the Dutch Corporate Governance Code. In the annual report and on the website [www.devolkswagen.nl](http://www.devolkswagen.nl) it is explained in which manner the codes have been applied.

### **Article 1 Definitions**

AC:	the Audit Committee of the SB
GM:	the general meeting of shareholders of de Volksbank
Board:	the board of directors of de Volksbank
MoU:	the memorandum of understanding between NLF1 and de Volksbank
WC:	the works council of de Volksbank
Regulations:	the rules set out in this document, together constituting the regulations for the AC
SB:	the supervisory board of de Volksbank
Secretary:	the company secretary of de Volksbank
Articles:	the articles of association of de Volksbank
Report:	the report of the Board which is part of the annual accounts of de Volksbank
de Volksbank:	de Volksbank N.V.

### **Article 2 Role and status of the Regulations**

- 2.1 These Regulations govern the duties, functions, responsibilities, powers and procedures of the AC. These Regulations are based on the Articles. These Regulations are supplementary to statutory law provisions, the Articles and these Regulations for the SB. The members of the AC shall observe the rules included in the Regulations.
- 2.2 The amended Regulations were formally amended and adopted at the SB meeting on 11 February 2021. By way of the aforementioned resolution of the SB to amend the Regulations (each of the members of) the SB has agreed to the contents of the amended Regulations and to comply with the rules contained in these Regulations. These Regulations are effective as of 11 February 2021.

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- 2.3 These Regulations can be amended whenever the SB so decides. Proposed amendments shall be discussed by the AC upfront.
- 2.4 Prior to his or her appointment, a new member to the AC shall declare that he or she agrees to the contents of these Regulations and shall comply with the rules of the Regulations.
- 2.5 Upon the adoption of a resolution to amend these Regulations (each of the relevant members of) the SB declares to agree to the contents thereof and to observe the rules contained in these Regulations.
- 2.6 Notwithstanding the provisions of these Regulations and the Articles (each of the members of) the AC shall act in accordance with the MoU.
- 2.7 In the event that the provisions of these Regulations conflict with the provisions of the Articles, the Articles shall prevail.

### **Article 3 Composition of the AC**

- 3.1 The AC shall comprise a number to be determined by the SB of at least three members of the SB. The SB appoints the members and the chairman of the AC. The chairman of SB shall not fulfil the role of chairman of the AC. The SB shall have the authority to dismiss a committee member.
- 3.2 Preferably, members of the AC shall have thorough knowledge of and experience in (i) financial reporting, (ii) internal control and (iii) bank audits. At least one member of the AC is a so-called financial expert and must have gained relevant expertise and experience in the field of financial administration/accounting with listed companies or other large legal entities.
- 3.3 Membership of the AC shall cease once the respective member of the AC is no longer in office as a member of the SB. A member of the AC may decide to step down as a member of the AC without stepping down as a member of the SB at the same time.

### **Article 4 Duties**

- 4.1 The duties of the AC shall support (the preparation of) the decision-making by the SB.

The AC shall provide advice to the SB in, inter alia, the following areas:

- (i) the set up and operation of the framework of the internal risk management and control systems of de Volksbank set up and maintained by the Board and senior management , including the compliance with relevant laws and regulations and supervision on the functioning of internal and external codes of conduct;
- (ii) the quality, completeness, accuracy and timeliness of the provision of financial information by de Volksbank on the basis of which the achievement of the objectives of de Volksbank and its business units shall be assessed;

- (iii) compliance with recommendations and follow-up of observations of internal auditors, external auditors, tax advisors and regulatory authorities;
- (iv) discussions on the checks and audits performed by the Audit department in respect of the internal risk management and control systems of de Volksbank;
- (v) the role and functioning (scope, effectiveness and quality) of the internal audit function of de Volksbank, including the assessment of risk analyses, annual plans, quarterly reports and performance reports prepared by the Audit function;
- (vi) the policy of de Volksbank in respect of tax planning;
- (vii) the effectiveness, scope, independence, quality and involvement of the external auditor, including the financial reporting process;
- (viii) adoption of the annual accounts, approval of the annual budget and major capital investments as well as the funding of de Volksbank;
- (ix) the applications of information and communication technology.

The AC shall ensure a robust process and shall provide the SB with advice regarding the (re)appointment, remuneration and the cancellation of the assignment of the external auditor. The chairman of the AC shall be actively involved in the appointment, assessment/remuneration, suspension and dismissal of the Audit director. The Board shall appoint and dismiss the Audit director. Both the appointment and (temporary) suspension as well as the dismissal shall, together with an AC recommendation, be submitted to the SB for approval. Prior to any (temporary) suspension the Audit Director must be heard by the Supervisory Board.

- 4.2 At least once a year, the AC, together with the Board and Audit director, shall report to the SB on developments in the relationship with the external auditor. Relevant subjects shall be, inter alia, (i) the quality, adequacy and independence of the external auditor, (ii) the determination that the external auditor has not performed any work that is not compatible with the audit of the financial statements.
- 4.3 All additional services provided by the external auditor in addition to the statutory audit of the financial statements will be subject to a pre-approval process within the AC.
- 4.4 At least once every four years, the AC shall (whether or not jointly with the Board) conduct a thorough assessment of the performance of the external auditor. The AC shall inform both the SB and the GM on the assessment's main findings.
- 4.5 In exercising their duties, the members of the AC shall weigh the interests of de Volksbank, its customers, employees, society, the shareholder(s) and other stakeholders.
- 4.6 The chairman of the AC shall provide the SB with all information requested by the SB on the manner in which the AC performs its duties.

## **Article 5 Secretary**

- 5.1 The position of secretary of the AC shall be filled by the Secretary or a person designated by the AC or SB. The secretary of the AC is not a member of the AC. The Secretary shall ensure that the proper procedures are followed and that the AC shall act in accordance with legal and

statutory obligations. The Secretary shall assist the chairman of the AC in the actual organisation of the (meetings of the) AC.

- 5.2 The SB shall receive the minutes of the meetings of the AC and is authorised to review the meeting documents.

## **Article 6 Meetings**

- 6.1 The AC shall meet at least four times a year in accordance with a schedule drawn up annually. Upon request of one of more members of the AC additional meetings shall be scheduled and convened.
- 6.2 The AC may also adopt resolutions outside of meetings. All members of the AC shall then cast their vote in writing or by e-mail to the attention of the Secretary. The Secretary shall keep the documents containing evidence of any such resolution being adopted in the (digital) minute book and the archive of the AC.
- 6.3 AC meetings shall be chaired by the chairman of the AC. The chairman of the AC shall strive for an optimal participation of each of the members of the AC.
- 6.4 The CEO, CFO and CRO, the Audit director and the external auditor have standing invitations to attend the meetings of the AC.

The AC shall decide whether or not and when other staff members of de Volksbank shall attend (part of) its meetings.

At least once a year, the AC shall invite the external auditor to a meeting, in which the Board is not present. As a rule, the Audit director shall join that meeting.

- 6.5 After consultation with the Secretary, the agenda for the meeting shall be drawn up by the chairman of the AC. All members can announce items to be placed on the agenda for the AC meeting and submit these to the Secretary.
- Drafts of the following documents shall in any case be specifically discussed at (one of) the AC meetings:
- (i) the annual, interim and quarterly reports (intended for external publication);
  - (ii) the scope and materiality of the audit plan and the key risks of annual reporting specified by the external accountant;
  - (iii) the auditor's report drawn up by the external auditor following the audit of the financial statements of de Volksbank;
  - (iv) the report of the external auditor concerning an analysis of certain topics related to the interim report of de Volksbank;
  - (v) the external auditor's management letter;
  - (vi) the quarterly reports of the Audit department; and
  - (vii) where applicable, the documents related to the duties of the AC as described in article 4 of these Regulations.

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In principle, the (draft versions of) the annual budgets of de Volksbank shall not be discussed during an AC meeting, but shall only be placed on the agenda for a meeting of the SB.

- 6.6 The Audit director and the external auditor shall hold a preliminary consultation with the chairman of the AC prior to each meeting, unless the persons involved consider this to be unnecessary.
- 6.7 The AC shall decide by a majority of votes cast. In order to be able to give advice at least two members of the AC have to be present at the meeting. In the event of a tie, the relevant item on the agenda shall be forwarded to the SB for a decision by the SB.
- 6.8 The Secretary or the person designated by either the SB or the AC is responsible for the minutes of the AC meetings. Draft minutes shall be circulated (in draft form) among all the members of the AC and shall be adopted at the next AC meeting. If all members of the AC agree to the contents of the draft minutes, they may also be adopted at an earlier moment. The Secretary shall – at his or her own discretion or on the basis of a legal obligation – be authorised to provide extracts from the minutes of the AC meeting to stakeholders.

#### **Article 7 Miscellaneous**

- 7.1 If and when desired the AC may, at the expense of de Volksbank, obtain advice from experts in order to be able to properly perform its duties.
- 7.2 The members of the AC shall have access to all business premises of de Volksbank and shall be permitted to inspect any and all files, documents, correspondence and other documentation. The members of the AC shall be authorised to take cognizance of any action taken place within de Volksbank. The members of the AC shall be authorised to consult directly with any staff member of de Volksbank and the external auditor.
- 7.3 The chairman of the AC shall inform the CEO and/or CFO of a situation as referred to in paragraphs 1 or 2 of this article, unless a significant interest (*zwaarwegend belang*) dictates otherwise.

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## **ANNEX A**

### **OVERVIEW OF AMENDMENTS TO THESE REGULATIONS AS OF 25 SEPTEMBER 2014:**

The Regulations were adopted and amended as follows:

1. The Regulations were adopted at a meeting of the SB dated 25 September 2014.
2. The Regulations were amended and adopted at a meeting of the SB dated 30 September 2015.
3. The Regulations were amended and adopted at a meeting of the SB dated 23 March 2016.
4. The Regulations were amended and adopted at a meeting of the SB dated 14 December 2016.
5. The Regulations were amended and adopted at a meeting of the SB dated 23 August 2017.
6. The Regulations were amended and adopted at a meeting of the SB dated 7 March 2018.
7. The Regulations were amended and adopted at a meeting of the SB dated 6 March 2019. The effective date of the Regulations is 30 March 2019.
8. The Regulations were amended and adopted at a meeting of the SB dated 11 February 2021. The effective date of the Regulations is 11 February 2021.