

**RULES OF PROCEDURE
AUDIT COMMITTEE OF DE VOLKSBANK N.V.**

1 December 2022

These rules have been adopted pursuant to article 4.3 of the Rules of Procedure of the Supervisory Board of de Volksbank N.V.

1 DEFINITIONS AND INTERPRETATION

- 1.1 Terms capitalized in these rules have the meaning given to them in Annex I of the Rules of Procedure of the Supervisory Board.
- 1.2 Decisions on the interpretation of these rules are made by the Supervisory Board.
- 1.3 Any matters which are not covered by these rules of procedure are governed by the Rules of Procedure of the Supervisory Board.

2 DUTIES OF THE AUDIT COMMITTEE

- 2.1 The Audit Committee advises the Supervisory Board on matters within its area of responsibility and prepares the decisions of the Supervisory Board's on such matters.
- 2.2 In connection with the foregoing, the duties of the Audit Committee shall more specifically include assisting in and making of recommendations to the Supervisory Board on matters set out in Annex I.

3 COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE AUDIT COMMITTEE

- 3.1 The Audit Committee consists of at least three (3) members of the Supervisory Board. The Supervisory Board appoints and dismisses the members of the Audit Committee. The members are appointed until further notice.
- 3.2 The majority of the members of the Audit Committee must be independent within the meaning of article 1.3 of the Rules of Procedure of the Supervisory Board.
- 3.3 At least one of the members of the Audit Committee must be a Financial Expert, in a sense that the member has competence in accounting and/or auditing.

4 CHAIR

- 4.1 The Supervisory Board appoints one of the members of the Audit Committee as chair. The chair has primary responsibility for the proper functioning of the Audit Committee. The chair acts as spokesperson of the Audit Committee and is the principal point of contact for the Supervisory Board.
- 4.2 If the chair is absent, the meeting will appoint one of its other members as chair of the meeting. The meeting will comply with the provision of article 5.7, except in cases where taking all relevant circumstances into account, the proper and efficient functioning of the meeting require otherwise.

- 4.3 The Audit Committee may not be chaired by the chair of the Supervisory Board, the chair or a former member of the Executive Board.
- 4.4 The head of Audit has access, inter alia, to the chair of the Audit Committee.
- 4.5 The chair of the Audit Committee is the first point of contact of the external auditor when the latter notes any irregularities in the content of financial reports.

5 MEETINGS

- 5.1 The Audit Committee meets at least four (4) times each year. If circumstances require, extra meetings may be held or convened on an ad hoc basis. The chair of the Supervisory Board or a member of the Audit Committee may, in consultation with the chair of the Audit Committee, arrange for an unscheduled meeting of the Audit Committee to be convened. Two of the Committee's meetings will take place immediately prior to the submission of the annual and half-yearly financial statements to the Supervisory Board. Prior to a meeting of the Audit Committee the chair of the Audit Committee meets with the external auditor and the head of Audit, unless they decide otherwise. In their meetings, members of the Audit Committee should engage in open and critical discussions, during which dissenting views are discussed in a constructive manner.
- 5.2 The Audit Committee meets with the external auditor, outside the presence of the Executive Board, as often as it deems necessary, but at least once a year. In principle the head of Audit attends the meeting of the Audit Committee with the external auditor.
- 5.3 The chair of the Executive Board, the head of Audit or the external auditor may request the chair of the Audit Committee to call an unscheduled meeting for matters falling within the Committee's remit which cannot wait until a scheduled meeting. The reasons for the request must also be stated.
- 5.4 Unless the Audit Committee determines otherwise, the CEO, CFO, CRO, the head of Audit and the external auditor should in principle attend the meeting. The Audit Committee can also invite other persons to attend a meeting.
- 5.5 As a rule, the meetings are held at the offices of de Volksbank, but they may also be held elsewhere.
- 5.6 Meetings may also be held by telephone or videoconferencing or by comparable means of communication, provided that all participants are simultaneously linked.
- 5.7 Meetings may be held and recommendations may be made to the Supervisory Board only if at least two members of the Audit Committee are present. Recommendations to the Supervisory Board are based on a majority of votes. If there is a tied vote, the agenda item will be submitted for approval to the Supervisory Board.
- 5.8 In so far as practically feasible, the notice convening the meeting and the agenda of the items to be discussed are sent to each member of the Audit Committee eight (8) days prior to the meeting.
- 5.9 Minutes are taken of the meeting. As a rule, these will be adopted at the next meeting. The Audit Committee safeguards that sufficient record is kept of its deliberations and findings. After each meeting the Supervisory Board receives a report on the deliberations and findings of the Audit Committee.

- 5.10 Resolutions may also be adopted other than at meetings if all members of the Audit Committee have been informed of the proposal requiring a resolution of the Audit Committee and they have also been able to express their opinion on this matter and a sufficient number of members of the Audit Committee to form a majority have declared in writing (including by e-mail) that they are in favour of the proposal.

6 INFORMATION / REPORTING

- 6.1 The Audit Committee and its individual members may request the Executive Board, the Executive Committee, the head of Compliance, the head of Audit, the Company's external auditor and all other persons it deems necessary to provide them with all information they require for the proper performance of their duties. The requested information must be made available as soon as possible.
- 6.2 Information must be periodically exchanged between the Audit Committee, Audit and the external auditor, if necessary in cooperation with the Risk and Compliance Committee. The risk analysis and the audit plan of Audit and of the external auditor are also the subject of consultation in the context of this exchange of information.
- 6.3 The Audit Committee receives the minutes from the audit committees of subsidiaries and other units belonging to the economic entity of the Company which have been or may be established for regulatory or other reasons, in so far as applicable.
- 6.4 The rules of procedure of the Audit Committee as well as the Audit Charter and name of the external auditor will be published on the website of de Volksbank.

7 CONFIDENTIALITY

- 7.1 The meetings of the Audit Committee are confidential.
- 7.2 Any communications to third parties must be made by or in consultation with the chair of the Audit Committee.

ANNEX I: DUTIES OF THE AUDIT COMMITTEE

The duties of the Audit Committee shall more specifically include assisting in and making recommendations to the Supervisory Board regarding:

1 *General*

- 1.1 reviewing all matters concerning accounting and tax policies and practises, internal control, financial reporting functions, internal and external audit, risk assessment of issues that can influence financial reporting and relevant statutory and regulatory compliance;
- 1.2 reviewing the audit scope and the frequency of the statutory audit of annual or consolidated accounts;
- 1.3 providing reports identifying any matters within its remit which, in its opinion, require action or improvement and making recommendations for measures to be taken;
- 1.4 undertaking preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of de Volksbank's financial reporting and the effectiveness of de Volksbank's internal risk management and control systems;
- 1.5 monitoring and discussing the effectiveness of the internal risk management and control systems (also through interaction with the Risk and Compliance Committee);
- 1.6 supervision of the financing of de Volksbank and, in particular, continuity in relation to capital, liquidity and funding, having regard to the financial statements;
- 1.7 supervision of de Volksbank's sustainability policies and monitoring the way in which the Executive Board mitigates sustainability risks and of the reporting and auditing on sustainability policies and the sustainable business performance of de Volksbank;
- 1.8 periodically assessing and monitoring, within its remits, de Volksbank's strategy and performance;
- 1.9 monitoring, within its remits, the follow up on reports and recommendations of internal and external auditors, tax advisors and regulators;
- 1.10 supervising, within its remits, the operational effectiveness of internal and external codes of conduct;
- 1.11 assisting with any other matters that the Supervisory Board may refer to the Audit Committee;

2 *Executive Board*

- 2.1 Monitoring the Executive Board with regard to:
 - (i) relations with, and compliance with recommendations and following up of comments by, the internal and external auditor;
 - (ii) the funding of de Volksbank;
 - (iii) the application of information and communication technology by de Volksbank, including risks relating to cybersecurity;
 - (iv) de Volksbank's tax policy, and

3 *Financial reporting and regulatory compliance*

- 3.1 monitoring the integrity and quality of de Volksbank's financial statements, particularly at the highest level including taking note of and assessing any discussion or analysis thereof and the correctness of any official announcements relating to de Volksbank's current and expected financial performance, whilst ensuring that significant estimates included in the financial reports have been adequately scrutinized;
- 3.2 taking note of and assessing the following written statements to be issued by the external auditor for the preparation of the financial statements and half-yearly figures:

- (i) list of items with explanatory notes which have been discussed with the (members of the Executive Board or the head of Finance, Reporting & Control that have been adjusted in the figures to be published;
 - (ii) list of items with explanatory notes which have been discussed with the (members of the Executive Board or the head of Finance, Reporting & Control and have not been adjusted in the figures to be published;
 - (iii) list of audit differences (items which are incorrect but have not been adjusted because they are not material to the financial statements to be published);
- 3.3 reviewing any extraordinary and possible unusual items or matters brought to the attention of the Audit Committee, which require executive judgement and affect the preparation of the financial statements and the Executive Board report, as well as announcements about these documents;
- 3.4 providing a forum for the discussion and resolution of areas of disagreement between (senior) management and the external auditor, for example in relation to the preparation of the financial statements and the Executive Board report, as well as announcements about these documents.
- 3.5 reviewing the accounting policies and practices of de Volksbank, with due regard to compliance with statutory requirements;
- 3.6 reviewing the controls and procedures established by management to ensure compliance with statutory requirements and the financial reporting requirements of external relevant regulatory authorities;
- 4 *Internal Control*
- 4.1 monitoring, by means of bank-wide consolidated risk and control reporting processes within de Volksbank, the ongoing process of identification, evaluation and management of significant risks to de Volksbank;
- 4.2 reviewing facilities for the receipt, management and handling of complaints regarding accounting, internal accounting controls or audit issues, including procedures enabling employees to raise concerns, confidentially and anonymously, about questionable financial reporting and accounting or deficiencies in the internal control and the internal and external audit;
- 5 *Internal Audit*
- 5.1 maintaining regular contact with Audit;
- 5.2 making recommendations on the proposed appointment or proposed dismissal or suspension of the head of Audit. Prior to dismissal or suspension the head of Audit will be heard by the Supervisory Board;
- 5.3 reviewing the remit of Audit after consultation with the external auditor;
- 5.4 approving the annual plan for Audit regarding scope, coverage, interaction with the external auditor and timing of the proposed audit activities in relation to the risks;
- 5.5 monitoring, assessing the recommendations and at least once annually broadly reviewing the scope and nature of the work and the effectiveness of Audit, receiving and reviewing quarterly reports, findings and recommendations relating to the management of key operating risks, as well as assessing the adequacy of any follow-up actions and any relevant audit work carried out by, or on behalf of Audit;
- 5.6 assessing the independence of the Audit function;
- 5.7 keeping record of how the Audit Committee is informed by Audit;
- 5.8 the chair of the Audit Committee also has the following responsibilities in relation to Audit:

- (i) the annual performance appraisal, and if applicable remuneration, of the head of Audit is carried out by the chair of the Executive Board in conjunction with the chair of the Audit Committee and is approved by the Executive Board;
- (ii) the evaluation of the overall performance of Audit is carried out by the chair of the Executive Board in conjunction with the chair of the Audit Committee;

6 *External Auditor*

- 6.1 maintaining regular contact with the external auditor;
- 6.2 making recommendations concerning the nomination for appointment/reappointment or dismissal and preparing the selection of the external auditor. The Audit Committee gives due consideration to the observations of the Executive Board in respect of the previous sentence;
- 6.3 submitting a proposal for the external auditors engagement to audit de Volksbank's financial statements. When formulating the terms of engagement, attention shall be paid to the scope of the audit, the materiality to be used and remuneration for the audit;
- 6.4 approving the remuneration of the external auditor;
- 6.5 taking note of the reporting by the external auditor about the scope and coverage of the work he/she has performed;
- 6.6 in relation to the audit plan, annually discussing with the external auditor:
 - (i) the scope and materiality of the audit plan and the principal risk of the annual reporting identified by the external auditor in the audit plan;
 - (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;
- 6.7 determining how the external auditor is involved in the content and publication of financial reports, other than the annual financial statements;
- 6.8 preventing unnecessary overlapping of work between Audit and the external auditor and resolving any disagreements between Audit and the external auditor regarding the demarcation, coordination and overlapping of their work;
- 6.9 assessing the reports prepared by the external auditor for the Executive Board, Supervisory Board or Audit Committee, including the joint management letter (management, organisation and internal control) with internal audit, auditor's report (financial statements) and audit opinion;
- 6.10 assessing and approving all audit and audit-related services of the external auditor, as well as assessing the reports prepared by the external auditor for the Executive Board, Supervisory Board or Audit Committee, including the annual management letter (management, organisation and internal control), auditor's report (financial statements) and audit opinion;
- 6.11 assessing and monitoring the external auditor's independence and objectivity, including the prohibition of non-audit services to the audited institution, reporting on the outcomes to the Supervisory Board, where issues identified as requiring action or adjustment are accompanied by recommendations for measures to be taken;
- 6.12 reporting annually on the evaluation of the external auditor in respect of its functioning and the developments in the relationship with the external auditor, taking into account any findings and conclusions by the relevant regulatory authorities. The report explains how the external auditor contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process. The Audit Committee performs a detailed review at least once every four (4) years of the functioning of the external auditor in the various entities and the capacities in which the external auditor acts.

**ANNEX II OVERVIEW OF AMENDMENTS TO THESE RULES OF PROCEDURE
AS OF 25 SEPTEMBER 2014:**

The rules of procedure were adopted and amended as follows:

1. The Regulations were adopted by the SB in its meeting of 25 September 2014.
2. The Regulations were amended by the SB in its meeting of 30 September 2015.
3. The Regulations were amended by the SB in its meeting of 23 March 2016.
4. The Regulations were amended by the SB in its meeting of 14 December 2016.
5. The Regulations were amended by the SB in its meeting of 23 August 2017.
6. The Regulations were amended by the SB in its meeting of 7 March 2018.
7. The Regulations were amended by the SB as of 30 March 2019 in its meeting of 6 March 2019.
8. The Regulations were amended by the SB as of 11 February 2021 in its meeting of 11 February 2021.
9. The rules of procedure were amended by the SB as of 16 May 2022 in its meeting of 12 August 2021.
10. The rules of procedure were amended by the SB as of 1 December 2022 in its meeting of 1 December 2022.