



AUDIT COMMITTEE CHARTER

January 1, 2025

ANNEX C

CHARTER GOVERNING THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD

This charter (the **AC Charter**) governing the Audit Committee (the **AC**) of the Supervisory Board of NIBC Bank N.V. (**NIBC**) has been adopted and most recently approved by the Supervisory Board of NIBC on 21 November, 2024 and approved by the general meeting of shareholders of NIBC on 18 December 2024, with this current version of the AC Charter taking effect on 1 January 2025.

Article 1: Responsibilities of the AC

- 1.1 Without prejudice to Article 5.1 of the Charter of the Supervisory Board (the **SB Charter**), the AC advises the Supervisory Board on its responsibilities and prepares issues for decision taking in the Supervisory Board by presenting proposals and recommendations, at the initiative of the Managing Board and/or Supervisory Board or otherwise, in the areas mentioned below.
- 1.2 Some authorities of the Supervisory Board are delegated to the AC. These delegated authorities are explicitly described in this AC Charter. Any use by the AC of the delegated authority shall be communicated to the full Supervisory Board in the next Supervisory Board meeting.
- 1.3 The areas below fall under the responsibility of the AC (in each case subject to relevant approvals of the Supervisory Board and general meeting of shareholders of NIBC (**General Meeting**) in accordance with the merger protocol (as defined in NIBC's articles of association and as amended from time to time) and NIBC's articles of association):
 - a) financial reporting processes, including (data) integrity and (data) quality, the electronic reporting process (use of single electronic reporting format), the process carried out by NIBC to identify the information reported in accordance with the sustainability reporting standards and the related governance of NIBC's financial reporting and the effectiveness of NIBC's internal risk management and control systems in relation to the financial reporting processes;
 - b) the role and functioning of the internal audit department (**Internal Audit**), internal quality control and auditing processes, and compliance with recommendations and following up of comments by Internal Audit;
 - c) external auditing processes, the relationship with NIBC's external auditors, establishment of accounting policies, and compliance with recommendations and following up of comments by NIBC's external auditors;
 - d) processes by which NIBC monitors compliance with legislation and regulations within the areas that fall under the responsibility of the AC;
 - e) NIBC's tax policy; and
 - f) funding of NIBC.
- 1.4 Wherever this AC Charter refers to 'external audit', 'external (statutory) auditors' or 'financial reporting (processes)' and/or related or similar terms, this includes sustainability audits, sustainability assurance providers and/or auditors and sustainability reporting (processes), except where the context otherwise requires.

- 1.5 In order to prepare the report of the Supervisory Board in NIBC's management report, the AC shall draw up a report on its discussions and findings for the Supervisory Board.
- 1.6 This AC Charter and the composition of the AC shall be published on NIBC's website.

Article 2: Information supply to AC

- 2.1 In order to perform its tasks adequately, the AC's information needs must be met in an adequate manner. To this end, the AC will receive the following written information:

With regard to the financial and (semi) annual reporting, amongst others:

- internal monthly and/or quarterly financial reports;
- half-year figures;
- (draft) annual accounts;
- (draft) press releases on NIBC's half-year figures and its annual accounts; and
- papers on proposed changes in accounting principles.

With regard to Internal Audit, amongst others:

- Internal Audit multi-year audit plan;
- Internal Audit quarterly progress reports;
- Internal Audit reports on follow-up of points for improvement;
- Internal Audit periodic and ad hoc opinions, recommendations and assessments (including, but not limited to, an opinion on the effectiveness of NIBC's Risk Management Function and Compliance Function);
- on a quarterly basis, information on the Managing Board's view on the outcome of Internal Audit activities since the date of the last report on such matters by Internal Audit to the AC.

With regard to external audit, amongst others:

- engagement letter and fee letter from the external auditor;
- external auditor's audit plan;
- report on the external auditor's findings;
- assurance report on sustainability reporting;
- management letter and/or audit report from the external auditor; and
- information on instructions to the external auditor regarding engagements (audit and non-audit) that are not related to the audit of the annual accounts.

- 2.2 In addition to this regular information flow, the AC may request additional information that is important for the performance of its tasks. The Managing Board shall supply such information at the AC's earliest request.
- 2.3 The Head of Internal Audit will have direct access to, amongst other bodies and individuals, the AC to discuss important matters and/or raise concerns or to warn the Supervisory Board (via the AC), where appropriate, when specific developments affect or may affect NIBC.
- 2.4 The AC ensures that Internal Audit and the other control functions can operate with sufficient independence while respecting their reporting line to the Managing Board. In the event of continuing differences of opinion between these functions and the Managing Board, the functions may present the matter directly to the AC.

Article 3: Composition, expertise and independence of the AC

- 3.1 The AC shall consist of at least three members, to be appointed by the Supervisory Board from among its members. All other members of the Supervisory Board have a standing invitation to join the AC meetings.
- 3.2 Without prejudice to Article 3.3 of the SB Charter, the composition of the AC shall meet the following requirements:
- a) at least one member shall have competence in accounting and sustainability reporting or auditing. The chair of the AC (the **AC Chair**) shall have specialist knowledge and experience in the application of accounting principles and internal control processes;
 - b) a number of its members shall have sound knowledge of the fields of corporate governance and internal governance or the experience needed to thoroughly supervise these areas;
 - c) the majority of its members and the AC Chair must be independent within the meaning of article 3.4 of the SB Charter; and
 - d) neither the Chair of the Supervisory Board nor one of the (former) Managing Board members may (simultaneously) chair the AC.
- 3.3 It will be ensured that the expertise of individual AC members as well as the AC as a whole, through a combination of their participation in the permanent education provided by NIBC for the Supervisory Board (including matters falling within scope of the various committees of the Supervisory Board) as well as by other relevant development activities undertaken by individual members, is at a level required for prudent and diligent execution of their responsibilities.
- 3.4 Members are appointed until further notice. AC members may be dismissed by the Supervisory Board at any time. Membership is terminated if the member no longer serves on the Supervisory Board.

Article 4: Chair and Secretary

- 4.1 The Supervisory Board shall appoint one of the AC members as the AC Chair with due observance of article 3.2 e). The AC Chair is responsible for the correct functioning of the AC. The AC Chair shall act as the AC's spokesperson and as the main contact for the Supervisory Board, the Managing Board and the Head of Internal Audit.
- 4.2 NIBC's corporate secretary (or deputy corporate secretary), or a person otherwise designated by the CFO with the consent of the AC Chair shall act as the AC Secretary (the **AC Secretary**).

Article 5: Meetings (committee agenda, participants and minutes)

- 5.1 The AC will meet at least four times a year, and also as often as one or more of its members consider necessary. The meetings are generally held at the offices of NIBC, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference.
- 5.2 Unless the AC gives notice that it wishes to meet in the absence of other parties, NIBC's Managing Board members, the Head of Internal Audit and the external auditor will be invited to attend the AC's meetings as a standard procedure. Such persons are invited to attend the whole meeting, unless indicated otherwise. Other NIBC employees and third parties may also be invited on an ad hoc basis.
- 5.3 If NIBC's external auditor is not invited, such external auditor may request the AC Chair to allow them to attend an AC meeting.

- 5.4 The AC shall meet with NIBC's external auditor as often as it considers necessary, but at least once a year, in the absence of the Managing Board members.
- 5.5 Meetings shall be convened via the AC Chair, by the person requesting the meeting. Extraordinary meetings can be convened as soon as there is a need to do so. The Head of Internal Audit and/or the external auditor may propose an extraordinary meeting if they consider this necessary.
- Wherever feasible, AC members should receive the notice convening the meeting, the agenda and the annexes on the topics to be discussed at least five days prior to the meeting.
- 5.6 The quorum for each meeting is two members.
- 5.7 The Head of Internal Audit and/or the external auditor must be given the opportunity to explain their reports and give presentations to the AC.
- 5.8 The AC Secretary shall take minutes of the AC meetings. Meeting minutes will reflect decisions and action points, as well as underlying rationales. As a rule, the minutes shall be adopted at the next meeting. However, if all AC members approve the contents of the minutes, they may also be adopted at an earlier date.
- 5.9 Every Supervisory Board member shall have unlimited access to all AC data.

Article 6: Application of the SB Charter

The relevant articles in the SB Charter shall apply likewise to the AC Charter.

Article 7: Evaluation of the functioning of the AC and its members

- 7.1 At least every two years, the AC shall evaluate the AC Charter and shall submit any amendments to the Supervisory Board for approval.
- 7.2 Each year, the AC shall evaluate its own functioning and report on this to the Supervisory Board.

Article 8: AC's audit responsibilities

The AC's audit responsibilities include:

- I Assessing NIBC's financial reporting process and procedures and supervising its financial disclosures.

To this end, the AC will:

- a) supervise NIBC's financial reporting and disclosures (including (data) integrity and (data) quality, the electronic reporting process (use of single electronic reporting format) and the process carried out by NIBC to identify the information reported in accordance with the sustainability reporting standards and the related governance of NIBC's financial reporting, choice of accounting policies, application and assessment of the effects of new rules, insight into the treatment of 'estimates' in the annual accounts, latest estimates, the relevant work of internal and external auditors, etc.), and the effectiveness of NIBC's internal risk management and control systems in relation to the financial reporting reporting processes and, if deemed appropriate or necessary by the AC, submitting recommendations or proposals to the Managing Board to (further) ensure the integrity of relevant information or processes;

- b) consider important issues in the field of financial reporting, including recent rulings of professional and regulatory organisations, as well as the impact of these issues on the annual accounts. Changes in accounting principles will be explicitly submitted to the AC;
- c) assess the findings of any investigations by regulatory and/or supervisory authorities;
- d) devote special attention to complex and/or unusual transactions that are reflected in NIBC's reports;
- e) discuss the annual accounts and the outcomes of audits of the annual accounts with the Managing Board and the external auditor;
- f) assess the other sections of the Annual Report prior to publication, and determine whether the information is transparent and consistent with the AC members' knowledge of NIBC and its activities;
- g) prepare Supervisory Board decisions regarding NIBC's annual accounts and annual budget;
- h) assess the quarterly and half-year figures and the annual accounts and determine whether they are complete and consistent with the information known to the AC members, and assess whether the half-year figures and annual accounts are based on the right accounting principles; and
- i) assess press releases on half-year figures and the annual accounts prior to publication and determine whether the information is transparent and consistent with the AC members' knowledge of NIBC and its activities.

II Ensuring supervision and prior and post control and systematic audit of the management of the risks and control systems related to NIBC's business activities, and advising management on the operation of these systems.

To this end, the AC will:

- a) assess (changes in) the design and effectiveness of the system for compliance with legislation and regulations within the areas that fall under the responsibility of the AC;
- b) assess whether management communicates the right 'management culture' by highlighting the importance of internal control and risk management, and whether it ensures that all employees understand their roles and responsibilities;
- c) ask management and internal and external auditors about significant risks and exposures and about plans for adequate control of such risks;
- d) supervise compliance with Internal Audit points for improvement and recommendations, and the follow-up to comments from external auditors;
- e) ensure that the Supervisory Board is aware of matters that could affect NIBC's financial position or activities;
- f) supervise the execution of NIBC's tax policy; and
- g) supervise the funding of NIBC.

III Assessing the activities and adequacy of the size and organisational structure of Internal Audit.

To this end, the AC will:

- a) supervise the functioning of Internal Audit, in particular its task of assessing whether internal control measures have been designed properly, are present and are working effectively, including the quality and effectiveness of the system of governance, risk management and NIBC's control procedures, the provision of a central, independent and objective review and assurance of any performance management and remuneration principle, policy or practice;
- b) review and approve the multi-year Audit Plan of Internal Audit, taking into account the commentary of Internal Audit;

- c) ensure that no undue restrictions are imposed on Internal Audit's independent position or on the required capacity, budget and resources;
- d) ensure that Internal Audit has full, free and unrestricted access to all functions, records, property, personnel and information deemed by Internal Audit to be relevant for the performance of its work, with, in particular but without limitation, Internal Audit having unrestricted access to the AC and to the external auditor;
- e) ensure that the Head of Internal Audit will receive (either directly or through having access thereto) the agendas, meeting minutes and presentations of the Managing Board, the AC and the Supervisory Board (with the exception of its private sessions) and its committees;
- f) make recommendations to the Supervisory Board on the appointment and the dismissal of the Head of Internal Audit, including in its role as Cover Pool Monitor;
- g) assess the effectiveness of Internal Audit on the basis of an annual review and approval of the Internal Audit Charter, a five-yearly external quality assessment of the Internal Audit function, the regular progress reports from Internal Audit (including the key performance indicators listed therein) and the relevant reports of the external auditor;
- h) ensure that important findings, conclusions and points for improvement are received from Internal Audit and discussed in time;
- i) supervise that the essence of Internal Audit's audit results are reported to the AC and shared with the external auditor, including any flaws in the effectiveness of the internal risk management and control systems, any findings and observations with a material impact on the risk profile of NIBC, and failings in the follow up of recommendations made by Internal Audit;
- j) ensure that Internal Audit, the external auditor and the AC consult periodically, including on the risk analyses and the audit plans of both Internal Audit and the external auditor;
- k) ensure that Internal Audit initiates a discussion about the audit plans, risk analyses and findings of both Internal Audit and NIBC's external auditor with the DNB in a timely manner; and
- l) take appropriate action (including making recommendations) on any signals when the effectiveness of Internal Audit is deemed flawed or at risk.

Furthermore,

- m) periodically, the AC Chair will conduct bilateral talks with the Head of Internal Audit; and
- n) the AC Chair will request the Head of Internal Audit to provide the AC with sufficient information enabling the AC to properly perform its tasks set out herein and to properly assess the completeness of the Internal Audit audit plan, the adequacy of the priority setting, and the ability of Internal Audit to execute the audit plan in a timely and accurate manner.

IV Assessing the performance of the external auditor(s).

To this end, the AC will:

- a) maintain regular contact with and supervise relations with the external auditor(s), in particular including:
 - i) the assessment of the external auditor's independence, remuneration and any non-audit work performed for NIBC;
 - ii) the determination of the external auditor's involvement in the content and publication of NIBC's financial reports, other than the annual accounts; and
 - iii) acting as the first point of contact for the external auditor(s), if such external party or parties detect irregularities in the contents of financial reports and these are not corrected after they have been drawn to the attention of the Chair of the Managing Board and the Chief Financial Officer;

- b) evaluate the audit process and assess the external auditor's performance and fees/compensation on an annual basis;
- c) advise the Supervisory Board on the nomination for (re)appointment or dismissal and prepare for the selection of the external auditor and, if different, of the provider of assurance of sustainability reporting and such parties' engagement to audit the financial statements or (as applicable) provide the assurance report on sustainability reporting, giving due consideration to the Managing Board's observations during the aforementioned work;
- d) assess the scope and audit method proposed by the external auditor(s) and ensure that no unreasonable restrictions or limitations are imposed in relation to that scope;
- e) inform the Supervisory Board of the outcome of the statutory external audit and, as applicable, of the outcome of the assurance of sustainability reporting;
- f) explain how the statutory audit and the assurance of sustainability reporting contributed to the integrity of financial reporting and sustainability reporting respectively, and explain what the role of the AC was in such processes and how the AC contributed thereto;
- g) assess audit and non-audit instructions issued to the external auditor(s) (in each case, after the event) that do not relate to the audit of the annual accounts or (as applicable) to the provision of assurance of sustainability reporting; and
- h) as part of the general audit assignment for the financial statements, discuss each year with the external auditor the scope and materiality of its audit plan, the principal risks of the annual reporting identified by the external auditor in its audit plan and its findings and outcomes of the audit work on the financial statements and its management letter, which shall contain the external auditor's findings concerning the quality and effectiveness of the system of governance, risk management and NIBC's control procedures.

Article 9

At least once a year, the AC will inform the Supervisory Board and the Managing Board on the functioning of, and developments in, the relationship with the external auditor(s), in particular including such external parties' independence and, in relation to the external auditor specifically, the desirability of the rotation of the responsible partners within a firm of external auditors instructed to perform the audit and non-audit work for NIBC. The selection and nomination of the external auditor and (if different) of the provider of assurance of sustainability reporting, will depend largely on the outcomes of this report.

Article 10

At least once every four years, the AC and the Managing Board shall make a thorough joint assessment of the performance of the external auditor specifically in the various entities and capacities in which the latter operates. The General Meeting of Shareholders will be notified of the main conclusions of the assessment, for the purpose of the nominations for an external auditor.

Article 11

The external auditor shall receive the financial information underlying the adoption of the half-year figures and other interim reports, and shall be given an opportunity to respond to all information.

Article 12

The AC shall ensure that the Managing Board processes important findings and recommendations of the external and internal auditors in good time.