

AUDIT COMMITTEE TERMS OF REFERENCE

VAN LANSCHOT KEMPEN N.V.

Adopted by the Supervisory Board on 31 October 2023 and effective from 1 December 2023

0. INTRODUCTION

- 0.1 These terms of reference have been drawn up by the SB pursuant to article 5 of the SB By-Laws and best practice provision 2.3.3 of the Dutch Corporate Governance Code.¹
- 0.2 The Audit Committee is a standing committee of the SB. The Audit Committee has been established to advise and support the SB in relation to financial reporting, the external audit and the internal audit of the Company and its subsidiaries.
- 0.3 A number of terms used but not further defined in these terms of reference, whether or not capitalised, have the meaning attributed to them in the SB By-Laws and the definitions included in Schedule 1 to these By-laws.

Any references to the 'Company' are references to Van Lanschot Kempfen N.V. as well as, where appropriate, subsidiaries and any other group companies of the Company whose financial data are included in the consolidated annual accounts of the Company.

1. COMPOSITION AND WAY OF WORKING

- 1.1 In principle, the Audit Committee will consist of at least three members. All members of the Audit Committee will be a member of the SB. More than half of the members of the Audit Committee will be independent within the meaning of article 1.5 of the SB By-Laws.² The chair of the Audit Committee will be independent.³ The chair of the Risk and Compliance Committee will also be a member of the Audit Committee.
- 1.2 The Audit Committee will be composed in such a way that the desired expertise of the members in relation to the nature of the enterprise and its activities is taken into account.⁴ The members of the Audit Committee, including the chair, will have thorough knowledge of financial reporting, internal control and audit or a level of experience enabling them to thoroughly supervise these tasks.⁵ At least one member will have expertise in the field of financial reporting or auditing the annual accounts.⁶
- 1.3 The SB will appoint the members of the Audit Committee and can dismiss them at any time from membership of the committee. The SB will appoint one of the members of the Audit Committee

¹ Dutch Corporate Governance Code 2022, best practice provision 2.3.3.

² Dutch Corporate Governance Code 2022, best practice provision 2.3.4.

³ Basel Committee, Guidelines Corporate governance principles for banks, under Audit committee, principle 68, Decree on the establishment of an audit committee at public interest entities (*Besluit instelling auditcommissie bij organisaties van openbaar belang*), section 2(3).

⁴ Decree on the establishment of an audit committee at public interest entities, section 2(3).

⁵ Banking Code, under 'Supervisory Board'.

⁶ Decree on the establishment of an audit committee at public interest entities, section 2(3).

as chair of the Audit Committee. The chair of the SB, a former member of the MB⁷ or the chair of another committee of the SB⁸ will be excluded from fulfilling the role of chair of the Audit Committee.

- 1.4 The SB will discuss the composition of the Audit Committee at least once every two years.
- 1.5 The Director Internal Audit will act as the secretary of the Audit Committee. The Director Internal Audit may delegate some or all of their duties under these terms of reference to a substitute appointed by them in consultation with the chair of the Audit Committee. In addition, the Director Internal Audit can be assisted in the performance of their duties by a minutes secretary to be designated by them.
- 1.6 The Audit Committee and the Risk and Compliance Committee will ensure, through their chairs, that the activities of both committees are properly coordinated in such a way that all risks of the Company will be discussed and managed together.⁹

2 TASKS AND POWERS

- 2.1 The Audit Committee will advise and support the SB and prepare the decision-making of the SB.¹⁰ The Audit Committee will focus on the following fields;¹¹
 - a. the (monitoring of the) functioning and effectiveness of the internal risk management and control systems (internal control system, internal audit system and risk management system) as well as the assessment of an opinion issued by a third party on the functioning and effectiveness of these systems;¹²
 - b. the policy and procedures for drawing up and publishing the management report, the annual accounts, the mid-year figures and the ad hoc financial information of the Company and the monitoring of the financial and sustainability reporting process. The Audit Committee may make proposals for safeguarding the integrity of the process;¹³
 - c. the monitoring of the statutory audit of the annual accounts, in particular the execution of the audit with due observance of the findings of the Dutch Authority for the Financial Markets regarding the quality of statutory audits;
 - d. the audit report issued by the external auditor on the audit of the annual accounts of the Company and the audit report or mid-year observations on the mid-year figures of the Company as well as the management letter, in which connection the Audit Committee will inform the SB about the outcome of the audit and explain, among other things, how the statutory audit contributed to the integrity of the financial reporting and which role the Audit Committee played in that process;¹⁴

⁷ Dutch Corporate Governance Code 2022, best practice provision 2.3.4.

⁸ Basel Committee, Guidelines Corporate governance principles for banks, under Audit Committee, principle 68

⁹ Basel Committee, Guidelines Corporate governance principles for banks, under Risk committee, principle 75.

¹⁰ Dutch Corporate Governance Code 2022, best practice provision 2.3.2.

¹¹ Dutch Corporate Governance Code 20122 best practice provision 1.5.1 and the Decree on the establishment of an audit committee at public interest entities (*Besluit instelling auditcommissies bij organisaties van openbaar belang*), section 2(2).

¹² Basel Committee, Guidelines Corporate governance principles for banks, under Audit committee, principle 68, Dutch Corporate Governance Code 2022, best practice provision 1.5.1.

¹³ Dutch Corporate Governance Code 2022, best practice provision 1.5.1, Decree on the establishment of an audit committee, section 2(2)(b).

¹⁴ Decree on the establishment of an audit committee at public interest entities, section 2(2a).

- e. the provision of financial information by the Company (including, but not limited to the accounting policies chosen, the application and the assessment of the effects of new rules, insight into the treatment of "estimated items" in the annual accounts, forecasts, activities of the internal and external auditors in this respect, etc.);
- f. the budget and investment plan for the following year;
- g. the funding of the Company¹⁵ as well as the solvency and liquidity;
- h. the tax policy of the Company;¹⁶
- i. the reliability and continuity of the automated data processing;¹⁷
- j. the relationship with the external auditor¹⁸, including in particular their independence and the remuneration of the external auditor for the Company and its subsidiaries (see also article 4 below);
- k. the supervision of compliance with recommendations and the follow-up of comments by Internal Audit and the external auditor and any other external party involved in auditing the sustainability reporting;¹⁹
- l. the role and functioning of the Internal Audit department of the Company, including:²⁰
 - assessing and advising on the Audit Charter of Internal Audit, which describes the function and position of Internal Audit;
 - assessing the independence of Internal Audit and, more in particular, the Director Internal Audit;
 - safeguarding the communication and reporting lines of the Director Internal Audit;
 - assessing and safeguarding the resources required by Internal Audit (including the number of FTEs required);²¹
 - assessing and approving the reports of Internal Audit;
 - monitoring and assessing the effectiveness of Internal Audit based on concrete criteria that have been set;
 - coordinating the activities between Internal Audit and the external auditor;
 - appointing, dismissing and assessing the Director Internal Audit. In the event of the dismissal of the Director Internal Audit, the chair of the Audit Committee will give the reasons for its advice in a so-called exit interview;
 - approving the annual plan as adopted by the MB²² and the budget of Internal Audit as well as major changes to the annual plan;
 - assessing and advising on the results of the Quality Assurance & Improvement Programme as described in the Audit Charter of Internal Audit;
 - instructing a third party to conduct a quality assessment of Internal Audit at least every five years.²³

¹⁵ Dutch Corporate Governance Code 2022, best practice provision 1.5.1.

¹⁶ Dutch Corporate Governance Code 2022, best practice provision 1.5.1.

¹⁷ Section 2:393(4) DCC

¹⁸ Dutch Corporate Governance Code 2022, best practice provision 1.5.1.

¹⁹ Basel Committee, Guidelines Corporate governance principles for banks, under Audit committee, principle 69, Dutch Corporate Governance Code 2022, best practice provision 1.5.1., EBA Guidelines on internal governance, provision 61h (this task has been allocated to the Audit Committee instead of the Risk and Compliance Committee)

²⁰ Basel Committee on Banking Supervision, The internal audit function in banks, principles 1, 9, 10 and 12.

²¹ Dutch Corporate Governance Code 2022, best practice provision 1.3.4, EBA Guidelines on internal governance, provisions 177 and 178.

²² Dutch Corporate Governance Code 2022, best practice provision 1.3.3.

²³ Dutch Corporate Governance Code 2022, best practice provision 1.3.2.

The Audit Committee will adopt a proactive attitude in the performance of these tasks and may, if deemed desirable, request information.

m. as well as all other fields considered relevant by the Audit Committee.

- 2.2 Each member of the Audit Committee will have access to the books, records and offices of the Company and will be authorised to conduct interviews with managers and employees of the Company, in so far as necessary or useful for the proper fulfilment of their duties. Members of the Audit Committee will exercise this right in consultation with the chair of the Audit Committee and the secretary of the Company.
- 2.3 The Audit Committee, in the fulfilment of its duties, may further be assisted or informed by the Director Internal Audit or by one or more experts to be appointed by it, who will receive a compensation to be agreed with the Audit Committee, which will be charged to the Company.
- 2.4 The Audit Committee may not exercise any other powers than those explicitly granted or delegated to it by the SB and it may never exercise powers exceeding the powers that the SB may exercise as a collective.

3 THE INTERNAL AUDIT FUNCTION

- 3.1 A proposed appointment or dismissal of the Director Internal Audit (head of Internal Audit) will be submitted to the SB for approval, along with the recommendation of the Audit Committee.²⁴
- 3.2 The MB will assess annually the way in which Internal Audit fulfils its responsibility, after consultation with the Audit Committee.²⁵
- 3.3 Internal Audit will have access to the information that is important for the performance of its work.²⁶
- 3.4 Internal Audit will have direct access to the Audit Committee and the external auditor. The Audit Committee will be informed by the quarterly reports of Internal Audit on a regular basis and when the Director Internal Audit deems this necessary.²⁷
- 3.5 Internal Audit will take the initiative in arranging talks with Dutch Central Bank and the external auditor at least once a year to discuss each other's risk analysis, findings and audit plan at an early stage.²⁸
- 3.6 Internal Audit will inform the MB and the chairman of the Audit Committee without delay if, during the performance of its duties, it discovers or suspects an instance of a material misconduct or irregularity. If the actual or suspected material misconduct or irregularity pertains to the functioning of one or more MB members, Internal Audit will report this to the chair of the SB.²⁹

²⁴ Dutch Corporate Governance Code 2022, best practice provision 1.3.1.

²⁵ Dutch Corporate Governance Code 2022, best practice provision 1.3.2.

²⁶ Dutch Corporate Governance Code 2022, best practice provision 1.3.4, EBA Guidelines on internal governance, provisions 177 and 178.

²⁷ Dutch Corporate Governance Code 2022, best practice provision 1.3.4.

²⁸ Banking Code, under 'Audit'.

²⁹ Dutch Corporate Governance Code 2022, best practice provision 2.6.4.

3.7 The Director Internal Audit will report to the chair of the MB. The Director Internal Audit will also have a direct reporting line to the chair of the Audit Committee.³⁰

3.8 Internal Audit will report the audit results to the MB and the Audit Committee and inform the external auditor. The findings of Internal Audit will at least include the following:

- a. any flaws in the effectiveness of the internal risk management and control systems;
- b. any findings and observations with a material impact on the risk profile of the Company and its affiliated enterprise; and
- c. any failings in the follow-up of recommendations made by internal Audit.³¹

4 TASKS REGARDING THE EXTERNAL AUDITOR

4.1 The Audit Committee and the external auditor will discuss the audit plan and the findings of the external auditor based on the work the external auditor has undertaken.³² The Audit Committee will discuss annually 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
- b. based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the annual accounts and the management letter (or an equivalent report on audit findings).³³

4.2 Before instructing the external auditor to perform an audit, the Audit Committee will submit a recommendation to the SB for the appointment of the external auditor.³⁴ If a new external auditor is to be appointed (no renewal of an existing audit engagement), the Audit Committee will adopt the procedure for the selection of a new external auditor in keeping with applicable legislation and regulations.³⁵ The Audit Committee will be responsible for this selection procedure.³⁶ The Committee will take account of the observations of the MB in the performance of this task.³⁷

Based on this procedure, the Audit Committee will make a reasoned recommendation to the SB regarding the nomination for the appointment of the external auditor. The nomination will include at least two candidates. The Audit Committee will indicate which candidate it prefers and the reasons for this preference.³⁸

³⁰ Banking Code, under 'Audit', Dutch Corporate Governance Code 2022, best practice provision 1.3.5.

³¹ Dutch Corporate Governance Code 2022, best practice provision 1.3.5.

³² Dutch Corporate Governance Code 2022, Principle 1.7.

³³ Dutch Corporate Governance Code 2022, best practice provision 1.7.2.

³⁴ EU Regulation 2014/537, article 16(2).

³⁵ EU Regulation 2014/537, article 16

³⁶ EU Regulation 2014/537, article 16(3)(f), Decree on the establishment of an audit committee at public interest entities, section 2(2)(f).

³⁷ Dutch Corporate Governance Code 2022, best practice provision 1.6.1.

³⁸ EU Regulation 2014/537, article 16(2).

- 4.3 The audit work (including the compensation and terms) to be carried out by the external auditor will be determined or cancelled³⁹ by the SB on the proposal of the Audit Committee⁴⁰ and in consultation with the MB. The MB will play a facilitating role in this process. In formulating the terms of engagement, attention will be paid to the scope of the audit, the materiality to be applied and the remuneration for the audit.⁴¹ This will take place with due observance of the policy of the SB regarding the independence of the external auditor as included in Schedule 4 to the SB By-Laws.
- 4.4 The Audit Committee will determine whether and, if so, how the external auditor will be involved in the content and publication of financial reports other than the annual accounts.⁴²
- 4.5 The external auditor will inform the MB and the chair of the Audit Committee without delay if, during the performance of their duties, they discover or suspect an instance of misconduct or irregularity. If the actual or suspected material misconduct or irregularity pertains to the functioning of one or more MB members, the external auditor will report this directly to the chair of the SB.⁴³
- 4.6 The Audit Committee will request the external auditor to include in their report any items they wish to bring to the attention of the MB and SB in connection with their audit of the annual accounts and any related audits.
- 4.7 The Audit Committee will assess and monitor the independence of the external auditor and will, in that connection, pay particular attention to the provision of other services by the external auditor.⁴⁴ The Audit Committee will report annually, and, where necessary, in the interim, to the SB about the functioning of and developments in relation to the external auditor. The Committee will take account of the observations of the MB in the performance of this task.⁴⁵
- 4.8 The Audit Committee, Internal Audit and the external auditor will periodically exchange information.⁴⁶

5 MEETINGS

- 5.1 The Audit Committee will meet at least three times a year and more frequently as necessary for its proper functioning. The Audit Committee will meet with the external auditor as often as it considers necessary, but at least once per year, without the presence of the MB.⁴⁷ The Audit Committee will meet in the interim if deemed necessary by the chair of the Audit Committee or another member of the Audit Committee. The external auditor may request the Audit Committee to convene a meeting.
- 5.2 Meetings of the Audit Committee will, in principle, be convened by the secretary of the Audit Committee, in consultation with the chair of the Audit Committee. Except in cases of urgency, at the discretion of the chair of the Audit Committee, the agenda of the meeting will be sent to

³⁹ EBA Guidelines on internal governance, provision 64f, Basel Committee, Guidelines Corporate governance principles for banks, under Audit committee, principle 69.

⁴⁰ EBA Guidelines on internal governance, provision 64g, Basel Committee Guidelines Corporate governance principles for banks, under Audit committee, principle 69 ('reviewing and approving the audit scope and frequency').

⁴¹ Dutch Corporate Governance Code 2022, best practice provision 1.6.3.

⁴² Dutch Corporate Governance Code 2022, best practice provision 1.7.3.

⁴³ Dutch Corporate Governance Code 2022, best practice provision 2.6.3.

⁴⁴ Decree on the establishment of an audit committee at public interest entities, section 2(2)(e).

⁴⁵ Dutch Corporate Governance Code 2022, best practice provision 1.6.1.

⁴⁶ Banking Code, under 'Audit'.

⁴⁷ Dutch Corporate Governance Code 2022, best practice provision 1.7.4.

the members of the Audit Committee at least five calendar days before the meeting. A written explanation will as far as possible be provided for each item on the agenda and relevant documents will be added.

- 5.3 Preferably, at least two members of the Audit Committee will be present at a meeting of the Audit Committee. The MB member responsible for the financial affairs (the 'CFO'), the Director Internal Audit, the Director Finance Reporting & Control and the external auditor will attend the meetings, unless the Audit Committee determines otherwise.⁴⁸ In addition, independent experts may be invited to attend meetings of the Audit Committee. Each SB member may attend meetings of the Audit Committee.
- 5.4 The Audit Committee may demand from each manager or employee of the Company, its external legal advisors or the external auditor that they attend a meeting of the Audit Committee or consult with members or advisors of the Audit Committee.
- 5.5 The secretary of the Audit Committee will draw up minutes of the meeting of the Audit Committee. The minutes will provide an insight into the decision-making at the meeting. The minutes will be adopted by the Audit Committee at the next meeting and in witness thereof signed by the chair and secretary of the Audit Committee.

6 REPORTING TO THE SUPERVISORY BOARD

- 6.1 The Audit Committee will inform the SB clearly and timely about how it exercised the delegated authorities and about key developments in the field that falls under its responsibility.
- 6.2 The Audit Committee will provide the SB with minutes of its deliberations, findings and recommendations.⁴⁹ The minutes will in any event include:
- a. the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
 - b. the way in which the effectiveness of the internal and external audit processes have been assessed;
 - c. material considerations concerning financial and sustainability reporting;
 - d. the way in which the material risks and the uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the management report have been analysed, along with a description of the most important findings of the Audit Committee.⁵⁰
- The minutes of the meetings of the Audit Committee will be provided to all members of the SB for their information.
- 6.3 At meetings of the SB, the chair of the Audit Committee will provide an oral explanation of the deliberations of the Audit Committee.
- 6.4 Each SB member will have unlimited access to all information of the Audit Committee. SB members will exercise this right in consultation with the chair of the Audit Committee and the secretary of the Company.

7 MISCELLANEOUS

⁴⁸ Dutch Corporate Governance Code 2022, best practice provision 1.5.2.

⁴⁹ Dutch Corporate Governance Code 2022, best practice provision 2.3.5.

⁵⁰ Dutch Corporate Governance Code 2022, best practice provision 1.5.3.

- 7.1 The chair or any other member of the Audit Committee will be available to answer any questions regarding the activities of the Audit Committee at the General Meeting.
- 7.2 The SB may occasionally consent to non-compliance with these terms of reference, with due observance of applicable legislation and regulations.
- 7.3 The SB may amend these terms of reference at any time, whether or not on the proposal of the Audit Committee, and/or it may revoke the powers granted to the Audit Committee.
- 7.4 Articles 32.4 up to and including 32.7 of the SB By-Laws apply by analogy to these Audit Committee terms of reference and any power of the SB or the chair of the SB referred to in these articles will also be considered a power of the SB or the chair of the SB for the purpose of the present terms of reference.
- 7.5 In the report of the SB, as referred to in article 11.2 of the SB By-Laws, the SB will report on the performance of the duties assigned to the Audit Committee in the financial year in question. The report will describe the composition of the Audit Committee, the number of meetings of the Audit Committee and the main items discussed at the meetings.⁵¹
- 7.6 The functioning of the Audit Committee will be assessed in the context of the annual assessment of the functioning of the SB and its committees.⁵²
- 7.7 These terms of reference and the composition of the Audit Committee will be published on the Company's website.⁵³

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⁵¹ Dutch Corporate Governance Code 2022, best practice provision 2.3.5.

⁵² Banking Code, under 'Supervisory Board'

⁵³ Dutch Corporate Governance Code 2022, best practice provision 2.3.3.