

## **RULES OF PROCEDURE OF THE AUDIT COMMITTEE**

These rules have been adopted pursuant to section 7.3 of the rules of procedure (**Rules of Procedure**) of the supervisory board (**Supervisory Board**) of ABN AMRO Bank N.V. (the **Company**).

### **1 DEFINITIONS AND INTERPRETATION**

- 1.1 Terms capitalised in these rules have the meaning given to them in **Annex 1** to the Rules of Procedure.
- 1.2 Decisions on the interpretation of these rules are made by the Supervisory Board.

### **2 DUTIES OF THE AUDIT COMMITTEE**

- 2.1 Without prejudice to the provisions of the Rules of Procedure, the Audit Committee is responsible for:
  - 2.1.1 reviewing all matters concerning accounting policies, internal control, financial and sustainability reporting functions, internal and external audit, risk assessment of issues that can influence financial and sustainability reporting and relevant regulatory compliance;
  - 2.1.2 providing reports to the Supervisory Board identifying any matters within its remit which, in its opinion, require action or improvement and making recommendations for measures to be taken;
  - 2.1.3 undertaking preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems;
  - 2.1.4 monitoring and discussing the effectiveness of the internal risk management, control systems and internal quality control (through the attendance of the chair of the Audit Committee at the Risk & Capital Committee meetings in which the internal risk management and control systems are discussed);
  - 2.1.5 assisting with any other matters that the Supervisory Board may refer to the Audit Committee;
  - 2.1.6 reporting to the Supervisory Board through the submission of the minutes.
- 2.2 The specific responsibilities of the Audit Committee relate to:
  - 2.2.1 financial and sustainability reporting of the Company, as described in section 2.3;
  - 2.2.2 regulatory compliance in relation to financial and sustainability reporting, as described in section 2.4;
  - 2.2.3 internal control, as described in section 2.5;
  - 2.2.4 Group Audit, as described in section 2.6;
  - 2.2.5 external audit, as described in section 2.9;
  - 2.2.6 audit procedures and non-audit services, as described in section 2.11;
  - 2.2.7 supervision of the reporting and auditing on sustainability policies and the sustainable business performance of the Group;
  - 2.2.8 supervision of the Group's governance on data management, data quality, data availability and reporting;
  - 2.2.9 monitoring the Executive Board with regard to:
    - (i) relations with, and compliance with, recommendations and follow-up of comments by the internal and external auditors and any other external party involved in auditing the sustainability reporting;

- (ii) the funding of the Company with respect to the preparation of financial statements;
- (iii) the Company's tax policy.

2.3 The supervision carried out by the Audit Committee in relation to the financial and sustainability reporting of the Company includes:

- 2.3.1 monitoring the integrity and quality of the Company's annual integrated reporting, financial and sustainability statements and external disclosures, particularly at the highest level (including taking note of and assessing any discussion or analysis thereof, see section 2.3.2) and the correctness of any official announcements relating to the Company's current and expected financial performance, whilst ensuring that significant estimates included in the financial and sustainability reports have been adequately scrutinized;
- 2.3.2 taking note of and assessing – partly in order to implement section 2.3.1 – the following written statements to be issued by the external auditor (for the preparation of the financial statements and half-yearly figures as well as, in so far as applicable, the first and third-quarter figures):
  - (i) list of items with explanatory notes which have been discussed with the (members of the) Executive Board or the head of Accounting & Consolidation 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 Accounting & Consolidation 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);
- 2.3.3 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;
- 2.3.4 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;
- 2.3.5 monitoring the sustainability reporting process, including the digital reporting process, and the process carried out by the Company to identify the information reported according to the relevant sustainability reporting standards and submitting recommendations or proposals to ensure its integrity.

2.4 The supervision carried out by the Audit Committee in relation to regulatory compliance includes:

- 2.4.1 reviewing the accounting policies and practices of the Company, including the policy on tax planning, with due regard to compliance with statutory requirements;
- 2.4.2 reviewing the controls and procedures established by management to ensure compliance with statutory requirements and the financial and sustainability reporting requirements of external relevant regulatory authorities.

2.5 The responsibilities of the Audit Committee in relation to internal control include:

- 2.5.1 monitoring the effectiveness of the Company's internal quality control, reporting processes and risk management systems, and, where applicable, its internal audit, regarding the sustainability reporting of the Company, including the digital reporting process, without breaching its independence;
- 2.5.2 reviewing the measures within the internal control systems in relation to financial

- management and protection of assets, as well as the procedures for monitoring the effectiveness of such controls;
  - 2.5.3 monitoring any deficiencies and material weaknesses in internal controls and the measures and procedures for the disclosure of information, as reported by Group Audit and the external auditor, as well as monitoring the implementation by management of appropriate remedial action;
  - 2.5.4 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 and sustainability reporting and accounting or deficiencies in the internal control and the internal and external audit;
  - 2.5.5 monitoring the continuity of information and communication technology (ICT) and information security policies and the internal controls to prepare, protect, detect and respond to cyber-attack;
  - 2.5.6 reviewing the Company's ICT internal audit plans, ICT audits and material modifications to them;
  - 2.5.7 supervising the application of information and communication technology in respect of financial and sustainability reporting.
- 2.6 The responsibilities of the Audit Committee in relation to Group Audit include:
- 2.6.1 maintaining regular contact with Group Audit;
  - 2.6.2 reviewing the remit of Group Audit after consultation with the external auditor;
  - 2.6.3 making recommendations to the Supervisory Board on the annual plan for Group Audit regarding scope, coverage, interaction with the external auditor and timing of the proposed audit activities in relation to the risks;
  - 2.6.4 monitoring, assessing the recommendations and at least once annually broadly reviewing the scope and nature of the work and the effectiveness of Group 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 Group Audit;
  - 2.6.5 assessing the independence of the Group Audit function;
  - 2.6.6 making recommendations on the proposed appointment or proposed dismissal of the head of Group Audit.
- 2.7 The Audit Committee shall keep record of how the Audit Committee is informed by Group Audit.
- 2.8 The chair of the Audit Committee also has the following responsibilities in relation to Group Audit:
- 2.8.1 The annual performance appraisal of the Head of Group 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;
  - 2.8.2 The evaluation of the overall performance of Group Audit is carried out by the chair of the Executive Board in conjunction with the chair of the Audit Committee.
- 2.9 The responsibilities of the Audit Committee in relation to external control include:
- 2.9.1 making recommendations to the Supervisory Board 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;
  - 2.9.2 making recommendations to the Supervisory Board on the remuneration of the external

- auditor;
  - 2.9.3 reviewing the scope and frequency of the work performed by the external auditor;
  - 2.9.4 submitting a proposal to the Supervisory Board for the external auditors engagement to audit the Company'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;
  - 2.9.5 in relation to the audit plan, annually discusses 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;
  - 2.9.6 resolving any disagreements between management and the external auditor regarding the financial and sustainability reporting;
  - 2.9.7 taking note of the reporting by the external auditor about the scope and coverage of the work he/she has performed;
  - 2.9.8 preventing unnecessary overlapping of work between Group Audit and the external auditor;
  - 2.9.9 resolving any disagreements between Group Audit and the external auditor regarding the demarcation, coordination and overlapping of their work;
  - 2.9.10 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;
  - 2.9.11 informing the Supervisory Board of the outcome of the assurance of sustainability reporting and explain how the Audit Committee contributed to the integrity of sustainability reporting and what the role of the Audit Committee was in that process;
  - 2.9.12 assessing and monitoring the external auditor's independence and objectivity, in particular the appropriateness of the provision of non-audit services to the audited institution, taking into consideration all statutory, regulatory and professional requirements, as well as the 'Auditor Independence Policy';
  - 2.9.13 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;
  - 2.9.14 determining how the external auditor is involved in the content and publication of financial and sustainability reports, other than the annual financial statements;
  - 2.9.15 meeting with the external auditor as often as it considers necessary, but at least once per year outside the presence of the Executive Board.
- 2.10 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 and sustainability reports.
- 2.11 The responsibilities of the Audit Committee relating to audit procedures and non-audit services include:
- 2.11.1 maintaining the relationship with the external auditor in accordance with the terms of the advance authorisation of activities by external companies as laid down in the relevant policy;
  - 2.11.2 assessing and monitoring all audit, audit-related and non-audit services of the external auditor, subject to application of section 2.9.12.
- 2.12 The Audit Committee reports annually to the Supervisory Board 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 three (3) years of the functioning of the external auditor in the various entities and the capacities in which the external auditor acts.

- 2.13 The Audit Committee may enlist the assistance of an internal or external adviser, including independent legal advisers or auditors, for the performance of its duties. The Group provides the required financial resources, as determined by the Audit Committee, to pay the invoices of the advisers it has engaged.

### **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 appointment of the members takes immediate effect. The members are appointed until further notice.
- 3.2 More than half of the members must be independent within the meaning of section 4.6 of the Rules of Procedure.
- 3.3 At least one of the members of the Audit Committee must be a Financial Expert.
- 3.4 A minimum of two (2) members must have a thorough knowledge of financial and sustainability reporting, internal control and internal and external audit or the necessary experience to enable them to carry out sound supervision of these subjects.
- 3.5 In addition to the definition of 'independence' in section 4.6 of the Rules of Procedure a member of the Audit Committee is deemed to be independent only if he/she (other than in his/her capacity as a member of the Audit Committee, the Supervisory Board or any other Committee of the Supervisory Board) does not:
- 3.5.1 accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Group, with the exception of a pension or deferred compensation for prior service with the Group that is not contingent on future service or any other regular benefits that other members of the Supervisory Board receive;
  - 3.5.2 hold, and has not held within the past three (3) years, the position of partner, executive officer or managing director (or similar position) in an entity that provides accounting, consulting, legal or financial services to the Group;
  - 3.5.3 qualify as a person affiliated to the Company or a Group Company, where a 'person affiliated to the Group' means any person who, directly or indirectly, through one or more intermediaries, controls or is controlled by, or falls within the overall control of, the Group or a Group Company or forms part of the economic entity of the Group or a Group Company.

### **4 CHAIR**

- 4.1 The Supervisory Board appoints one of the members of the Audit Committee as chair.
- 4.2 If the chair is absent, the relevant meeting makes its own arrangements for the chairing of the meeting. The meeting will comply with the provision of clause 4.3 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 of one of the other Committees or a former member of the Executive Board.
- 4.4 The chair is in any event responsible for the proper functioning of the Audit Committee. He/she acts as spokesperson of the Committee and is the principal point of contact for the Supervisory Board. The head of Group Audit is independent and has specialist knowledge and experience of the application of accounting principles and internal control processes.
- 4.5 The chair of the Risk & Capital Committee sits on the Audit Committee and the chair of the Audit Committee sits on the Risk & Capital Committee.
- 4.6 The head of Group Audit has access, inter alia, to the chair of the Audit Committee.

## **5 MEETINGS**

- 5.1 The Audit Committee meets as often as it deems necessary, but at least four (4) times each year. Two of the meetings will take place immediately prior to the submission of the annual and half-yearly financial statements to the Supervisory Board. The Audit Committee meets with the external auditor, other than in the presence of the Executive Board, as often as it deems necessary, but at least once a year.
- 5.2 In addition, the chair of the Supervisory Board and a member of the Audit Committee may, in consultation with the chair of the Audit Committee, call an unscheduled meeting. The chair of the Executive Board, the head of Group 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.
- 5.3 As a rule, the meetings are held at the offices of the Company, but they may also be held elsewhere.
- 5.4 Meetings may also be held by telephone or videoconferencing or by comparable means of communication, provided that all participants can hear each other simultaneously.
- 5.5 Unless the Audit Committee determines otherwise, the following persons should in principle attend the meeting:
- i. the CEO
  - ii. the CFO
  - iii. the head of Accounting & Consolidation
  - iv. the head of Group Audit
  - v. the head of Controlling
  - vi. the CRO
  - vii. the external auditor.
- 5.6 Specialists and other members of the Executive Board may be requested to attend meetings for specific issues or to give presentations to the Audit Committee.
- 5.7 A meeting may be held only if at least two members of the Audit Committee are present.
- 5.8 In so far as practically feasible, the notice calling 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 or at least

within six (6) weeks after the meeting took place. After each meeting the Supervisory Board will be informed 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, in so far as reasonably possible, also been able to express their opinion on this matter, and a majority of members of the Audit Committee have declared in writing (including by e-mail) that they are in favour of the proposal.
- 5.11 The Audit Committee informs the Supervisory Board on its deliberations and findings. This report includes the following information:
- 5.11.1 the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
  - 5.11.2 the methods used to assess the effectiveness of the internal and external audit processes;
  - 5.11.3 material considerations concerning financial and sustainability reporting;
  - 5.11.4 the outcome of the statutory audit and, where applicable, the outcome of the assurance of sustainability reporting and an explanation on how the statutory audit and the assurance of sustainability reporting contributed to the integrity of financial reporting and sustainability reporting respectively, and what the role of the Audit Committee was in that process;
  - 5.11.5 the way in which the material risks and uncertainties included in the Executive Board report have been analysed and discussed, along with a description of the most important findings of the Audit Committee.

## **6 INFORMATION / REPORTING**

- 6.1 The Audit Committee and its individual members may request the Executive Board, the head of Compliance, the head of Group Audit and the Company's external auditor 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 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.

- 6.3 Information must be periodically exchanged between the Audit Committee, Group Audit and the external auditor, if necessary in cooperation with the Risk & Capital Committee. The risk analysis and the audit plan of Group Audit and of the external auditor are also the subject of consultation in the context of this exchange of information.
- 6.4 The remit of the Audit Committee, including its role and the powers delegated to it by the Supervisory Board, as well as the Group's policy on the independence of the external auditor, as recorded in the 'Auditor Independence Policy', and the adopted policy on the advance authorisation of services by external companies must be published on the Company's website.

## **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.