

Auditor Independence Policy

1 Policy principles and rules

1.1 Policy principles

ABN AMRO maintains a policy for appointing, compensating and oversight of external audit firms performing services for which independence is required such as audit services, assurance services and permitted agreed upon procedures as outlined below. References to the external audit firm include all its internal departments, divisions, parents, subsidiaries and associated entities wherever located. The external audit firm must be registered with the Public Company Accounting Oversight Board (PCAOB).

ABN AMRO maintains a strict policy of avoiding, both in fact and in appearance, any conflict of interest when using the services of the external audit firm.

This policy is guided by the following principles:

- The external audit firm is not involved in the decision-making process at ABN AMRO;
- The external audit firm assures that no direct or indirect financial, business, employment or other relationship exists that would cause an objective, reasonable and informed third party to conclude that the external audit firm's independence has been compromised;
- The external audit firm assures that it complies with its internal rules regarding Auditor Independence;
- The policy should comply with the applicable laws in The Netherlands.

1.2 External audit firm and Audit Committee

1.2.1 Appointment of external audit firm

The external audit firm is appointed by the General Meeting of Shareholders of ABN AMRO, for a selected period of (financial) years. The Supervisory Board of ABN AMRO advises the General Meeting of Shareholders regarding this appointment, using recommendations of the Audit Committee and Executive Board on the appointment of the external audit firm, its engagement to audit the financial statements and the length of the appointment period. Auditor Independence in relation to ABN AMRO is one of the selection criteria. The Supervisory Board supervises the external auditor's functioning, including the independency policy adherence.

1.2.2 Responsibility of the external audit firm

The external audit firm maintains a quality control system that provides assurance that the independence of the firm, its partners, and employees is not impaired. The external audit firm must report quarterly to Group Audit and the Audit Committee on all aspects concerning independence, including audit firm and key staff rotation, and must confirm its independence in writing annually. In case of the presence of any issues with Auditor Independence, the external auditor must report these immediately to Group Audit and the Audit Committee.

1.2.3 Responsibility of the Audit Committee

Via the rules of procedure, the Supervisory Board has delegated specific responsibilities related to the external audit to the Audit Committee. The Audit Committee advises on relevant matters to the Supervisory Board to decide.

According to the Rules of Procedure of the Audit Committee and pursuant to, *inter alia*, the Audit Firms Supervision Act (*Wet toezicht accountantsorganisaties*) and the Decree on Audit Committees (*Besluit instelling auditcommissie*), the Audit Committee is responsible for assessing and monitoring the external auditor's independence and objectivity, taking into consideration all statutory, regulatory and professional requirements, as well as this policy.

The Audit Committee must therefore (i) formally evaluate the independence of the external audit firm; (ii) document its position on this matter; (iii) report on the outcomes to the Supervisory Board and where issues identified as requiring action or adjustment, include recommendations for measures to be taken; and (iv) address changes to this policy or situation as needed each year.

The Audit Committee, in consultation with the Executive Board, designates the Chief Audit Executive to continuously monitor the independence of the external audit firm. The Chief Audit Executive and the external auditor must report periodically to the Audit Committee on the monitoring results.

The external auditor, the Chief Audit Executive, as well as each member of the Supervisory Board and the Executive Board must immediately report to the chairman of the Supervisory Board (and inform the chairman of the Audit Committee) any potential impairment of the external audit firm's independence, including any potential conflict of interest concerning the external auditor and provide him/her with all relevant information in this regard.

The Supervisory Board determines, advised by the chairman of the Audit Committee, whether a reported conflict of interest or potential conflict of interest gives cause to reconsider the engagement of the external auditor or to take other measures to resolve the conflict of interest. The chairman of the Supervisory Board ensures that such situations are disclosed in the management report, together with a statement of the conflict of interest and a declaration that the afore-mentioned obligations have been complied with, in accordance with the Rules of Procedure of the Supervisory Board.

In case of a conflict of interest this might result in the termination of the external auditor's engagement. In the event of the early termination of the relationship with the external audit firm, ABN AMRO shall publish a press release in which it will explain the reasons for this early termination.

1.3 External audit firm services

1.3.1 Policy principles

The external audit firm must remain independent of ABN AMRO both in fact as well as in appearance. External audit firm independence is impaired when the external audit firm accepts engagements to provide services which:

- Create a substantial mutual or conflicting interest between the external audit firm and ABN AMRO;
- Result in the external audit firm functioning in the role of management;
- Place the external audit firm in the position of auditing its own work;
- Place the external audit firm in the position of being an advocate for ABN AMRO.

1.3.2 Permitted services

Consistent with the policy and subject to the pre-approval requirements of the Audit Committee, the external audit firm of ABN AMRO may provide the audit services, assurance services and permitted agreed upon procedures listed in this chapter. Performance of any non-audit services by the external audit firm are fully prohibited by Dutch law.

The total (annual) fee amount of assurance services and permitted agreed upon procedures should not exceed 70% of the total (annual) audit services fee. Above the indicated threshold services are possible in exceptional cases with the approval of a Competent Authority (e.g. AFM) and only with approval of an Executive Board member. For these services, an explicit case by case approval of the Audit Committee is required prior to starting the engagement.

1.3.2.1 Audit services

When the occasion arises that audit services are to be provided by the external audit firm, pre-approval should be obtained from ABN AMRO in line with paragraph 2.4. The external audit firm normally provides audit services in connection with statutory or regulatory filings or engagements.

Audit services include services that provide assurance on the fair presentation of financial statements and encompass the following specific services:

- Performing an audit of ABN AMRO's consolidated annual financial statements;
- Performing statutory audits of the financial statements of ABN AMRO and/or its subsidiaries;
- Issuing a required audit opinion on some elements of the Annual Report and regulatory reporting;
- Reviewing ABN AMRO's interim financial statements or quarterly figures;
- Accounting and tax consultations in connection with the audit and review of ABN AMRO (interim) financial statements;
- Attest services required by statute or regulation, including issuing attestations to management's report on ABN AMRO's internal controls for financial reporting;
- Auditing electronic data processing, IT systems and IT security as part of financial statement audits.

1.3.2.2 Assurance services and permitted agreed upon procedures

When the occasion arises that assurance services or permitted agreed upon procedures are to be provided by the external audit firm, pre-approval should be obtained from ABN AMRO, similar to the procedure for audit services. Assurance services and permitted agreed upon procedures are defined as certifications and attestations, being assurance and related services that are reasonably related to the performance of audit services and assurance services or other work traditionally provided to ABN AMRO by the external audit firm in its role as external auditor. Most of these types of services can be characterised as non-recurring and result in a certification or a specific report of factual findings relating to financial information. Agreed upon procedures not reasonably related to financial information are not permitted. All services should be allowed according to Dutch law.

Assurance services and permitted agreed upon procedures might include:

- Assurance services as defined by the Dutch professional auditors' organisation 'Nederlandse Beroepsorganisatie Accountants' NBA in the NV COS standards, which are aligned with international rules.

Standards mentioned above do include:

- Comfort/consent letters and other agreed upon procedures for offering circulars, prospectuses and registration statements in connections with securities offerings;
- Third party assurance, internal control assurance (e.g. International Standard on Assurance Engagements (ISAE) 3402 reviews);
- Tax compliance certifications/attestations;
- Agreed upon procedures relating to financial information.

1.3.3 Prohibited services

Consistent with the policy statement, the external audit firm is prohibited to provide ABN AMRO with any service not permitted in Paragraph '1.3.2 Permitted services'.

1.4 Audit Committee pre-approval

1.4.1 Policy principles execution

The Audit Committee is responsible for pre-approving audit, assurance services and permitted agreed upon procedures provided by the external audit firm in order to ensure that such services do not impair the independence of the external audit firm. The external audit firm is responsible to report any conflict with Auditor Independence to the Audit Committee, including sufficient explanation.

To ensure the prompt handling of matters, the Chief Audit Executive of ABN AMRO supports the Audit Committee to take responsibility to pre-approve all individual services as they occur. The pre-approval by the Chief Audit Executive is performed based on pre-defined services as described in paragraph 1.3.2 Permitted services, agreed by the Audit Committee by approving this policy. The Chief Audit Executive must report all pre-approval decisions to the Audit Committee. The overall authority for approval of external audit services remains at the Audit Committee.

The period of validity of any pre-approval is 12 months (maximum) from the date of pre-approval, unless the Audit Committee decides upon a different period and states otherwise.

1.5 Rotation

1.5.1 Audit partner rotation

ABN AMRO requires the external audit firm to adhere to a rotation policy that is widely accepted and provides an appropriate balance between continuity (e.g. effectiveness and efficiency, skills and experience ensuring audit quality and acceptable level of audit costs), risk management, independence and credibility. This implies a rotation of audit partners in accordance with applicable domestic and international rules. ABN AMRO expects the external auditor to apply the rotation rules per audit partner and key audit staff member, which is appropriately managed via a gradual rotation mechanism.

1.5.2 Audit firm rotation

ABN AMRO will comply with the applicable rules for rotation of the Audit Firm. Based on the EU regulation 537/2014, applicable as per 17 June 2016 both in the Netherlands and Europe, the rotation term is 10 years.