

## **Annex E – Terms of Reference of the Assurance Quality Committee of the Supervisory Board of Ernst & Young Accountants LLP**

These terms of reference of the Assurance Quality Committee (or AQC) were approved by the Board of Directors of Ernst & Young Nederland LLP (EYNL) and subsequently adopted on 24 September 2021 2021 by the Supervisory Board (SB EYA) in accordance with Articles 1.3 and 5.3 of the Charter SB EYA. Terms used in these terms of reference refer to the meaning given to them in the Charter SB EYA.

### **1 Composition of the Assurance Quality & Governance Committee**

- 1.1 The Assurance Quality Committee shall consist of at least two members. If the number of members of the Assurance Quality Committee falls below the aforesaid minimum for longer than three months, the tasks of the Committee shall be taken over by the SB EYA as a whole.
- 1.2 The SB EYA shall appoint the members of the Assurance Quality Committee from among its own members.
- 1.3 Without prejudice to Article 2.7 of the Charter SB EYA, with regard to the composition of the Assurance Quality Committee it shall need to be taken into account that at least one of its members shall have relevant knowledge and experience in the field of quality policies at audit firms.

### **2 Tasks of the Assurance Quality & Governance Committee**

- 2.1 Without prejudice to Article 5.1. of the Charter SB EYA, the Assurance Quality Committee advises the SB EYA with regard to its task and prepares the decision-making of the SB with regard to it.
- 2.2 The tasks of the Assurance Quality Committee include:
  - a) supervising and rendering advice the Board EYA regarding the audit quality control system;
  - b) annually discussing the intentions with regard to EYA's audit quality policies with the Board EYA;
  - c) consulting with the Board EYA, the Quality Leader Nederland and/or the Compliance Officer on promoting and assessing audit quality;
  - d) preparing the discussions with the AFM;
  - e) consulting with the Board EYA on the outcome of compliance with the internal quality indicators as reported to the SB EYA;
  - f) discussing the outcomes of the internal and external quality assessments with the Board EYA;
  - g) preparing the approval and safeguarding of EYA's audit quality policies and the promotion and assessment of audit quality by the SB EYA;
  - h) preparing decisions pursuant to the Clawback Regulation;
  - i) preparing reporting by the SB EYA concerning the tasks of the Assurance Quality Committee;
  - j) overseeing the effectiveness of the quality organization and the quality policies of EYA.

### **3 Chair**

- 3.1 With due observance of the provision in Article 1 of these terms of reference, the SB EYA shall appoint one of the committee members as the Chair. The Chair is mainly responsible for the proper performance of the Assurance Quality Committee. The Chair shall act as spokesperson of the Quality & Governance Committee and shall serve as the prime contact for the SB EYA.

- 3.2 Where reference is made in these terms of reference to the Chair, this refers, unless stated otherwise, to the Chair of the Assurance Quality Committee.

**4 Assurance Quality & Governance Committee meetings**

- 4.1 The Assurance Quality Committee shall meet at least three times a year and, furthermore, as frequently as the majority of its members consider necessary. The meetings will, as a rule, be held at the EYA office, but may also be held elsewhere.
- 4.2 The Assurance Quality Committee shall decide whether the meetings of the Committee shall be attended by one or more members of the Board EYA.
- 4.3 Meetings will be convened by the Chair. To the extent practically feasible, the announcement and the agenda of items to be discussed will be provided to the members of the Assurance Quality Committee seven days before commencement of the meeting.
- 4.4 Minutes shall be kept of the meeting by the person designated by the Chair of the meeting for that purpose. As a rule, such minutes will be sent as soon as possible to the members of the Assurance Quality Committee and confirmed during the next committee meeting unless all members agree to the contents thereof earlier.

**5 Corresponding application of the Charter SB EYA**

The articles of the Charter SB EYA shall also apply correspondingly to these terms of reference.