

## **Annex G - Terms of Reference of the Audit & Risk Committee of the Supervisory Board of Ernst & Young Accountants LLP**

These terms of reference of the Audit & Risk Committee (or ARC) were approved by the Board of Directors Ernst & Young Nederland LLP (EYNL) and subsequently adopted on 12 February 2020 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 Audit & Risk Committee**

- 1.1 The members of the Audit & Risk Committee of the SB EYA and the Audit & Risk Committee of the SB EYNL form a personal union. The Audit & Risk Committee shall consist of at least two members. If the number of the members of the Audit & Risk 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 Audit & Risk 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 Audit Quality & Governance 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 overseeing the administration and the financial reporting of audit firms, listed companies or other large businesses or professional practices.

### **2 Tasks of the Audit & Risk Committee**

- 2.1 Without prejudice to Article 5.1. of the Charter SB EYA, the Audit & Risk Committee advises the SB EYA with regard to its task and prepares the decision-making of the SB EYA with regard to it.
- 2.2 The tasks of the Audit & Risk Committee include:
  - a) preparing the decisions and the supervision by the SB EYA of, and the rendering of advice to, the Board of Directors with regard to financial matters the financial reporting process including the financial statements and annual budgets, bond issues, acquisitions of participations and investments requiring an amount of EUR 15 million or more as well as the design and operation of the internal risk management and control systems;
  - b) supervision of compliance with relevant laws and rules and regulations with regard to financial reporting;
  - c) discussing with the Board EYA the risk appetite of EYA and the professional practice affiliated with it;
  - d) supervising the provision of financial information by EYA (the impact of the selection of accounting policies, application and assessment of effects of new rules, insight into the treatment of accounting estimates in the financial statements), taking into account EY's Global Accounting policies;
  - e) maintaining regular contact with, and supervising, the functioning of the external auditor;
  - f) supervising compliance with recommendations and follow-up of findings of the external auditor;
  - g) consulting with the Board EYA, the Risk Leader EYA, the Chief Financial Officer, and /or head of Internal Audit (or their deputies);
  - h) preparing reporting by the SB EYA concerning the tasks of the Audit & Risk Committee.

### **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 responsible mainly for the proper performance of the Audit & Risk Committee. The Chair shall act as spokesperson of the Audit & Risk 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 Audit & Risk Committee.

### **4 Audit & Risk Committee meetings**

- 4.1 The Audit & Risk 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 EYA's office, but may also be held elsewhere.
- 4.2 The Audit & Risk Committee shall decide whether the meetings of the Committee shall be attended by one or more members of the Board EYA or the Chief Financial Officer of EY in the Netherlands.

The external auditor of EYA can if necessary request the Chair of the Audit & Risk Committee to be allowed to attend a meeting of the Audit & Risk Committee.

The Audit & Risk Committee shall at least one a year meet with the external auditor of EYA, without the members of the Board EYA being present. Without prejudice to the foregoing, the Audit & Risk Committee shall determine if and when the chair or members of the Board EYA, the officer responsible for financial matters or the external auditor will be present at its meetings.

- 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 Audit & Risk 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 Audit & Risk 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.