

Supervisory Board Charter

Ernst & Young Nederland LLP

Preamble

In the view of the wish to establish a supervisory board at the level of Ernst & Young Nederland LLP, which is to protect the interests of EYNL, its affiliated enterprise and professional practices (hereinafter: **EYNL**) as well as the public interest to guarantee the quality of legal controls, EYNL established a supervisory board as from 1 July 2015 (hereinafter: the **SB EYNL**). The initial members were appointed by Ernst & Young Europe LLP upon a nomination made by the board of directors of EYNL (hereinafter: the **Board of Directors**). On 29 March 2019 Ernst & Young Europe LLP was replaced by EY Europe SCRL/CVBA (hereinafter: **EY Europe**).

On 18 December 2019 and after approval by EY Europe, the SB EYNL adopted this charter (hereinafter: the **Charter**) which, in combination with the Regulations of EYNL and the Fundamental Rules of EYNL, sets out the organisation and the duties and responsibilities of the SB EYNL.

The overarching task and responsibility of the SB EYNL shall be to supervise the policy of the Board of Directors and the general state of affairs of EYNL where such policy and state of affairs could influence or have an impact (i) on the audit activities and organisation associated with EYNL as performed by Ernst & Young Accountants LLP (hereinafter: **EYA**); and (ii) on other activities and organisations associated with EYNL, if such influence or impact on other activities and organisations in turn influences or has an impact on the quality of the audits, the manner in which the audit activities and audit organisation guarantee the public interest and the process to comply with the independence rules and other rules of conduct within EYNL. Therefore, in performing its role, the SB EYNL is to pay attention to organisation-wide aspects where such aspects may impact the quality of the audits performed by the auditors of EYA which extends to independence, integrity and the interests of external stakeholders with audits, in each case with due respect for and recognition of the independence of other professionals associated with EYNL that are not responsible for performing legal audits and who, in as far as relevant, are subject to their own rules and regulations which are based on applicable law or which have been issued by their own professional associations. With this overarching principle in mind, the task and responsibility of the SB EYNL is set out in more detail in Article 3 of this Charter.

This preamble forms an integral part of this Charter. In the event of any conflict between the following documents, the order of precedence is as follows:

1. The Fundamental Rules of EYNL.
2. The Regulations of EYNL.
3. The preamble of this Charter.
4. The other parts of this Charter.
5. The Annexes to this Charter.

1 Introduction, general provisions

- 1.1 Terms used in this Charter, whether or not written with a capital letter, shall have the meaning given to them in this Charter and in the Glossary contained in Annex A to this Charter.
- 1.2 If one of the provisions of this Charter is not or is no longer valid, this shall not affect the validity of the other provisions. The SB EYNL will replace the invalid provisions with valid provisions, the effect of which, given the content and purport of which, is as similar as possible to that of the invalid provisions.
- 1.3 This Charter and the appendices to it may be amended by SB EYNL providing that the decision to do so was approved in advance by EY Europe, with the provision that no approval is required for annexes B and D. An amendment is referred to in the report of the SB EYNL as referred to in article 3.4 of this Charter.
- 1.4 The following annexes are attached to this Charter, which form an integral part of this Charter:

- Annex A: Glossary.
- Annex B: Profile of the size and composition of the SB EYNL.
- Annex C: Independence requirements for members of the SB EYNL.
- Annex D: Rotation schedule for members of the SB EYNL.
- Annex E: the Regulations of the Audit & Risk Committee of the SB EYNL.
- Annex F: the Regulations of the Talent & Remuneration Committee of the SB EYNL.

- 1.5 This Charter has been published on, and can be downloaded from EYNL's website:
https://www.ey.com/nl_nl/bestuur-nederland

2 Composition

- 2.1 The members of the SB EYNL and the members of the supervisory board of EYA (hereinafter: the **SB EYA**) will form a personal union*. The composition of the SB EYA will be identical to the composition of the SB EYNL. In order to guarantee such identical composition the SB EYNL, EYNL and the Board of Directors shall be responsible to perform all actions (including exercising the right to vote in any corporate body of EYNL and of EYA) that are required to be performed from time to time to:
- a) appoint every person who is appointed as a member of the SB EYNL, at the same time or as soon as possible after the relevant appointment, as a member of the SB EYA, provided that the appointment may only proceed after approval was obtained from the authorised regulatory authority and all other regulatory requirements as well as legal and constitutional terms and conditions have been met or waived;
 - b) simultaneously or as soon as possible after a person is no longer a member of the SB EYNL, dismiss the relevant person as member of the SB EYA or, where applicable, accept the dismissal of the relevant person as a member of the SB EYA,

notwithstanding any prior approval required by EY Europe pursuant to this Charter, the Regulations of EYNL and the Fundamental Rules of EYNL.

- 2.2 The SB EYNL shall consist of a number of members to be determined by EY Europe, being three or five natural persons, who will be appointed by EY Europe subject to a binding nomination of the SB EYNL. The SB EYNL shall nominate a member following a request for a nomination so made by EY Europe. EY Europe may deviate from a nomination so made after the SB EYNL has been given the opportunity to express its opinion.

EY Europe, the Board of Directors and the Works Council of EYNL may recommend persons to be nominated for membership of the SB EYNL. To this end, the SB EYNL shall inform EY Europe, the Board of Directors and the Works Council of EYNL in good time when, as a result of which and in accordance with which profile, a vacancy arises at the SB EYNL.

- 2.3 Supervisory directors may be suspended and dismissed by EY Europe after the SB EYNL has been given the opportunity to express its opinion. Supervisory directors may also resign at their own initiative. After dismissal or resignation of a supervisory director, the SB EYNL will be given the opportunity by EY Europe to make a binding nomination for the appointment of a new supervisory director whereby the stipulations as set out in Article 2.2 of this Charter shall apply.
- 2.4 The SB EYNL will prepare and adopt a profile of its size and composition (being a role description and description of the skillset required of its members), taking into consideration the nature of the enterprise, its activities, the required expertise, experience, background, skills and independence of the members of the SB EYNL. The SB EYNL will annually evaluate the profile. The current profile of the SB EYNL is provided in Annex B to this Charter. The profile will be determined and amended after consultation with EY Europe.
- 2.5 The composition of the SB EYNL shall be such that the combination of experience, expertise, background, competencies and independence of its members meets the profile as set out in Annex B and enables the SB EYNL to act in accordance with its obligations as laid down herein and in accordance with applicable laws, rules and regulations.

* A personal union refers to a situation wherein the composition of the members of one (corporate) body mirrors the composition of another (corporate) body, including the body of another entity.

2.6 The members of the SB EYNL shall divide their duties among themselves in accordance with the profile as set out in Annex B. The President of the SB EYNL shall inform the Board of Directors of the allocation of duties of the supervisory directors.

2.7 The following requirements must be observed in the composition of the SB EYNL:

- a) within the scope of the duties and powers of the supervisory board, each of its members must be able to assess the main aspects of overall policy of EYNL, the general course of affairs and its professional practices;
- b) each of its members must fit in the profile provided in Annex B and through his/her participation in the SB EYNL (at (re)appointment and afterwards) the SB EYNL as a whole must be composed in accordance with article 2.5;
- c) at least one of its members must have relevant knowledge and experience in financial administration/accounting with a large professional organisation or with a listed company or other large legal entity;
- d) at least one of its members must have expertise in quality policy in audit firms and the public interest;
- e) each of its members, with the exception of a maximum of one person, must be independent as referred to in articles 2.8 and 2.9;
- f) none of its members may be appointed after the second four-year term of office or after the eighth year in office. For the purposes of this provision, the time that a supervisory director was a member of the Committee on the Public Interest counts;
- g) none of its members may hold more than five supervisory directorships in Dutch listed companies, a chairmanship counting twice;
- h) the President of the SB EYNL must be independent as referred to in Articles 2.8 and 2.9;
- i) each of its members meets the requirements set by the AFM in the context of a suitability and a reliability test;
- j) one Supervisory Director will come from the network of Ernst & Young Global Limited (hereinafter: the **Ernst & Young Global Network**);
- k) the SB EYNL will indicate in its report which SB EYNL member it considers non-independent.

2.8 A member of the SB EYNL will not be considered as independent (and therefore qualify as independent if none of the following applies to him/her) if he/she, or his/her spouse, registered partner or other life companion, foster child or relative by consanguinity or affinity up to the second degree:

- a) receives a personal financial compensation from EYNL or EYA, other than the compensation received for the work performed as a Supervisory Director of EYNL or EYA, or in the normal business operations;
- b) has had an important business relationship with EYNL or EYA (including affiliated entities) in the year prior to being appointed as a Supervisory Director. This in any event includes the case that a supervisory board member, or an office of which he/she is (indirectly) a shareholder, partner, employee or adviser, has acted as adviser to EYNL or EYA (consultant, external auditor, civil-law notary or lawyer) and the case that the supervisory board member is a managing board member or an employee of a bank with which EYNL or a company controlled by it has a lasting and significant relationship. This does not include cases where a supervisory director has where services have been provided by a member firm of the EY organisation to the supervisory director or his/her spouse, registered partner or other life companion, foster child or relative by consanguinity or affinity up to the second degree in conformity with market conditions;
- c) is director of a company in which a member of the Board of Directors or the Board EYA is a Supervisory Director (cross-links);
- d) is an executive director at or was in the five years preceding the appointment, or otherwise holds a management position with a legal entity or entity that cooperates internationally with EYNL or EYA;
- e) during the preceding twelve months has temporarily provided for the management of EYNL or EYA in the absence and inability of members of the Board of Directors, respectively the Board EYA or has been in that period a day-to-day policy maker of EYA.

2.9 Each member of the SB EYNL shall meet the following criteria:

- a) has not worked for or been a member of the day-to-day management or the board of EYA or EYNL for three years prior to taking up his/her position and has not been a day-to-day policy maker of EYA during that period;
- b) has not held any voting rights or financial interests in EYA or EYNL in the three years preceding acceptance of the post;
- c) does not hold any voting rights or financial interests in EYA or EYNL during the period that he/she is a member of the SB EYNL.

Notwithstanding the foregoing, one member of the SB EYNL may come from the Ernst & Young Global Network; the provisions of points (a) and (b) shall not apply to this paragraph.

- 2.10 Each member of the SB EYNL shall be obliged to provide the chairman of that board with the information necessary to determine and, where applicable, maintain information about his/her:
- a) sex;
 - b) age;
 - c) principal position;
 - d) nationality;
 - e) other positions;
 - f) date of first appointment;
 - g) the current term for which he/she has been appointed.
- The President shall ensure that this information is published in the report of the supervisory board.

- 2.11 The composition of the SB EYNL shall aim at a balanced distribution of seats between women and men, being at least 30% women and at least 30% men.

- 2.12 The composition of the SB EYNL is published by EYNL on its website. EYNL shall immediately publish changes in the composition of the SB EYNL on its website.

- 2.13 EYNL and its affiliated companies are bound by national and foreign rules on independence. These independence requirements for the members of the Supervisory Board are set out in more detail in Annex C. The Supervisory Board adopts and amends this Annex C at the proposal of the Board of Directors after approval by EY Europe. If the independence of a member of the Supervisory Board is at stake because of changed circumstances, this issue must be discussed and resolved with the chairman of the Board of Directors and the EYNL's independence leader without delay.

3 Duties, powers and responsibilities of the SB EYNL

- 3.1 The task and responsibility of the Supervisory Board is to supervise (the policy of) the Board of Directors and the general state of affairs concerning EYNL, insofar as this concerns (i) the accountancy practice in the Netherlands associated with EYNL as exercised by EYA; and (ii) other professional practices other than EYA, to the extent that such policy and general affairs affect audit quality, the way in which the accounting firm safeguards the public interest and compliance with independence rules, integrity and other rules of conduct within EYNL. The SB EYNL provides advice to the Board of Directors on the above matters. In fulfilling its duties, the SB EYNL focuses on the interests of EYNL and the professional practices associated (including the members/partners/professionals and the employees) and on the public interest to safeguard the quality of statutory audits. The SB EYNL is responsible for the quality of its own performance.

In performing its task the role of the SB EYNL will focus on the following key dimensions (i) the independence of external auditors and related compliance procedures, (ii) the brand and the reputation of EY in the Netherlands (iii) the effectiveness of the design and operation of the internal risk management and control systems, (iv) the procedure for dealing with reports and complaints, (v) compliance with laws and regulations and other relevant rules of conduct; and (vi) the establishment and implementation of internal procedures that ensure that all relevant information is known to the SB EYNL on time.

- 3.2 The duties, powers and responsibilities of the SB EYNL shall include the following:
- a) supervising and rendering advice to the Board of Directors on (i) the realization of the objectives of EYNL and the related professional practices, (ii) the strategy (for long-term value creation) of EYNL and the risks associated with the partnership's professional

practises, (iii) the financial reporting process and the integrity and quality of EYNL's financial reporting, (iv) the design and operation of EYNL's internal risk management and control systems, (v) compliance with the laws and regulations by EYNL and (vi) the aspects of socially responsible professional practice relevant to EYNL, each time only as far as this may have material impact on EYA; and

- b) disclosure of and overseeing compliance with the chosen corporate governance structure of EYNL as set out in this Charter, the Fundamental Rules and Regulations, in which it will be considered that EYNL is an LLP governed by the laws of England and Wales.
- c) approving the annual accounts of EYNL;
- d) approving the annual budget of EYNL;
- e) being consulted on the appointment and dismissal of the Head of Internal Audit and his/her deputy. The SB EYNL assesses the periodic reports of these officers;
- f) upon a request from EY Europe, making a binding nomination for the appointment of members of the Board of Directors. EY Europe may recommend to the Supervisory Board persons to be nominated for appointment as member of the Board of Directors. In case EY Europe rejects the nomination, the SB EYNL shall make a new binding nomination for the appointment;
- g) after having informed EY Europe, suspending and dismissing members of the Board of Directors in such capacity only, without prejudice to EY Europe's authority to do so. EY Europe will only take a resolution to dismiss members of the Board of Directors in such capacity only after consulting the SB EYNL. If a suspension has not been converted into a dismissal within three months, the suspension shall automatically lapse;
- h) determining the remuneration (taking into account the remuneration policy) and the contractual conditions of the members of the Board of Directors in that capacity;
- i) formulating principles for the time allocation of members of the Board of Directors to management and management tasks, respectively to work for clients;
- j) at least once a year, without the Board of Directors being present, evaluating and assessing the functioning of the SB EYNL, the SB EYNL committee(s) as well as their individual members (including an assessment of the profile sketch for the SB EYNL and the induction, education and training program (see Articles 2.4 and 11) and discussing the findings thereof with EY Europe;
- k) at least once a year, without the Board of Directors being present, evaluating and assessing the functioning of the Board of Directors as well as their individual members and discussing the findings thereof;
- l) supervising the establishment and the operation of the procedure for the reporting of (alleged) abuses, irregularities, and complaints;
- m) dealing with and deciding on reported alleged abuses, irregularities and complaints concerning the functioning of the members of the Board of Directors as referred to in Article 12.4;
- n) making a decision to apply a claw-back to members of the Board of Directors in accordance with the claw-back scheme applicable to EYNL and EYA; and
- o) approving the private investment regulations for partners of EYNL insofar as these exceed the independence regulations.

3.3 The following decisions of the Board of Directors are also subject to the approval of the SB EYNL:

- a) a resolution to issue bonds in connection with loans to be obtained by means of a loan from EYNL or from a limited partnership or general partnership of which EYNL is fully liable partner and requesting admission of these documents to trade on a regulated market or a multilateral trading facility, as referred to in Section 1: 1 of the Act on Financial Supervision or a system similar to a regulated market or multilateral trading facility, from a non-Member State or requesting the withdrawal of such permission;
- b) entering into or terminating EYNL's long-term cooperation with another legal entity or partnership or as a fully liable partner in a limited partnership or general partnership, if this cooperation or termination is of major significance to EYNL.
- c) the acquisition of a participation of a value of EUR 15 million or more in the capital of another company, as well as the substantial increase or decrease of such a participation;
- d) investments requiring an amount of EUR 15 million or more;
- e) amending EYNL's Regulations;
- f) filing for bankruptcy and suspension of payments of EYNL;
- g) termination of the employment contract of a significant number of EYNL's employees simultaneously or within a short period of time;
- h) radical change in the working conditions of a significant number of EYNL's employees.

The approvals shall not unreasonably be withheld.

A resolution by EY Europe to amend the Fundamental Rules of EYNL is also subject to the approval of the SB EYNL.

- 3.4 Each year after the end of EYNL's financial year, the SB EYNL will draw up, discuss with the Board of Directors and publish a report on the functioning and activities of the SB EYNL and its committee(s) in that financial year. The report shall at least contain (as far as applicable):
- a) a report on how the SB EYNL has fulfilled its role in the past financial year with regard to all tasks and powers assigned to the SB EYNL;
 - b) a report on the performance of the duties of the committee(s) in the past financial year;
 - c) an account of the manner in which the SB EYNL was involved in the formulation and supervision of the implementation of the strategy;
 - d) an account of the main substantive findings, discussions and decision-making of the SB EYNL;
 - e) a description of the amendments to this Charter and/or its annexes pursuant to Article 1.3 of this Charter;
 - f) a justification regarding deviations from the profile as laid down in Annex B and of Articles 2.4, 2.5 and 2.7 of this Charter in the composition of the SB EYNL;
 - g) an indication which members of the SB EYNL may and may not, in the opinion of the Supervisory Board, be regarded as independent within the meaning of Articles 2.8 and 2.9 of this Charter;
 - h) an overview for each supervisory director of the characteristics mentioned in Article 2.10 of this Charter;
 - i) the attendance rate of each supervisory director at SB EYNL and its committee meetings;
 - j) an indication of the holding of the discussions described in Article 9.5 of these is Charter;
 - k) a publication of all decisions of the SB EYNL in which conflicts of interest have arisen, stating the conflict of interest and a declaration that Articles 10.1 to 10.5 of this Charter have been complied with;
 - l) the composition of the committee(s), the number of committee meetings and the main subjects discussed in the meetings; and
 - m) the manner in which the evaluation of the SB EYNL, the individual committee(s) and the individual supervisory directors was carried out, as well as the manner in which the evaluation of the Board of Directors and its individual members was carried out and what has been or is being done with the conclusions of the evaluations.

4 President, Vice-President and Secretary

- 4.1 EY Europe appoints the President of the SB EYNL in function, with due observance of the provisions of Article 2.7 sub h). The SB EYNL appoints a Vice-President from among its members.
- 4.2 The President determines the agenda, chairs the meetings of the SB EYNL, supervises the proper functioning of the SB EYNL and its committee(s), provides adequate information to the members of the SB EYNL, ensures that there is sufficient time for the decision-making, ensures the induction and education or training program for the members of the SB EYNL, is the main point of contact for the Board of Directors on behalf of the Supervisory Board and initiates the evaluation of the functioning of the SB EYNL and the Board of Directors. The President consults with the Dutch delegation in the Regional Partner Forum, or with its chairman, on all matters they consider relevant.
- 4.3 The President of the SB EYNL shall ensure the following:
- a) the members of the SB EYNL attend their induction and education or training programs;
 - b) the timely and adequate provision of information to the members of the SB EYNL as necessary for the proper performance of their duties, including (i) HR-related information where relevant, (ii) reports of alleged irregularities where relevant, (iii) major complaints and claims and their handling, (iv) relevant correspondence between EYNL and its external supervisors ((incident)reports, statements) and (v) results of employee satisfaction surveys;
 - c) ensuring that there is ample time for the SB EYNL to obtain advice, deliberation and decision-making;

- d) managing the committee(s) of the SB EYNL and supervising their proper functioning and evaluation;
- e) taking care of the annual evaluation and assessment of the functioning of the members of the Board of Directors and the SB EYNL;
- f) taking care of the appointment of a Vice-President of the SB EYNL;
- g) that the contacts with the Board of Directors are proceeding properly and timely and carefully informing the other members of the SB EYNL about the outcomes;
- h) receiving, and deciding on, reports of potential conflicts of interests as referred to in Article 10;
- i) receiving and deciding on reported alleged irregularities concerning the functioning of the members of the Board of Directors as referred to in Article 12.2;
- j) an annual meeting takes place between a delegation from the SB EYNL and a delegation from the works council.

4.4 The SB EYNL is supported by a secretary. The secretary shall, either on the recommendation of the SB EYNL or otherwise, be appointed and dismissed by the Board of Directors after obtaining the approval of the SB EYNL. The secretary (hereinafter: **Secretary**) shall be responsible in particular for:

- a) following the correct procedures and acting in accordance with the legal and statutory obligations (including the obligations under this Charter);
- b) supporting the President of the SB EYNL in the actual organisation of the SB EYNL (information, agenda, evaluation, etc.);
- c) the induction, education and training programs.

5 The Committees of the SB EYNL

5.1 The SB EYNL has two committees, namely an Audit & Risk Committee (hereinafter: **Audit & Risk Committee**) and a Talent & Remuneration Committee (hereinafter: **Talent & Remuneration Committee**). The committee is set up by the SB EYNL and are composed of its members. The (entire) SB EYNL remains responsible for decisions, even if these have been prepared the SB EYNL committee in question.

5.2 The members of the Audit & Risk Committee and the Talent & Remuneration Committee of the SB EYA and the Audit & Risk Committee and the Talent & Remuneration Committee of the SB EYNL form a personal union. The composition of the Audit & Risk Committee and the Talent & Remuneration Committee of the SB EYA will be identical to the composition of the Audit & Risk Committee and the Talent & Remuneration Committee of the SB EYNL. Article 2.1 will, in so far as possible, apply accordingly.

5.3 The SB EYNL shall, after approval by EY Europe, draw up a Charter for the Audit & Risk Committee and the Talent & Remuneration Committee, with due observance of Article 1.3, governing the composition, duties and order of meetings of these committees. The current Charter of the Audit & Risk Committee is rendered in Annex E and the current Charter of the Talent & Remuneration Committee is rendered in Annex F. The Charter and the composition of the Audit & Risk Committee and of the Talent & Remuneration Committee shall be posted on the website as referred to in Article 1.5.

5.4 The composition of the Audit & Risk Committee and of the Talent & Remuneration Committee, the number of committee meetings and the most important items to be discussed therein shall be stated in the report of the SB EYNL.

5.5 If the committees referred to in Article 5.1 has not been (or no longer) established, the provisions as set out in Annex E, respectively Annex F, shall apply to the SB EYNL as a whole.

5.6 After each meeting, the Audit & Risk Committee and the Talent & Remuneration Committee report to the SB EYNL as a whole on their deliberations and findings.

6 (Re)appointment, term of office and resignation

- 6.1 The nomination for (re)appointment of members of the SB EYNL shall be motivated. When reappointing, account shall be taken of the manner in which the candidate has fulfilled his duties as a supervisory director. Supervisory directors shall serve on the SB EYNL for a maximum period of four years, and shall thereafter be eligible for reappointment, provided that the term of office of a member may never exceed two four-year terms, or if applicable, eight years in total. For the purposes of this provision, the time that a supervisory director was a member of the Public Interest Committee of EYA counts.
- 6.2 The SB EYNL will draw up a rotation schedule to prevent, as far as possible, reappointments from occurring at the same time. The current rotation schedule is specified in Annex D to this charter. Without prejudice to Article 6.3. the members of the SB EYNL will retire according to the rotation schedule.
- 6.3 Members of the SB EYNL may be required to retire early in the event of inadequate performance, structural incompatibility of interests or when this is desired by the other members of the SB EYNL.

7 Remuneration

- 7.1 The remuneration of the President and the other members of the SB EYNL is determined by EY Europe. The SB EYNL may, in consultation with the Board of Directors, make a recommendation in this regard from time to time. The remuneration of the members of the SB EYNL does not depend on the results of EYNL. In the view of the personal union between the SB EYNL and the SB EYA, the compensation that the members of the SB receive also serve as compensation for their membership of the SB EYA.
- 7.2 None of the members of the SB EYNL may accept personal loans or guarantees from EYNL or EYA. Loans (which may have been present when taking office as supervisory director) may not be cancelled.
- 7.3 The travel expenses of the members of the SB EYNL with regard to attending the meetings of the SB EYNL and the SB EYA will be compensated by EYNL. Accommodation costs and other costs will only be eligible for full or partial reimbursement if this was made with the prior consent of the President of the SB EYNL; the President of the SB EYNL will inform the SB EYNL annually about the costs incurred.
- 7.4 The remuneration, any reimbursement of costs and other terms and conditions agreed on, including the date when the relevant payments will be done, are specified by Ernest & Young Europe and must be recorded in an agreement between EYNL and the relevant member.
- 7.5 When possible, EYNL will conclude liability insurance for the members of the SB EYNL to cover (as far as possible) the costs of civil, criminal and administrative liability, including the costs of legal aid.

8 SB EYNL meetings (agenda, telephone meetings, participation, minutes)

- 8.1 The SB EYNL shall meet at least four times a year and as often as the majority of its members deem necessary. The SB EYNL and the SB EYA will, insofar as possible hold combined meetings, considering the tasks and responsibilities of both bodies.
- 8.2 Meetings will normally be held at EYNL's offices, but may also be held elsewhere. Meetings can also be held by telephone or by video or web conferencing, provided that all participating members can understand each other at the same time. In consultation with the members of the SB EYNL, the President determines a meeting schedule.
- 8.3 In the event of frequent absence, the President shall address the relevant member of the SB EYNL and ask for an explanation.

- 8.4 Unless the SB EYNL decides otherwise, the meetings of the SB EYNL will be attended by one or more members of the Board of Directors, with the exception of (parts of) the meetings dealing with:
- a) the assessment of the functioning of the Board of Directors and its individual members, and the conclusions to be drawn from this;
 - b) the assessment of the functioning of the SB EYNL, its committee(s) and its individual members, and the conclusions to be drawn from this;
 - c) the desired profile, composition and competence of the SB EYNL;
- The chairman of the EYA Board actively informs the SB EYNL about the decision-making process within EYA, EYNL, EY Europe and/or Ernst & Young Global Limited about the strategy and how this is translated into policy for EYA by the day-to-day policymakers, taking into account local laws and regulations and the public interest.
- 8.5 The external auditor of EYNL may be invited to the part of the meeting of the SB EYNL at which the report of the external auditor concerning the audit of the annual accounts of EYNL and the structure thereof are discussed and at which the annual accounts are discussed.
- 8.6 Meetings shall be convened by the Secretary on behalf of the President. As far as practicable, the agenda of items to be discussed and any documents for the meeting shall be provided to the members of the SB EYNL and the chairman of the Board of Directors seven days before the start of the meeting.
- 8.7 The Secretary shall draw up minutes of the meeting. As a rule, these will be adopted at the next meeting; however, if all members of the SB EYNL agree with the content of the minutes, adoption may also take place earlier. Extracts of the adopted minutes may be provided by the Secretary.

9 Resolutions of the SB EYNL (quorum, votes, subjects for discussion)

- 9.1 The SB EYNL may only pass valid resolutions at a meeting if the majority of its members are present, are represented by proxy, or participate using telecom or IT facilities, provided that members with a conflict of interest as referred to in Article 10 do not count towards the determination of this quorum. Vacancies on the SB EYNL do not prevent legal decisions from being taken and do not count towards the determination of the number of members of the SB EYNL.
- 9.2 The SB EYNL may also pass resolutions outside a meeting, provided that the subject in question has been brought to the attention of all members, all members agree to this method of decision-making and each of them has taken part in the decision-making, on the understanding that members who have a conflict of interest as referred to in Article 10 shall not take part in the decision-making. The decision made in this way shall be recorded in writing and signed by the President, with any reactions received in writing attached. The adoption of a resolution outside a meeting must be reported to the next meeting of the SB EYNL and included in the minutes thereof.
- 9.3 Without prejudice to Article 10, the SB EYNL may validly adopt resolutions in or outside a meeting by a simple majority of the members present, represented by proxy or participating using telecom or IT facilities. If the votes are tied, the President shall have a casting vote.
- 9.4 The recurring topics of the meeting will include at least the financial results of EYNL, important decisions on which the SB EYNL must take action and the strategy of EYNL and changes thereto (e.g. the long-term strategy, capital investments that fall outside the budget of EYNL, long-term capital structures, setting up new business units, important acquisitions and disposals) and the reports of the committee(s), insofar as these subjects fall within the scope of the duties and powers of the SB EYNL.
- 9.5 The SB EYNL discusses at least once a year without the Board of Directors being present:
- a) the functioning of the SB EYNL, its committee(s) and that of its individual members, and the conclusions that must be drawn on the basis thereof;
 - b) the desired profile, composition and competence of the SB EYNL;
 - c) the performance of the Board of Directors and that of its individual members, and the conclusions to be drawn from it;

- d) the additional functions of the members of the Board of Directors;
- e) the introduction, training and education programs as referred to in Article 11;
- f) the report of the Audit & Risk Committee on the manner in which the effectiveness of the design and operation of the internal risk management and control systems has been assessed; the manner in which the effectiveness of the internal and external audit process has been assessed; material considerations regarding the financial reporting and the manner in which the material risks and uncertainties are relevant to the expectation of the continuity of EYNL for a period of 12 months after the preparation of the management report, have been analysed and discussed; and the main findings of the Audit & Risk Committee;
- g) the strategy and risks associated with the professional practices associated with EYNL and the results of the Board of Directors' assessment of the design and operation of EYNL's internal risk management and control systems and any significant changes thereto, insofar as these subjects fall within the scope of the duties and powers of the SB EYNL pursuant to Article 3.

The SB EYNL's report shall mention that the meetings have been held.

10 Conflicting interest

10.1 Members of the SB EYNL are alert to any conflict of interest and will in any event:

- a) not demand or accept (substantial) donations from EYNL for themselves, their spouse, registered partner or other life companion, foster child or relative by consanguinity or affinity up to the second degree;
- b) not provide unjustified benefits to third parties at the expense of EYNL;
- c) not use business opportunities that (should) come to EYNL for the personal interest of themselves, their spouses, registered partner or spousal equivalent, foster child or relative by consanguinity or affinity within the second degree.

10.2 Each member of the SB EYNL (other than the President) shall immediately report any potential conflict of interest to the President of the SB EYNL and shall provide him/her with all relevant information, including information concerning his/her spouse, registered partner or other life companion, foster child and relatives by consanguinity or affinity up to the second degree. If the President of the SB EYNL has a potential conflict of interest, he shall immediately report this to the Vice-President of the SB EYNL in accordance with this provision.

10.3 The SB EYNL decides whether or not a conflict of interest applies. The relevant SB EYNL member does not take part in the deliberations on this assessment.

10.4 An SB EYNL member shall not take part in the discussion and decision-making of the SB EYNL on a subject or transaction in which he/she has a direct or indirect interest that conflicts with the interest of EYNL as referred to in Article 3.1.

10.5 All transactions in which there are conflicts of interest with members of the SB EYNL will be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with members of the SB EYNL that are of material significance to EYNL and/or to the relevant members of the SB EYNL require the approval of the SB EYNL.

10.6 The President of the SB EYNL shall ensure that all transactions in which there have been conflicts of interest are published in the report of the SB EYNL, stating the conflict of interest and a declaration that the preceding paragraphs of this article 10 have been complied with.

10.7 For rules regarding the personal financial and general independence that apply to the members of the SB EYNL, see Article 2.13 and Annex C.

11 Introduction programme and ongoing training and education

11.1 After appointment, each member of the SB EYNL follows an induction programme, in which attention is paid to:

- a) general financial and legal matters;
- b) the financial reporting by EYNL;

- c) specific aspects specific to EYNL and its activities;
 - d) the responsibilities of the members of the SB EYNL and the way in which it functions;
 - e) safeguarding the public interest; and
 - f) independence,
- insofar as these subjects fall within the scope of the duties and powers of the SB EYNL.

11.2 The SB EYNL annually assesses which parts of the SB EYNL members require further training or education during their term of appointment.

12 Irregularities and complaints

12.1 The SB EYNL is alert to signals of (suspected) abuses and irregularities.

12.2 The SB EYNL supervises the operation of the procedure for reporting abuses and irregularities or suspicions of abuses and irregularities, the appropriate and independent investigation into signals of abuses and irregularities and, if an abuses or irregularity has been found, the adequate follow-up of any recommendations for remedial action. In order to guarantee the independence of investigations, the SB EYNL has the option, in cases where a member of the Board of Directors is involved, to initiate its own investigation into signals of abuses and irregularities and to direct this investigation.

12.3 The President of the SB EYNL is immediately informed by the Board of Directors of signals of (suspected) material abuses and irregularities within EYNL and the associated professional practices.

12.4 An employee may report any alleged abuses or irregularities concerning the functioning of a member of the Board of Directors directly to the President of the SB EYNL. The chairman of the complaints committee reports all complaints or reports of alleged abuses or irregularities concerning the functioning of members of the Board of Directors to the President of the SB EYNL.

12.5 The chairman of the Complaints Committee provides the SB EYNL with the annual report of the Complaints Committee (including the settlement of reports under the Whistleblower Procedure) and explains this if required.

12.6 The external auditor shall immediately inform the chairman of the Audit & Risk Committee if he discovers or suspects any wrongdoing or irregularity in the performance of his duties. If (the suspicion of) an abuse or irregularity concerns the functioning of a member of the Board of Directors, the external auditor shall report this to the President of the SB EYNL.

12.7 If EYNL introduces another complaints procedure, this Article shall apply mutatis mutandis to that procedure.

13 Information, relationship with the Board of Directors

13.1 The SB EYNL, its committee(s) and its individual members have their own responsibility for requiring the Board of Directors, the internal audit function and the external auditor to provide all information that the SB EYNL requires in order to be able to perform its supervisory role properly. If the SB EYNL considers it necessary, it may seek information from EYNLs officials and external advisors. The Board of Directors shall provide the necessary resources for this purpose. The SB EYNL may invite officers and external advisors of EYNL to attend its meetings or meetings of its committee(s).

13.2 The Board of Directors is responsible for establishing and maintaining internal procedures that ensure that all relevant information is known to the Board of Directors and the SB EYNL in good time. The SB EYNL supervises the establishment and implementation of these procedures.

13.3 The Board of Directors shall provide the SB EYNL in good time with all data necessary for the performance of its duties and powers. Notwithstanding the above, the Board of Directors will annually provide the SB EYNL with EYNL's budget for the coming year, a recent version of EYA's long-term plans and outlines of EYNL's strategic policy, EYNL's general and financial risks, the

design and operation of the internal risk management and control systems of EYNL and information on compliance with all relevant laws and regulations.

- 13.4 The Head of Internal Audit will report the core results of any reviews periodically to the SB EYNL or the Audit & Risk Committee. The SB EYNL may request the Head of Internal Audit to carry out a specific audit (or have one carried out), to provide an explanation of an audit on which a report has been issued or to give advice or to adopt positions on issues raised by the SB EYNL. The Head of Internal Audit shall inform the Board of Directors of the request and shall first provide the audit report, explanation, advice or opinion to the Board of Directors before it is provided to the SB EYNL. In the event of a difference of opinion between the Head of Internal Audit and the Board of Directors regarding the performance or performance of the internal audit function, the Head of Internal Audit may address the SB EYNL.
- 13.5 If a member of the SB EYNL receives information (from a source other than the Board of Directors or the SB EYNL) which is useful for the SB EYNL to perform its duties properly and which he is not obliged to keep secret, he shall make this information available to the President of the SB EYNL as soon as possible. The President will then inform the entire SB EYNL.
- 13.6 In the event of a fundamental difference of opinion between the SB EYNL and the Board of Directors, the President of the SB EYNL will contact the Managing Partner of EY Europe, in order to try to find a solution.

14 Confidentiality, ancillary positions, non-competition

- 14.1 Each member of the SB EYNL is obliged to exercise the necessary discretion with regard to all information and documentation obtained within the framework of his membership and, in the case of confidential information, to observe confidentiality. Members and former members of the SB EYNL shall not disclose or disclose confidential information outside the SB EYNL or the Board of Directors, make it available to the public or otherwise to third parties, unless EYNL has disclosed such information or it has been determined that such information is already publicly available.
- 14.2 Insofar as third parties need to be informed about the deliberations of the SB EYNL, this shall be done by or in consultation with the President of the SB EYNL. The chairperson shall consult with the chairperson of the Board of Directors or the EYA Board on this matter.
- 14.3 Each member of the SB EYNL shall notify the President of the SB EYNL of any additional positions he holds, whether paid or unpaid, and of any changes thereto.
- 14.4 During their term of office and for a period of two years after their resignation in the Netherlands, SB EYNL members shall not accept a SB EYNL membership or supervisory position at, or work as a partner, employee or advisor of, companies that provide services similar to those provided by the Ernst & Young Global Network at the time when the term of office of the relevant member of the SB EYNL ends.

15 Applicable law and choice of forum

- 15.1 This Charter is governed by Dutch law.
- 15.2 All disputes that may arise as a result of this Charter shall be settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute. The arbitral tribunal shall decide according to the rules of law.