



# TERMS OF REFERENCE AUDIT COMMITTEE

Adopted by the Board on 25 September 2024

## 1. INTRODUCTION

- 1.1 These terms of reference have been drawn up by the Board pursuant to Clause 10.4 of the By-Laws of the Board.
- 1.2 The Audit Committee is a standing committee of the Board.
- 1.3 Certain capitalised or uncapitalised terms used but not defined in these terms of reference have the meanings given to them in the Board Rules of the Board and the List of Definitions attached to those By-Laws as Annex 1.
- 1.4 These terms of reference are subject to the investor rights agreement entered into by the Company and certain investors in the Company in relation to, among other things, the governance structure of the Company (the **IRA**). When exercising the rights under or complying with the provisions in these terms of reference, this shall be done in a manner consistent with the IRA and if – and to the extent – there is any conflict and/or inconsistencies between the provisions of these terms of reference and the IRA, the relevant provisions of these terms of reference shall be interpreted in light of the intention and purpose of the IRA.

## 2. COMPOSITION

- 2.1 The Audit Committee shall consist of at least three members. All members of the Audit Committee must be Non-Executive Directors. More than half of the members of the Audit Committee shall be independent within the meaning of Clause 2.3 of the By-Laws of the Board.<sup>1</sup>
- 2.2 At least one member of the Audit Committee shall have competence in accounting and sustainability reporting or auditing.<sup>2</sup>
- 2.3 The members of the Audit Committee shall be appointed and may be replaced at any time by the Board. The Board shall appoint one of the members of the Audit Committee as chairman of the Audit Committee.<sup>3</sup> The Audit Committee shall not be chaired by the Chairman of the Board or by a former Executive Director of the Company.<sup>4</sup>
- 2.4 The term of office of a member of the Audit Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Board as a whole and that of other committees from time to time.
- 2.5 The Company Secretary or any other person as may be designated by the chairman of the Audit Committee shall act as secretary to the Audit Committee. The Company Secretary may delegate his or her duties, or parts

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<sup>1</sup> Dutch Corporate Governance Code, best practice provision 2.3.4.

<sup>2</sup> Audit Committee Decree 2016, section 2(3).

<sup>3</sup> Audit Committee Decree 2016, section 2(3).

<sup>4</sup> Dutch Corporate Governance Code, best practice provision 2.3.4.

thereof, under these terms of reference, to a deputy appointed by him or her in consultation with the chairman of the Audit Committee.

### 3. DUTIES AND POWERS

3.1 Working within the Board, the Audit Committee is charged in particular with:<sup>5</sup>

- (a) the monitoring of the financial-accounting and sustainability reporting process and preparation of proposals to safeguard the integrity of said processes;
- (b) the monitoring of the efficiency of the internal management system, the internal audit system and the risk management system with respect to financial reporting and sustainability reporting;
- (c) the monitoring of the statutory audit of the Annual Accounts and the assurance of the sustainability reporting, and in particular the process of such audit and assurance (taking into account the review of the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten (AFM)*) in accordance with Section 26 EU-Regulation 537/2014);
- (d) the review and monitoring of the independence of the External Auditor and, where applicable, the external assurance provider regarding sustainability matters in compliance with applicable laws and regulations, with a special focus on other services provided to the Company, in accordance with the External Auditor Independence Policy; and
- (e) the adoption of a procedure for the selection of the External Auditor and the nomination for appointment of the External Auditor with respect to the statutory audit of the annual accounts and consolidated accounts and the assurance of the annual and consolidated sustainability reporting.

3.2 Working within the Board, the Audit Committee is furthermore charged with:

- (a) the preparatory work for the Non-Executive Directors' decision-making regarding the supervision of (i) the integrity and quality of the Company's financial and sustainability reporting and (ii) the effectiveness of the Company's internal risk management and control systems. It focuses among other things on the supervision of the Executive Directors with regard to:<sup>6</sup>
  - (i) relations with, compliance with recommendations of and follow-up of comments by, the internal audit function and the External Auditor and any other external party involved in auditing the sustainability reporting;
  - (ii) the funding of the Company;
  - (iii) the application of information and communication technology (ICT), including risks relating to cyber security; and
  - (iv) the Company's tax policy.
- (b) the preparatory work for the Board's supervision of the Company's compliance with applicable legislation and regulations.
- (c) the preparation of meetings of the Board where the Report of the Board, the Annual Accounts and the interim figures of the Company and other aspects concerning financial-accounting and sustainability reporting are discussed.

3.3 Each member of the Audit Committee has access to all relevant books, records and offices of the Company and the authority to interview officers and employees of the Company to the extent necessary or useful for the proper performance of his or her duties. Members of the Audit Committee shall exercise this right in consultation with the chairman of the Audit Committee and the Company Secretary.

3.4 When performing its duties the Audit Committee may seek assistance or information from one or more experts appointed by it at a price agreed upon with the Audit Committee, which will be paid by the Company.

3.5 While the Audit Committee has the responsibilities and powers set forth in these terms of reference, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's Annual Accounts

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<sup>5</sup> Audit Committee Decree 2016, section 2(2) (b-f).

<sup>6</sup> Dutch Corporate Governance Code, best practice provision 1.5.1.

and other financial and sustainability reports and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

- 3.6 The Audit Committee may only exercise such powers as are explicitly attributed to it by the Board and may never exercise powers beyond those exercisable by the Board as a whole.

## 4. DUTIES REGARDING THE EXTERNAL AUDITOR AND THE INTERNAL AUDIT FUNCTION

- 4.1 The Audit Committee shall advise the Board regarding the External Auditor's nomination for appointment, reappointment or dismissal and shall prepare the selection of the External Auditor. During the aforementioned tasks the Audit Committee shall give due consideration to the observations of the Board.<sup>7</sup> Furthermore, the (preparation of the) selection of the External Auditor shall be in accordance with Section 16 EU-Regulation 537/2014, as reflected in the **Annex**.
- 4.2 The Audit Committee shall submit a proposal to the Board for the External Auditor's engagement to audit the Annual Accounts, taking into account the scope of the audit, the materiality to be applied and remuneration for the audit. The Non-Executive Directors shall resolve on the engagement.<sup>8</sup>
- 4.3 The Audit Committee shall determine whether, and if so, how the External Auditor should be involved in the content and publication of financial reports of the Company other than the Annual Accounts.<sup>9</sup>
- 4.4 The Audit Committee shall request that the External Auditor includes in his or her report the matters which the External Auditor wishes to bring to the attention of the Board in relation to his or her audit of the Annual Accounts and the related audits.
- 4.5 The Audit Committee advises on the appointment and dismissal by the Board of the head of the internal audit function.<sup>10</sup>
- 4.6 The internal audit function shall draw up the internal audit plan, after consultation with the Executive Directors, the External Auditor and the Audit Committee.<sup>11</sup>
- 4.7 The internal audit function reports the essence of its audit results to the Audit Committee and the Executive Directors and shall inform the External Auditor thereof. The internal audit function shall have direct access to the External Auditor and the Audit Committee.
- 4.8 The Company shall publish a press release, after consultation with the Audit Committee, in the event of an early termination of the relationship with the external audit firm.<sup>12</sup>
- 4.9 The Board shall assess annually the way in which the internal audit function fulfils its responsibility, after consultation with the Audit Committee. An independent third party should assess the performance of the internal audit function at least every five years.<sup>13</sup>

## 5. MEETINGS

- 5.1 The Audit Committee shall meet as often as required for a proper functioning of the Audit Committee. The

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<sup>7</sup> Dutch Corporate Governance Code, best practice provision 1.6.1.

<sup>8</sup> Dutch Corporate Governance Code, best practice provision 1.6.3.

<sup>9</sup> Dutch Corporate Governance Code, best practice provision 1.7.3.

<sup>10</sup> Dutch Corporate Governance Code, best practice provision 1.3.1.

<sup>11</sup> Dutch Corporate Governance Code, best practice provision 1.3.3.

<sup>12</sup> Dutch Corporate Governance Code, best practice provision 1.6.5.

<sup>13</sup> Dutch Corporate Governance Code, best practice provision 1.3.2

Audit Committee shall meet at least four times a year. The Audit Committee shall meet at least once a year with the External Auditor without the Executive Directors being present.<sup>14</sup> The Audit Committee shall further meet whenever this is deemed necessary by the chairman of the Audit Committee or by two other members of the Audit Committee.

- 5.2 Meetings of the Audit Committee may be held by telephone, videoconference or other electronic forms of direct communication.
- 5.3 Meetings of the Audit Committee are in principle called by the secretary of the Audit Committee in consultation with the chairman of the Audit Committee at a reasonable notice period. Save for urgent cases, to be determined by the chairman of the Audit Committee, the agenda for the meeting shall be sent at least one week before the meeting to all members of the Audit Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.
- 5.4 The chairman of the Audit Committee shall set the agenda and chair the meeting of the Audit Committee.
- 5.5 The head of the internal audit function, the External Auditor and the CFO shall attend the Audit Committee meetings, unless the Audit Committee decides otherwise. The Audit Committee shall decide if and when the CEO should attend its meetings.<sup>15</sup> In addition, independent experts may be invited to attend meetings of the Audit Committee. Each Non-Executive Director may attend meetings of the Audit Committee.
- 5.6 The Audit Committee may require any officer or employee of the Company, its external legal advisers or the External Auditor to attend a meeting of the Audit Committee or to consult with members or advisers of the Audit Committee.
- 5.7 Each member of the Audit Committee has the right to cast one vote. All resolutions must be adopted by an absolute majority of the votes cast. If there is a tie in voting, the chairman of the Audit Committee shall have a casting vote.
- 5.8 Any person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting of the Audit Committee.

## 6. REPORTING TO THE BOARD

- 6.1 The Audit Committee must inform the Board in a clear and timely manner about the way it has used its powers and of major developments in the area of its responsibilities.
- 6.2 The Audit Committee shall report annually and earlier if required, to the Board on the functioning of and its dealings with the External Auditor.
- 6.3 The Audit Committee shall report to the Board on its deliberations and findings. In this report attention shall in any event be paid to:<sup>16</sup>
- (a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
  - (b) the methods used to assess the effectiveness of the internal and external audit processes;
  - (c) material considerations concerning the financial and sustainability reporting; and

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<sup>14</sup> Dutch Corporate Governance Code, best practice provision 1.7.4

<sup>15</sup> Dutch Corporate Governance Code, best practice provision 1.5.2

<sup>16</sup> Dutch Corporate Governance Code, best practice provision 1.5.3

(d) the way in which the material risks and uncertainties referred to in the Report of the Board have been analysed and discussed, along with a description of the most important findings of the Audit Committee.<sup>17</sup>

6.4 The Audit Committee informs the Board of the result of the statutory audit of the Annual Accounts and of the outcome of the assurance of sustainability reporting, with an explanation of the way in which the statutory audit and the assurance of sustainability reporting contributes to the integrity of the financial reporting and sustainability reporting respectively and the role of the Audit Committee in this process.<sup>17</sup>

6.5 The reports of meetings of the Audit Committee are distributed among all Directors as soon as possible after the meeting concerned.

6.6 If requested, the chairman of the Audit Committee shall at meetings of the Board provide the Board with further information on the outcome of the discussions of the Audit Committee.

6.7 Every Non-Executive Director has unrestricted access to all records of the Audit Committee. A Non-Executive Director shall exercise this right in consultation with the chairman of the Audit Committee and the Company Secretary.

## 7. MISCELLANEOUS

7.1 The chairman of the Audit Committee (or one of the other Audit Committee members) shall be available to answer questions regarding the Audit Committee's activities at the General Meeting of Shareholders.

7.2 The Board may occasionally decide at its sole discretion not to comply with these terms of reference, subject to applicable law and regulations.

7.3 The Audit Committee shall review and re-assess the adequacy of these terms of reference annually, report its assessment to the Board and recommend, where appropriate, any proposed changes to the Board.

7.4 The Board can at all times amend these terms of reference and/or revoke any powers granted by it to the Audit Committee.

7.5 Clauses 31.4 to 31.7 inclusive of the By-Laws of the Board apply by analogy to the Audit Committee, while for the application of these terms of reference the power of the Board or the Chairman referred to in these clauses of the By-Laws of the Board, is considered a power of the Audit Committee or the chairman of the Audit Committee.

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<sup>17</sup> Dutch Corporate Governance Code, best practice provisions 1.4.2 and 1.4.3.

## ANNEX

### SELECTION PROCEDURE REGARDING THE EXTERNAL AUDITOR<sup>20</sup>

Unless it concerns the renewal of an audit engagement, the advice of the Audit Committee referred to in Clause 4.1 of these terms of reference shall be prepared following a selection procedure organised by the Company respecting the following criteria:

- (a) the Company shall be free to invite any audit firm to submit proposals for the provision of the statutory audit service on the condition that the cooling down period is respected and that the organisation of the tender process does not in any way preclude the participation in the selection procedure of firms which received less than 15 % of the total audit fees from public-interest entities in the Netherlands in the previous calendar year;
- (b) the Company shall prepare tender documents for the attention of the invited audit firms. Those tender documents shall allow them to understand the business of the Company and the type of statutory audit that is to be carried out. The tender documents shall contain transparent and non-discriminatory selection criteria that shall be used by the Company to evaluate the proposals made by audit firms;
- (c) the Company shall be free to determine the selection procedure and may conduct direct negotiations with interested tenderers in the course of the procedure;
- (d) if the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten, (AFM)*) should require audit firms to comply with certain quality standards, those standards shall be included in the tender documents;
- (e) the Company shall evaluate the proposals made by the audit firms in accordance with the selection criteria predefined in the tender documents. The Company shall prepare a report on the conclusions of the selection procedure, which shall be validated by the Audit Committee. The Company and the Audit Committee shall take into consideration any findings or conclusions of any inspection report on the applicant audit firm;
- (f) the Company shall be able to demonstrate, upon request, to the AFM that the selection procedure was conducted in a fair manner.

The Audit Committee is responsible for the selection procedure referred to in this Annex.

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<sup>20</sup> Based on Section 16(3) EU-Regulation 537/2014. Pursuant to Section 16(4) public interest companies which meet the criteria referred to in Section 2(1) (f) and (t) Directive 2003/71/EC (currently included in Section 2(f)(i) and (ii) Prospectus Regulation (EU) 2017/1129) are not required to apply the selection procedure; it concerns companies that: (i) meet at least two of following three criteria: average number of employees during the financial year < 250, a total balance sheet not exceeding EUR 43,000,000, an annual net turnover not exceeding EUR 50,000,000; and (ii) an average market capitalisation of less than EUR 200,000,000 on the basis of end-year quotes for the previous 3 calendar years.

