

# VASTNED RETAIL N.V.

## AUDIT AND COMPLIANCE COMMITTEE REGULATIONS

Effective date: 1 October 2021

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## AUDIT AND COMPLIANCE COMMITTEE REGULATIONS

These **Regulations** have been adopted by the Supervisory Board on 27 September 2021 and have become effective as of 1 October 2021.

### 1. STATUS AND CONTENT OF THE REGULATIONS

- 1.1 Capitalized terms have the meaning as set out in Annex 1 of these Regulations, and definitions in the singular also include the plural and vice versa.
- 1.2 Any reference in these Regulations to "in writing" means in writing or by any other reproducible electronic communication. These Regulations are intended to supplement the rules and regulations applicable (from time to time) to the Audit and Compliance Committee under Dutch law, or the Articles of Association and should be read in conjunction with the Company's policies and standards.
- 1.3 The following Annex is part of these Regulations:  
Annex 1: Definitions
- 1.4 The Regulations are reviewed annually and amended following developments in laws and regulations related to audit and compliance and laws and regulations that apply to the Company.
- 1.5 These Regulations will be published on the website of the Company.
- 1.6 On the above-mentioned date the members of the Audit and Compliance Committee declared by unanimous resolutions that:
  - 1.6.1 it applies, and considers itself bound by, the obligations arising from these Regulations to the extent that the Regulations apply to them and their individual members.
  - 1.6.2 on appointment of new members of the Audit and Compliance Committee, the Audit and Compliance Committee ensures that these members issue a declaration to adhere to the declaration as referred to in section 1.6.1.
- 1.7 The Executive Board is the Company's statutory managing board within the meaning of article 2:129 DCC. The Executive Committee consists of (i) the members of the Executive Board and (ii) the Executives.

### 2. DUTIES OF THE AUDIT AND COMPLIANCE COMMITTEE

- 2.1 With reference to section 6 of the Supervisory Board regulations, the Audit and Compliance Committee assists the Supervisory Board in the performance of its duties. The Audit and Compliance Committee has been delegated by the Supervisory Board to prepare decisions and advise and support the Supervisory Board on the matters as specified in section 2.2 of these Regulations.
- 2.2 The specific duties of the Audit and Compliance Committee are:
  - 2.2.1 supporting and advising the Supervisory Board in supervising and advising the Executive Board and Executive Committee on the Group's overall risk strategy and policy lines, including its risk management and control framework, risk culture and risk tolerance, risk appetite framework and statement;

- 2.2.2 supporting and advising the Supervisory Board in supervising and advising the Executive Board and Executive Committee on the design, operation and effectiveness of the internal risk management and control systems;
- 2.2.3 supporting and advising the Supervisory Board in supervising and advising the Executive Board and Executive Committee on the application of information and communication technology by the Company, including risks relating to cybersecurity;
- 2.2.4 supporting and advising the Supervisory Board in supervising and advising the Executive Board and Executive Committee on the design, operation, and effectiveness of the compliance function;
- 2.2.5 informing the Supervisory Board of the outcome of the statutory audit, explaining how the statutory audit has contributed to the integrity of financial reporting and what role the Audit and Compliance Committee has played in that process;
- 2.2.6 supporting and advising the Supervisory Board in supervising and advising the Executive Board and Executive Committee on the financial reporting process and making proposals to ensure the integrity and quality of the financial reporting process;
- 2.2.7 monitoring the statutory audit of the annual and consolidated accounts, in particular the conduct of the audit taking into account the assessment of the Authority for the Financial Markets pursuant to Article 26(6) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities;
- 2.2.8 supporting and advising the Supervisory Board in supervising and advising the Executive Board and Executive Committee on the funding of the Company;
- 2.2.9 supporting and advising the Supervisory Board in supervising and advising the Executive Board and Executive Committee on the compliance with laws and regulations;
- 2.2.10 supporting and advising the Supervisory Board in supervising the Executive Board and Executive Committee on the set-up, implementation, and monitoring of the compliance with the code of conduct, compliance, and tax policies and if changes are made to these policies advising the Supervisory Board in respect of the required approval;
- 2.2.11 supporting and advising the Supervisory Board in supervising the Executive Board and Executive Committee on the relations with, and compliance with recommendations and following up of comments by, the internal and external auditors;
- 2.2.12 supporting and advising the Supervisory Board in monitoring relations with the relevant regulatory authorities;
- 2.2.13 ensuring that the manager Internal Audit is able to act independently and can raise concerns and warn the Supervisory Board directly;
- 2.2.14 overseeing Internal Audit and assessing the (follow up of) recommendations of Internal Audit;
- 2.2.15 advising the Supervisory Board in respect of the required approval for the appointment and resignation of the manager Internal Audit;
- 2.2.16 advising the Supervisory Board in respect of the required approval for the annual audit plan of Internal Audit;
- 2.2.17 providing the Executive Board with input for the annual assessment of the way in which Internal Audit fulfils its responsibility;
- 2.2.18 advising the Supervisory Board in respect of the countersigning the financial statements as well as the required approval of the annual accounts of the Company and the quarterly financial statements;
- 2.2.19 establishing a procedure and making a proposal to the Supervisory Board for the selection and nomination of the Group's external auditor. The Audit and Compliance

Committee gives due notice to the Executive Board's and Executive Committee's observation during the aforementioned process;

- 2.2.20 meeting with the external auditor outside the presence of the Executive Board Member at least once a year;
- 2.2.21 making a proposal to the Supervisory Board for the external auditor's engagement to audit the financial statements. The Executive Board will play a facilitating role in this process. In formulating the terms of engagement, attention should be paid to the scope of the audit, the materiality to be used and remuneration for the audit;
- 2.2.22 maintaining regular contact with the external auditor including in particular:
  - i. evaluating the independence, compensation, and any non-audit activities for the Company of the external auditor;
  - ii. evaluating whether, and if so in what manner, the external auditor is involved in the content and publication of the financial reports other than the financial statements;
  - iii. taking note of irregularities in the content of the financial reporting as may be reported to the external auditor;
  - iv. evaluating the external auditor and the fee received by it in connection with the services rendered.
- 2.2.23 informing the external auditor of the content of the reports relating to their functioning to give them a general idea in this respect;
- 2.2.24 determining whether and, if so, how the external auditor should be involved in the content and publication of financial reports other than the financial statements;
- 2.2.25 examining the most important points of discussion arising between the external auditor and the Executive Board on the reports prepared by the external auditor for the Executive Board, Supervisory Board or Audit and Compliance Committee, including the annual management letter (management, organization, and internal control), auditor's report (financial statements) and audit opinion;
- 2.2.26 discussing and monitoring the implementation of the audit plan of the external auditor and the findings of the external auditor based on the work the external auditor has undertaken. The Audit and Compliance Committee will annually discuss with the external auditor:
  - i. the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the external auditor in the audit plan; and
  - ii. based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the financial statements and the management letter.

- 2.3 The chair of the Audit and Compliance Committee reports at least quarterly on the deliberations and findings of the Audit and Compliance Committee to the other members of the Supervisory Board which includes at least an update on:
  - i. the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3 of the Dutch Corporate Governance Code;
  - ii. the methods used to assess the effectiveness of the internal and external audit processes;
  - iii. material considerations regarding financial reporting;
  - iv. the way material risks and uncertainties referred to in best practice provision 1.4.3 of the Dutch Corporate Governance Code have been analyzed and discussed, along with a description of the most important findings of the Audit and Compliance Committee.

- 2.4 The chair of the Audit and Compliance reports at least annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the external auditor which includes information relating to the external auditor's independence, the required rotation of audit partner of the external auditor and the performance of non-audit activities, if any, for the Company by the external auditor. The Audit and Compliance committee should also advise the Supervisory Board on the external auditor's nomination for appointment/reappointment or dismissal and should prepare the selection of the external auditor and should give due consideration to the Executive Board's observations during the aforementioned work.
- 2.5 The external auditor receives the financial information that is necessary for the performance of his/her work in a timely fashion and shall be given the opportunity to respond to the information that has been provided.
- 2.6 The Audit and Compliance Committee ensures and promotes an open dialogue between the Executive Board, Executive Committee, the Supervisory Board, and the external auditor.

### **3. COMPOSITION, EXPERTISE, INTERNAL ORDER, AND INDEPENDENCE**

- 3.1 The Audit and Compliance Committee has two members who are appointed by the Supervisory Board.
- 3.2 The Audit and Compliance Committee makes recommendations that are merely preparatory in nature. Recommendations are made by a majority of the submitted votes. In the event of a tie, the chair of the Audit and Compliance Committee shall have two votes.
- 3.3 Without prejudice to section 3 of the Supervisory Board regulations the following requirements must be taken into account in the composition of the Audit and Compliance Committee:
- 3.4 One of its members is a Financial Expert and has expertise relevant to the sector in which the Company operates;
- 3.5 The majority of its members, amongst which the chair of the Audit and Compliance Committee, must be independent from the Company within the meaning of section 3.4 of the Supervisory Board regulations.

### **4. CHAIR AND COMPANY SECRETARY**

- 4.1 The Supervisory Board will appoint one of its members, with the exception of the chair of the Supervisory Board, as a chair of the Audit and Compliance Committee.
- 4.2 The chair of the Supervisory Board may not be the chair of the Audit and Compliance Committee.
- 4.3 A former member of the Executive Board may not be the chair of the Audit and Compliance Committee.
- 4.4 The chair is responsible for the adequate functioning of the Audit and Compliance Committee. The chair is the first point of contact for the Executive Board Member in respect of matters relating to the Audit and Compliance Committee.

4.5 The Audit and Compliance Committee is supported in the preparation of its meetings by the Company Secretary of the Supervisory Board.

## 5. AUDIT AND COMPLIANCE COMMITTEE MEETINGS

5.1 The Audit and Compliance Committee meets at least four (4) times a year. Meetings may also be convened whenever one or more of its members, or the Executive Board Member, in consultation with the chair of the Audit and Compliance Committee, request a meeting. As a rule, the meetings are held at the offices of the Company, but they may also take place elsewhere. Meetings may also be held by telephone or videoconferencing or by comparable means of communication, provided that all participants can hear each other simultaneously.

5.2 Meetings of the Audit and Compliance Committee preferably take place immediately preceding a Supervisory Board meeting.

5.3 The convening notice will be sent by the Company Secretary on behalf of the chair. Except for urgent cases to be decided at the chair's discretion, the convening notice is sent by e-mail, and to the extent practicable, no later than seven days before the meeting, enclosing the agenda and any documents to be discussed.

5.4 The meeting is presided over by the chair of the Audit and Compliance Committee.

5.5 The external auditor, the manager Internal Audit, the Finance Director and the Executive Board Member are invited to attend all meetings of the Audit and Compliance Committee, unless the Audit and Compliance Committee decides otherwise.

5.6 The members of the Supervisory Board that are not a member of the Audit and Compliance Committee are invited to attend the meetings as an observer.

5.7 The Audit and Compliance Committee meets at least once a year with the external auditor without the presence of the Executive Board Member.

5.8 The Audit and Compliance Committee meets at least once a year with the manager Internal Audit without the presence of the Executive Board Member.

5.9 The Company Secretary will draw up minutes of the meeting which will include a list of actions and decisions. The minutes will reflect the subjects, points of view and considerations discussed, and resolutions adopted during the meeting in such a way that a clear and full picture is provided of the matters that were discussed during the meeting, to the extent relevant. As a rule, these will be adopted during the next meeting; however, if all members of the Audit and Compliance Committee concur with the contents of the minutes, they may be adopted earlier. As evidence of their adoption, the minutes will be signed by the chair and the Company Secretary and made available to the other members of Audit and Compliance Committee as soon as possible.

5.10 In fulfilling its duties, the Committee is further authorized to:

5.10.1 investigate any activity within its mandate;

5.10.2 have unrestricted access to documents and information owned or in the possession of the Company; and

5.10.3 obtain outside legal, accounting, or other independent professional advice, when appropriate.

## **6. RELATIONSHIP WITH INTERNAL AUDIT**

- 6.1 Internal Audit reports the essence of its audit findings to the Audit and Compliance Committee.
- 6.2 The manager Internal Audit has direct access to the Audit and Compliance Committee. The chair of the Audit and Compliance Committee is the first point of contact for the manager Internal Audit.

## **7. GENERAL PROVISIONS**

- 7.1 The provisions of the Supervisory Board regulations shall apply accordingly, unless otherwise specified in these Regulations.
- 7.2 The Audit and Compliance Committee may resolve not to apply these Regulations in a particular case, with the exception of legal obligations and/or obligations under the articles of association. Such a resolution must be mentioned in the minutes or written resolution of the Audit and Compliance Committee and reported immediately to the Supervisory Board.
- 7.3 The Supervisory Board may resolve to amend these Regulations. Such a resolution must be mentioned in the minutes of the Supervisory Board.
- 7.4 Where these Regulations are in conflict with applicable law and regulations, including Dutch law, or the Articles of Association, the latter will both prevail. Where these Regulations are compatible with the Articles of Association but in conflict with applicable law and regulations, including Dutch law, the latter will prevail if it is mandatory. If one or more provisions of these Regulations are or become invalid, this will not affect the validity of the remaining provisions.
- 7.5 These Regulations are governed exclusively by Dutch law.
- 7.6 Any disputes arising out of or in connection with these Regulations, including disputes concerning their applicability will be resolved by the courts in Amsterdam, the Netherlands.



## ANNEX 1 DEFINITIONS

Annex	an annex to these Regulations
Articles of Association	the articles of association of the Company, as amended from time to time
Audit and Compliance Committee	the audit and compliance committee of the Supervisory Board
Company	Vastned Retail N.V.
Company Secretary	the company secretary of the Company
DCC	the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> )
Dutch Corporate Governance Code	the Dutch Corporate Governance Code, as adopted by the Corporate Governance Code Monitoring Committee on 8 December 2016
Executive Board	the Company's statutory managing board ( <i>statutair bestuur</i> )
Executive Board Member	The single member of the Executive Board
Executive Committee	the Company's executive committee, consisting of the Executive Board and the Executives
Executives	a member of the Executive Committee, not being a member of the Executive Board
Financial Expert	a financial expert who (1) has knowledge of financial reporting; (2) has the ability to assess estimates, accruals, and reserves in financial statements; (3) has experience in preparing, auditing, analyzing, and evaluating financial statements that have the same breadth and level of complexity as those that can be expected from the Group; (4) understands internal accounting controls; and (5) understands audit committee functions
General Meeting	the general meeting ( <i>algemene vergadering</i> ) of the Company
Group	the Company and the Subsidiaries
Internal Audit	the internal audit department of the Company
Regulations	the Audit and Compliance Committee regulations (of which this Annex forms a part)

Subsidiary

a subsidiary of the Company within the meaning of article 2:24a DCC with the exception of Vastned Belgium NV and its subsidiaries

Supervisory Board

the Company's supervisory board (*raad van commissarissen*)