

AUDIT COMMITTEE RULES

KAS BANK N.V.

1. OBJECTIVE

The Audit Committee is a permanent committee of the Supervisory Board and serves as an advisor to the Supervisory Board, which has the decision-taking powers. The Audit Committee has been founded to advise and assist the Supervisory Board with reference to the financial statement, the internal and external audit, compliance and the Information Technology of KAS BANK N.V.

2. STRUCTURE AND MEETINGS

- 2.1 The Audit Committee shall comprise at least three members. The Supervisory Board however, may decide otherwise, subject to the condition that the Audit Committee must always comprise two or more members. All members of the Audit Committee must be members of the Supervisory Board. All members of the Audit Committee shall be independent with the exception of one member at the most.
- 2.2 At least one member of the Audit Committee shall be a financial expert, which means that this person has gained relevant knowledge and experience in the field of financial administration and accounting at listed companies or other large legal entities.
- 2.3 The members of the Audit Committee shall be appointed from and by the Supervisory Board. The Supervisory Board shall appoint one of the members of the Audit Committee as chairman of the Audit Committee. The Audit Committee shall not be chaired by the chairman of the Supervisory Board or by a former member of the company's Managing Board.
- 2.4 The Audit Committee shall determine who will participate in the meetings. It is preferred that at least two members of the Audit Committee shall attend a meeting of the Audit Committee. In addition to the members of the Audit Committee, participants to the meetings of the Audit Committee shall be: the Chairman of the Managing Board and/or his deputy, the IAD director and the external auditor. Dependent on the subject, other employees of the bank (appointed by the Chairman of the Managing Board), and external (e.g. legal) advisors may also be invited to participate in the meetings.
- 2.5 The IAD director shall act as secretary to the Audit Committee and may delegate his duties arising from these regulations, or sections thereof, in consultation with the chairman of the Audit Committee.
- 2.6 The Audit Committee shall meet as often as required for a good functioning of the Audit Committee. The Audit Committee shall meet at least three times a year. The Audit Committee shall meet at least once a year with the external and internal auditor without the presence of the Managing Board. The meeting schedule is determined annually in advance as much as possible whereby meetings, as a rule, take place shortly prior to or following the meetings of the Supervisory Board. The Audit Committee may also hold interim meetings if the chairman

of the Audit Committee deems it necessary, for example on the basis of a request by another participant to the meetings of the Audit Committee.

- 2.7 In principle, the secretary, in consultation with the chairman of the Audit Committee, convenes the Audit Committee. With the exception of urgent cases, to be assessed by the chairman of the Audit Committee, the meeting's agenda will be sent to the members of the Audit Committee at least five calendar days prior to the meeting. Each agenda item will include, if possible, written explanations and relevant documents.
- 2.8 The secretary of the Audit Committee shall prepare a report of that which was dealt with in a meeting of the Audit Committee. The report provides insight into the decision-taking of the meeting. The report is laid down by the Audit Committee in the next meeting.
- 2.9 The Audit Committee may, in the execution of its duty, seek the assistance or advice of one or more experts to be appointed by the Audit Committee, all this against a fee to be agreed upon with the Audit Committee, which will be at the expense of the Company.

3. DUTIES AND RESPONSIBILITIES

3.1 The Audit Committee shall in any event focus on:

- (a) supervising the activities of the Managing Board with respect to:
- (i) the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;
 - (ii) the provision of financial information by the company (choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the annual accounts, forecasts, work of internal and external auditors, etc.);
 - (iii) compliance with the recommendations and observations of the Internal Audit Department and external auditors;
 - (iv) the role and functioning of the Internal Audit Department;
 - (v) the policy of the Company on tax planning;
 - (vi) relations with the external auditor, including, in particular, his independence, remuneration and any non-audit services for the Company (see below);
 - (vii) the financing of the Company; and
 - (viii) the applications of information and communication technology (ICT);
- (b) supervising the policy and procedures of the Managing Board with regard to the quality and completeness of the internal and external reporting of the Company and advising in case of material changes therein;
- (c) giving advice to the Supervisory Board with regard to the recommendation by the Supervisory Board to the AGM for the appointment of the external auditor and

answering questions asked in the AGM with regard to the resignation or dismissal of the external auditor;

- (d) if required, making proposals to the Supervisory Board with regard to the policy to be followed with regard to the independence of the external auditor and any possible (potential) conflicts of interest between the external auditor and the Company;
 - (e) assessing the financial statement, including the interim financial statement and the annual report of KAS BANK N.V. to be published, prior to submittal to the Supervisory Board, with special attention on:
 - (i) changes in the financial reporting principles;
 - (ii) special items as well as the recording thereof;
 - (iii) significant corrections as a result of the audit;
 - (iv) compliance with the legislation and regulations with regard to the financial statement;
 - (v) compliance with the internal and external regulations, specifically with regard to the banking business;
 - (f) preadvancing the meetings of the Supervisory Board with the Managing Board in which the financial statement and the annual report and the interim figures of the Company are discussed;
 - (g) discussing important audit and compliance reports, among others from supervisory institutions, government institutions or infrastructural institutions with regard to material issues or shortcomings with regard to the reporting, administrative organisation, internal audit, compliance with regulations or fraud cases;
 - (h) discussing legal issues, such as claims, which may have a material effect on the financial reporting or results;
 - (i) evaluating the adequacy of these Regulations and proposing changes to the Supervisory Board.
- 3.2 Each member of the Audit Committee has access to the records, data and offices of the Company and is authorised to have conversations with the management and staff of the Company, insofar required or useful for a good completion of his duty. A member of the Audit Committee shall exercise this right in consultation with the chairman and the secretary of the Audit Committee.
- 3.3 The Audit Committee may only exercise those authorities as specifically awarded or delegated by the Supervisory Board and it may never exercise authorities beyond the authorities that the Supervisory Board may exercise as a whole.

4. DUTIES WITH REGARD TO THE EXTERNAL AND INTERNAL AUDITOR

- 4.1 The Audit Committee shall periodically discuss important reports of the external and/or internal auditor with reference to:
- (a) the effectiveness of the administrative organisation and the internal audit, and in particular the application of Information and Communication Technology;
 - (b) the outcome of the audit, the content of the management letter, including the management response.
- 4.2 The Audit Committee shall monitor:
- (a) the legally obliged rotation of the external auditors involved;
 - (b) the coordination of the activities between the internal and external auditor;
 - (c) the (line) independence and adequate staffing of the IAD, including the guarantees for independence towards the Managing Board.
- 4.3 The Audit Committee is the first contact point of the external auditor, in case it observes irregularities in the content of financial reports.
- 4.4 All instructions to external auditors are approved by the Audit Committee, which can delegate this to the Chairman of the Managing Board and the secretary of the Audit Committee. The remuneration and instructing of the execution of non-audit activities by the external auditor are also approved by the Supervisory Board upon proposal of the Audit Committee and following consultations with the Managing Board.
- 4.5 The Audit Committee shall assess how the external auditor is involved in the content and publication of the financial reports with regard to the Company, other than the financial statements. The external financial reporting of KAS BANK N.V. is submitted to the external (and internal) auditor prior to publication.
- 4.6 The Audit Committee shall request the external auditor to include in his report issues that it wishes to place under the attention of the Managing Board and the Supervisory Board with regard to its audit of the financial statement and related audits, including in any case the issues listed in Appendix 1.
- 4.7 In addition to the assessment in this respect by the Managing Board, the Audit Committee shall, at least once every four years, make a thorough assessment of the functioning of the external auditor in the various capacities in which the external auditor acts. The main conclusions thereof will be reported to the AGM for the assessment of the proposal to appoint the external auditor.
- 4.8.1 The Audit Committee and the external auditor shall be involved in preparing the working plan of the IAD. They shall also take cognisance of the findings of the IAD by discussing the joint audit plan of the external and internal auditor. This plan includes the audit approach and audit objects for the new audit year.
- 4.9 The Audit Committee and the Managing Board approve the Statute of the IAD. The Audit Committee is notified in advance of the appointment or dismissal of the IAD director by the

Managing Board and ensures that an external quality research of the IAD also takes place in line with the applicable professional rules.

5. REPORT TO THE SUPERVISORY BOARD

- 5.1 The Audit Committee must inform the Supervisory Board in a clear and timely manner with regard to the manner in which it made use of delegated authorities and it will keep the Supervisory Board informed of important developments under its responsibilities.
- 5.2 The Audit Committee annually reports, and where required by means of interim reports, to the Supervisory Board on the developments in the relationship with the external auditor, in particular on the vision of the Audit Committee with regard to its independence (including the desirability of rotation of responsible partners within the company of the external auditor and the desirability that the external auditor, responsible for the audit, also performs non-audit activities for the Company). This takes place by means of the reports of the meetings.
- 5.3 The Audit Committee provides a report to the Supervisory Board of its deliberations, findings and recommendations. The reports of the meetings of the Audit Committee are, as soon as possible following the meetings, if required in draft, distributed to the members of the Supervisory Board and the participants to the meeting of the Audit Committee.
- 5.4 The annual report of the Supervisory Board states the composition of the Audit Committee, the number of meetings of the Audit Committee and the main subjects discussed.
- 5.5 If requested, the chairman of the Audit Committee shall provide further information to the Supervisory Board during meetings of the Supervisory Board with regard to the results of the discussions of the Audit Committee.
- 5.6 Each member of the Supervisory Board has unlimited access to all data of the Audit Committee. A member of the Supervisory Board shall exercise this right in consultation with the chairman and secretary of the Audit Committee.

6. SUNDRIES

- 6.1 The chairman of the Audit Committee or any other member of the Audit Committee shall be available to answer questions during the AGM with regard to the activities of the Audit Committee.
- 6.2 The Supervisory Board may incidentally approve the non-compliance of these regulations, with due observance of the applicable legislation and regulations.
- 6.3 The Supervisory Board adopts these regulations and may change it at all times, whether or not upon recommendation of the Audit Committee, and/or it may revoke the authorities assigned to the Audit Committee.
- 6.4.1 These regulations and the structure of the Audit Committee are posted on the Company's website.

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APPENDIX 1

LIST OF INFORMATION TO BE INCLUDED IN THE REPORT OF THE EXTERNAL AUDITOR

The report of the external auditor pursuant to article 2:393 paragraph 4 of the Dutch Civil Code includes that which the external auditor wishes to bring to the attention of the Managing Board and Supervisory Board with regard to his audit of the financial statement and related audits.

The following subjects are examples thereof:

(A) With regard to the audit:

- information on issues relevant to the assessment of the independence of the external auditor;
- information on the course of events during the audit and the cooperation with the internal auditors and any other external auditors, issues with the Managing Board, a statement of non-adjusted corrections, etc.

(B) With regard to the financial statement:

- analyses of developments of the capital and result, which are not available in the data to be published and which contribute, in the opinion of the external auditor, to the insight into the Company's financial position and results;
- comment on the recording of non-recurring items, the effects on estimates and the manner in which they were realised, the selection of accounting policies when other selections were also possible, as well as related special effects;
- remarks on the quality of prognoses and budgets.

(C) With regard to the functioning of the internal risk management and control systems (including the reliability and continuity of the automated data processing) and the quality of the internal information supply:

- points for improvement, observed gaps and quality assessments;
- remarks on threats and risks for the Company and the manner in which reporting should take place in the data to be published;
- compliance with articles of association, instructions, regulations, loan agreements, requirements of external supervisory institutions, etc.