

## Annex 3 to the Supervisory Board Charter: Charter of the Audit Committee of ING Groep N.V. and ING Bank N.V.

### AUDIT COMMITTEE CHARTER

#### Article 1. Responsibilities of the Audit Committee

- Task description AC** 1.1 The Audit Committee shall assist the Supervisory Board with the performance of its duties in relation to the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems in relation to financial reporting and shall prepare the discussions within and the decisions of the Supervisory Board on such matters.
- Role AC re Periodic Financial Reports** 1.2 The Audit Committee shall review and assess the Periodic Financial Reports and related press releases to be disclosed, as well as the underlying accounting and presentation policies and practices and any proposed changes therein. The Audit Committee shall report its deliberations and findings and recommend any action to be taken to the Supervisory Board. The Audit Committee shall review and assess the Periodic Financial reports prior to their release by the Company, unless decided otherwise by the Supervisory Board.
- In performing these tasks, the Audit Committee shall devote special attention to:
- a. the applicable accounting standards and the Company's compliance therewith;
  - b. the administrative organisation, financial reporting process and internal controls related to the financial reporting of the Company and its Group Companies, including the applications of information and communication technology;
  - c. the methods used to:
    - (i) assess the topic referred to in article 1.3 of this Charter,
    - (ii) assess the effectiveness of internal and external audit processes, and
    - (iii) analyse and discuss the material risks and uncertainties as referred to in the Management Board report and the material risks, uncertainties and considerations insofar relevant for the financial reporting of the Company and its Group Companies and the underlying continuity assumption;
  - d. significant judgmental areas<sup>10</sup>;
  - e. the valuation of trading book positions and the overall use of external credit ratings;
  - f. material financial risk exposures;
  - g. audit adjustments above the reporting threshold;
  - h. the financing of the Company and its direct Subsidiaries;
  - i. compliance with statutory and legal requirements and regulations, in particular in the financial domain;
  - j. legal and tax related matters with a material impact on the financial statements; and
  - k. detection of misconduct or irregularity, such as fraud, defalcation and other illegal acts.

---

<sup>10</sup> In accordance with the annual report and IFRS requirements

Role AC in relation to internal risk management and control systems

1.3 The Audit Committee shall assess, recommend and monitor any actions to be taken by the Supervisory Board regarding the design, operation, integrity, quality, consistent implementation and effectiveness of the internal risk management and control systems of the Company and its Group Companies insofar related to their financial reporting and financial reporting process, including compliance with relevant laws and regulation. The Audit Committee shall take into account the findings of the Risk Committee with respect to the foregoing and shall inform the Risk Committee of any material risks related to the financial reporting or the financial reporting process and any material recommendations from CAS or the External Auditor that are relevant for the Risk Committee.

1.4 The Audit Committee shall assess, recommend and monitor any actions to be taken by the Supervisory Board regarding any significant report or other communication raising material issues with respect to any of the matters mentioned in article 1.2 and 1.3 of this Charter, and the response to such report or communication, to or from competent authorities, the Management Board or one of its members, CAS or the External Auditor.

Role preparation decision-making SB re External Auditor

1.5 The Audit Committee shall prepare the decisions or other actions of the Supervisory Board, and shall make recommendations thereto to the Supervisory Board, with respect to the appointment, reappointment, performance, functioning, dismissal, remuneration and selection of the External Auditor as well as the terms of engagement to audit the financial statements, for all of which the Executive Board has a facilitating and advising role. In performing these tasks, the Audit Committee shall devote special attention to the scope of the audit, the materiality to be used and remuneration for the audit and the independence of the External Auditor.

Role preparation decision-making SB re External Auditor

Furthermore, the Audit Committee:

- a. shall be the principal contact for the External Auditor in reporting its findings regarding the Periodic Financial Reports; contact between the Supervisory Board and the External Auditor shall in principle be through the chairperson of the Audit Committee;
- b. approves the changes to the Company's policy on External Auditor independence;
- c. pre-approves the services (audit and non-audit) to be provided by the External Auditor to the Company and its Subsidiaries in accordance with the Company's policy on External Auditor independence;
- d. annually evaluates the independence and functioning of, and the developments in the relationship with the External Auditor and reports to the Supervisory Board its findings and proposed measures; in doing so, the Audit Committee shall give due consideration to the Management Board's observations and shall take into account the periodic report from the External Auditor as well as the annual reports on the dealings of the Management Board and the Audit Committee with the External Auditor and shall submit these reports to the Supervisory Board; after the assessment and discussions with the Supervisory Board, the chairperson of the Audit Committee provides feedback to the External Auditor;
- e. makes a substantiated recommendation to the Supervisory Board regarding the (i) nomination of candidates for appointment as External Auditor, being the outcome of a selection process consisting of at least two candidates, or (ii) reappointment of the current External Auditor; in doing so, the Audit Committee

[Back to top](#)

shall take into account the advice of the Management Board and to the reports referred to in article 1.5 item d of this Charter;

- f. annually discusses with the External Auditor the scope and materiality of the audit plan, the principal risks identified in the audit plan, and the findings and outcomes of the audit work on the financial statements as reported by the External Auditor;
- g. determines whether and, if so, how the External Auditor should be involved in the content and publication of financial reports other than the financial statements; and
- h. ensures the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, the audit partner responsible for reviewing the audit and any other partner if applicable, as required by law or other applicable rules.

Periodical evaluation functioning CAS and powers AC in that regard

1.6 The Audit Committee shall periodically evaluate the functioning of CAS, including the availability of sufficient authority, stature and resources to perform the function, prepare the decisions or other actions of the Supervisory Board with respect to the functioning and performance of CAS. In connection herewith, the Audit Committee:

- a. may make recommendations for the approval of the (changes to the) Internal Audit Charter of CAS which includes the code of ethics of the Institute of Internal Auditors;
- b. may make recommendations for (i) the approval of the CAS audit plan, with attention to among others the interaction with the External Auditor, (ii) the sufficiency of the resources and skills to execute the plan and the scope and budget of CAS as approved by the Management Board, and monitors progress versus planned audit activities;
- c. **WITH REGARD TO ING GROEP N.V.**, annually reviews the results of the self-administered quality review of CAS ((Quality Assurance and Improvement Programme) and may make recommendations with respect thereto to the Executive Board;
- d. may make recommendations regarding the appointment or dismissal and remuneration of the General Manager CAS; and
- e. may make recommendations for the approval of the assessment of the performance of the General Manager CAS by the CEO and provides input for this assessment.

Role AC – input External Auditor or CAS

1.7 The Audit Committee shall monitor, assess and recommend any action to be taken by the Supervisory Board regarding the Company's compliance with recommendations and observations of the External Auditor or CAS.

Obligation to ensure complaints procedure

1.8 On behalf of the Supervisory Board, the Audit Committee shall see to it that the Company establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential submission by employees of concerns regarding questionable accounting or auditing matters.

AC advisory task to SB

1.9 The Audit Committee advises the Supervisory Board with respect to policies and procedures of the Company and its Group Companies regarding compliance with laws and regulations applicable to financial reporting and the financial reporting process.

[Back to top](#)

Access CAS to AC	1.10 CAS shall have direct access to the Audit Committee, meaning that the General Manager CAS shall have free access to the chairperson of the Audit Committee and the chairperson of the Audit Committee shall have a periodic bilateral consultation with the General Manager CAS.
Access External Auditor to AC	1.11 The Audit Committee is the first contact for the External Auditor if any irregularities in the contents of the financial reports are discovered. The chairperson of the Audit Committee shall act as the first point of contact for the External Auditor.
Resources AC	<p>1.12 In the performance of its tasks, the Audit Committee may in its sole discretion:</p> <ol style="list-style-type: none"> <li>a. gather information or seek advice from the Management Board, the Company's staff departments and/or external advisors;</li> <li>b. meet in an Internal Meeting with the External Auditor and the General Manager CAS as often as it determines, but <u>at least annually</u>;</li> <li>c. carry out any investigation which it determines to be necessary or desirable to carry out its duties and may inspect or cause to be inspected any books and records (whether in written or electronic form) of the Company;</li> <li>d. appoint independent counsel and other advisors, as it determines necessary to carry out its duties.</li> </ol> <p>Any and all expenses reasonably incurred by the Audit Committee, by any outside counsel or other advisors appointed by the Audit Committee and any and all costs and expenses in connection with any investigation conducted by the Audit Committee shall be borne by the Company.</p>
Annually review AC Charter	1.13 The Audit Committee shall <u>annually</u> review and assess the adequacy of this Charter and the content, format and frequency of the information on information to be reported to them.
<b>Article 2. Reporting responsibilities</b>	
Minutes of meeting	2.1 Minutes of meetings of the Audit Committee shall be sent to the members of the Audit Committee, as well as – unless this is undesired – to the Supervisory Board and the Management Board. The chairperson of the Audit Committee shall report orally on its most recent findings in the next meeting of the Supervisory Board.
Communication of findings AC – RiCo	2.2 The chairperson of the Audit Committee shall communicate the Committee's findings with respect to the internal risk management and control systems and implementation of the CAS audit plan to the Risk Committee.
Communication of findings to SB	2.3 The Audit Committee reports to the Supervisory Board its most important findings, including conversations of the Audit Committee with CAS and the External Auditor on the findings with respect to article 1.2 item c of this Charter.
Secretary	2.4 The Company shall make a secretary available to the Audit Committee, who, among other things, will take minutes of the meetings.

[Back to top](#)

### Article 3. Meetings

Meetings AC at least quarterly

3.1 The Audit Committee shall meet as often as it determines, but at least quarterly before the publication of any Periodic Financial Report. It shall meet at least once a year in an Internal Meeting with the External Auditor. Meetings can also take place when the chairperson of the Audit Committee deems it necessary or upon request of the Supervisory Board or the CEO. No resolutions may be passed if the majority of the Audit Committee members then in office, other than those who have a conflict of interest, is not present or represented.

Attendance of MB/SB members and other officers

3.2 The Audit Committee shall decide who shall be invited to attend its meetings. The Audit Committee may invite:

- the chairperson of the Risk Committee, if not being the chairperson or a member of the Audit Committee;
- the CEO, the CFO and the CRO;
- the General Manager CAS (when CAS' reports with respect to the effectiveness of the internal risk management and control systems are discussed) and the External Auditor;
- the general manager(s) responsible for risk control and financial accounting; and
- the General Counsel.

The Audit Committee may invite other members of the Supervisory Board, Management Board and any other staff member who can contribute to the discussion.

The Audit Committee shall recommend attendance of the External Auditor at the Supervisory Board meeting for specific topics.

### Article 4. Composition

Composition AC

4.1 The composition of the Audit Committee shall be such that specific business know-how, financial accounting and related financial management expertise relating to the activities of the Company and its Group Companies and, if possible legal and Information Technology knowledge, is available, and shall otherwise be in accordance with the requirements for the composition of Committees.

At least 3 members, independency requirements

4.2 The Audit Committee shall have, in accordance with applicable laws and regulations, at least three members who shall be independent within the meaning of article 4.3 of this Charter. At least one member of the Audit Committee shall be a "financial expert" within the meaning of article 4.4 of this Charter. No more than one member shall be a former member of the Management Board; a waiting period of three years following the retirement as an Executive Board member shall be observed before being appointed to the Audit Committee. The chairperson of the Audit Committee cannot be the Chairperson or a former member of the Executive Board.

Additional independency requirement

4.3 In addition to the definition of 'Independent' as included in Annex 1 of the Supervisory Board Charter, an Audit Committee member is deemed to be independent only if they (other than in their capacity as a member of the Audit Committee, the Supervisory Board or any other Committee), do not:

- a. accept any consulting, advisory or other compensatory fee (other than a fee for services rendered as a Supervisory Board member) from the Company or any of its Subsidiaries, either directly or indirectly, such as through a spouse, a partner, a

[Back to top](#)

- relative up to second degree or an entity in which they are a partner, member or principal;
- b. hold, and have not held within the past three years, the position of partner, executive officer, managing director or similar in an entity that provides accounting, consulting, legal or financial services to the Company and its Subsidiaries; and
  - c. qualify as "an affiliated person" of the Company or any of its Subsidiaries, i.e. a person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with the Company or any of its Subsidiaries.

#### Financial expert

4.4 To be able to qualify a person as a financial expert, the Supervisory Board must determine that such person has such level of accounting and related financial management expertise that they have the following five attributes:

- a. an understanding of the generally accepted accounting principles which are to be applied by the Company and of financial statements;
- b. the ability to assess the general application of the generally accepted accounting principles which are to be applied by the Company, in connection with the accounting for estimates, accruals and reserves;
- c. experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- d. an understanding of internal controls and procedures for financial reporting; and
- e. an understanding of audit committee functions.

A person can acquire the above attributes through any one or more of the following means:

- a. education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
- b. experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- c. experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; and/or
- d. other relevant experience.