

# TERMS OF REFERENCE AUDIT COMMITTEE

## RANDSTAD N.V.

### 0. INTRODUCTION

- 0.1 These terms of reference have been drawn up by the Supervisory Board pursuant to clause 5.4 of the By-Laws of the Supervisory Board and best practice provision 2.3.3 of the Dutch Corporate Governance Code.
- 0.2 The Audit Committee is a standing committee of the Supervisory Board.
- 0.3 Certain capitalised or uncapitalised terms used but not defined in these terms of reference have the meanings given to them in the By-Laws of the Supervisory Board and the List of Definitions attached to the By-Laws of the Supervisory Board as Annex 1.

### 1. COMPOSITION

- 1.1 The Audit Committee shall consist of a minimum of 3 members. All members of the Audit Committee must also be members of the Supervisory Board. More than half of the members of the Audit Committee shall be independent within the meaning of clause 1.6 of the By-Laws of the Supervisory Board.<sup>1</sup>
- 1.2 At least one member of the Audit Committee shall have competence in financial and sustainability reporting or auditing.<sup>2</sup>
- 1.3 The members of the Audit Committee shall be appointed and may be replaced at any time by the Supervisory Board. The Supervisory Board shall appoint one of the independent members of the Audit Committee as chair of the Audit Committee.<sup>3</sup> The Audit Committee shall not be chaired by the Chair or by a former member of the Executive Board.<sup>4</sup>
- 1.4 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 Supervisory Board as a whole and that of other committees from time to time.
- 1.5 The Company Secretary shall act as secretary to the Audit Committee. The Company Secretary may delegate his duties, or parts thereof, under these terms of reference, to a deputy appointed by him in consultation with the chair of the Audit Committee.

### 2. DUTIES AND POWERS

- 2.1 Working within the Supervisory Board, the Audit Committee is charged in particular with:<sup>5</sup>
- (a) the monitoring of the financial and sustainability reporting process and preparation of proposals to safeguard the integrity of said process;

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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.

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

- (b) the monitoring of the efficiency of the internal risk management and control system, the internal audit system and the risk management system with respect to financial and sustainability reporting;
- (c) the monitoring of the statutory audit of the annual accounts and consolidated accounts and in particular the process of such audit (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 or audit firm, with a special focus on other services provided to the Company, in accordance with the External Auditor Independence Policy as referred to in Annex 7 of the By-Laws of the Supervisory Board; and
- (e) the adoption of a procedure for the selection of the External Auditor or audit firm and the nomination for appointment of the external auditor with respect to the statutory audit of the annual accounts and consolidated accounts.

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

- (a) the preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial and sustainability reporting<sup>6</sup> and the effectiveness of the Company's internal risk management and control systems, as referred to in best practice provisions 1.2.1 through 1.2.3 of the Dutch Corporate Governance Code. It focuses among other things on the supervision of the Executive Board on material topics with regard to:<sup>7</sup>
  - (i) relations with, compliance with recommendations of, and following up of comments by, the Business Risk & Audit Function and the External Auditor and any other external party involved in auditing the sustainability reporting;
  - (ii) the financing 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 preparation of meetings of the Supervisory Board with the Executive Board where the Report of the Executive Board, the Annual Accounts, the interim figures of the Company and other aspects concerning financial and sustainability reporting are discussed.

2.3 **Annex 1** contains further details on the supervision of financial and reporting publications by the Audit Committee.

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

2.5 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

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<sup>6</sup> If a company has established a sustainability committee, the preparation of the decision-making for the supervision of the integrity and quality of the sustainability reporting can also be carried out by such a committee instead of the audit committee (see Explanatory Notes to best practice provision 1.5.1).

<sup>7</sup> Dutch Corporate Governance Code, best practice provision 1.5.1.

that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

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

### 3. **DUTIES REGARDING THE EXTERNAL AUDITOR AND THE BUSINESS RISK & AUDIT FUNCTION**

- 3.1 The Audit Committee shall advise the Supervisory 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 Executive Board's observations.<sup>8</sup> Furthermore, the (preparation of the) selection of the External Auditor shall be in accordance with Section 16 EU-Regulation 537/2014.
- 3.2 The Audit Committee shall submit a proposal to the Supervisory Board for the External Auditor's engagement to audit the financial statements, taking into account the scope of the audit, the materiality to be used and remuneration for the audit. The Supervisory Board shall resolve on the engagement.<sup>9</sup>
- 3.3 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>10</sup>
- 3.4 The Audit Committee shall request that the External Auditor include in his report the matters which the External Auditor wishes to bring to the attention of the Executive Board and the Supervisory Board in relation to his audit of the Annual Accounts and the related audits.<sup>11</sup>
- 3.5 The Audit Committee advises on the appointment and dismissal by the Executive Board of the Managing Director Business Risk & Audit, which advice, along with the resolution of the Executive Board, will be submitted to the Supervisory Board for approval.<sup>12</sup>
- 3.6 When drafting the internal audit plan by the Business Risk & Audit Function, the Executive Board, the External Auditor and the Audit Committee will be involved.<sup>13</sup>
- 3.7 The Business Risk & Audit Function reports the essence of its audit results to the Audit Committee and shall inform the External Auditor thereof. The Business Risk & Audit Function shall have direct access to the External Auditor and the Audit Committee.<sup>14</sup>
- 3.8 The Company shall publish a press release, after consultation with the Audit Committee, in the event the early termination of the relationship with the external audit firm.<sup>15</sup>

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<sup>8</sup> Dutch Corporate Governance Code, best practice provision 1.6.1.

<sup>9</sup> Dutch Corporate Governance Code, best practice provision 1.6.3. To the extent a third party is involved in the audit of sustainability reporting, clause 3.2 applies mutatis mutandis to the external party responsible for auditing the sustainability reporting; see Dutch Corporate Governance Code, best practice provision 1.5.1 and 'Verantwoordingsdocument Actualisatie Code', December 2022, p. 10.

<sup>10</sup> Dutch Corporate Governance Code, best practice provision 1.7.3.

<sup>11</sup> This obligation could also be included in the Executive Board By-Laws. The obligation should in any case be included in the engagement letter to the auditor.

<sup>12</sup> Dutch Corporate Governance Code, best practice provision 1.3.1.

<sup>13</sup> Dutch Corporate Governance Code, best practice provision 1.3.3.

<sup>14</sup> Dutch Corporate Governance Code, best practice provision 1.3.4.

<sup>15</sup> Dutch Corporate Governance Code, best practice provision 1.6.5.

3.9 The Audit Committee shall consult with the Executive Board about the Executive Board's annual assessment of the way in which the Business Risk & Audit Function fulfils its responsibility. An independent third party should assess the performance of the Business Risk & Audit Function at least every five years.<sup>16</sup>

#### 4. MEETINGS

4.1 The Audit Committee shall meet as often as required for a proper functioning of the Audit Committee. The Audit Committee shall meet at least four times a year. The Audit Committee shall meet at least twice a year with the External Auditor without the Executive Board being present.<sup>17</sup> The Audit Committee shall also meet at least once a year with the Business Risk & Audit Function without the Executive Board being present. The meetings are as much as possible scheduled annually in advance and are held as far as possible shortly before the meetings of the Supervisory Board. The Audit Committee shall meet earlier if this is deemed necessary by the chair of the Audit Committee or by two other members of the Audit Committee.

4.2 Meetings of the Audit Committee are in principle called by the Company Secretary on behalf of the chair of the Audit Committee. Save in urgent cases, to be determined by the chair of the Audit Committee, the agenda and enclosures for the meeting shall be sent well in advance of 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.

4.3 The CEO, CFO, the Managing Director Group Performance & Control, the Managing Director Financial Reporting & Corporate Accounting, the Managing Director Business Risk & Audit and the External Auditor shall attend the Audit Committee meetings, unless the Audit Committee decides otherwise.<sup>18</sup> In addition, independent experts may be invited to attend meetings of the Audit Committee. Each member of the Supervisory Board may attend meetings of the Audit Committee.

4.4 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.

4.5 The Company Secretary or any other person designated for such purpose by the chair of the meeting shall draw up minutes of the meeting of the Audit Committee.

#### 5. REPORTING TO THE SUPERVISORY BOARD

5.1 The Audit Committee must inform the Supervisory 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.

5.2 The Audit Committee shall report annually, and earlier if required, to the Supervisory Board on the functioning of and its dealings with the External Auditor (such as timing, approach and scope of the independent External Auditor's audit examination and the related fees).<sup>19</sup>

5.3 The Audit Committee shall report to the Supervisory Board on its deliberations and findings. In this report attention shall in any event be paid to any material topic relating to:<sup>20</sup>

- (a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;

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<sup>16</sup> Dutch Corporate Governance Code, best practice provision 1.3.2.

<sup>17</sup> Dutch Corporate Governance Code, best practice provision 1.7.4.

<sup>18</sup> Dutch Corporate Governance Code, best practice provision 1.5.2.

<sup>19</sup> Dutch Corporate Governance Code, best practice provision 1.6.1.

<sup>20</sup> Dutch Corporate Governance Code, best practice provision 1.5.3.

- (b) the methods used to assess the effectiveness of the internal and external audit processes;
  - (c) considerations concerning the financial and sustainability reporting; and
  - (d) the way material risks and uncertainties referred to in the Report of the Executive Board<sup>21</sup> have been analysed and discussed, along with a description of the most important findings of the Audit Committee.
- 5.4 The Audit Committee informs the Supervisory Board of the result of the statutory audit of the Annual Accounts and the consolidated accounts, with an explanation of the way in which the statutory audit contributes to the integrity of the financial and sustainability reporting and the role of the Audit Committee in this process.<sup>22</sup>
- 5.5 The reports of meetings of the Audit Committee are distributed among all members of the Supervisory Board as soon as possible after the meeting concerned. These reports provide the content on the main items discussed at the meetings of the Audit Committee.<sup>23</sup>
- 5.6 If requested, the chair of the Audit Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the Audit Committee.
- 5.7 Every Supervisory Board member has unrestricted access to all records of the Audit Committee and can attend each meeting of the Audit Committee.

## 6. MISCELLANEOUS

- 6.1 The chair 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 annual General Meeting of Shareholders.
- 6.2 The Supervisory Board may occasionally decide at its sole discretion not to comply with these terms of reference, subject to applicable law and regulations.
- 6.3 The Audit Committee shall review and re-assess the adequacy of these terms of reference annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board.
- 6.4 The Supervisory Board can at all times amend these terms of reference and/or revoke any powers granted by it to the Audit Committee.
- 6.5 Clauses 24.4 to 24.7 inclusive of the By-Laws of the Supervisory Board apply by analogy to the Audit Committee, while for the application of these terms of reference the power of the Supervisory Board or the Chair referred to in these clauses is considered a power of the Audit Committee or the chair thereof.

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<sup>21</sup> Dutch Corporate Governance Code, best practice provisions 1.4.2 and 1.4.3.

<sup>22</sup> Audit Committee Decree 2016, section 2(2) (a).

<sup>23</sup> Dutch Corporate Governance Code, Explanatory notes best practice provision 2.3.5.

## ANNEX 1

### SUPERVISION OF FINANCIAL REPORTING AND PUBLICATIONS

- (1) Review and discuss with the Executive Board and the External Auditor the Annual Accounts and the Report of the Executive Board, including disclosures made in management interviews, analyses and the like.
- (2) Review and discuss with the Executive Board and the External Auditor the interim financial statements prior to their release, including the results of any review by the External Auditors of the interim financial statements.
- (3) Discuss with the Executive Board and the External Auditor significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, including the quality of earnings, significant deviations between planned and actual performance, any significant changes in the Company's selection or application of accounting principles, any issues as to the adequacy of the Company's internal controls and any special steps adopted in light of control deficiencies.
- (4) Review and discuss reports of the External Auditor on:
  - (i) all major elements of the accounting policies and the methods used;
  - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Executive Board or any member thereof, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the External Auditor; and
  - (iii) other important written communications between the External Auditor and the Executive Board or one of its members, e.g. management letters.
- (5) Discuss with the Executive Board the Company's (i) earnings press releases, including the use of non-GAAP information and (ii) plans and policies of the Company with respect to comments on financial information and earnings guidance given by analysts and rating agencies.
- (6) Discuss with the Executive Board and the External Auditor the consequences of legislative or regulatory initiatives as well as of off-balance structures for the financial reporting by the Company.
- (7) Discuss with the Executive Board the Company's major financial risk exposures and the steps the Executive Board has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- (8) Discuss with the Executive Board their approach to inform shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price, including earnings press releases, as well as the involvement of the External Auditor in reviewing such information.