



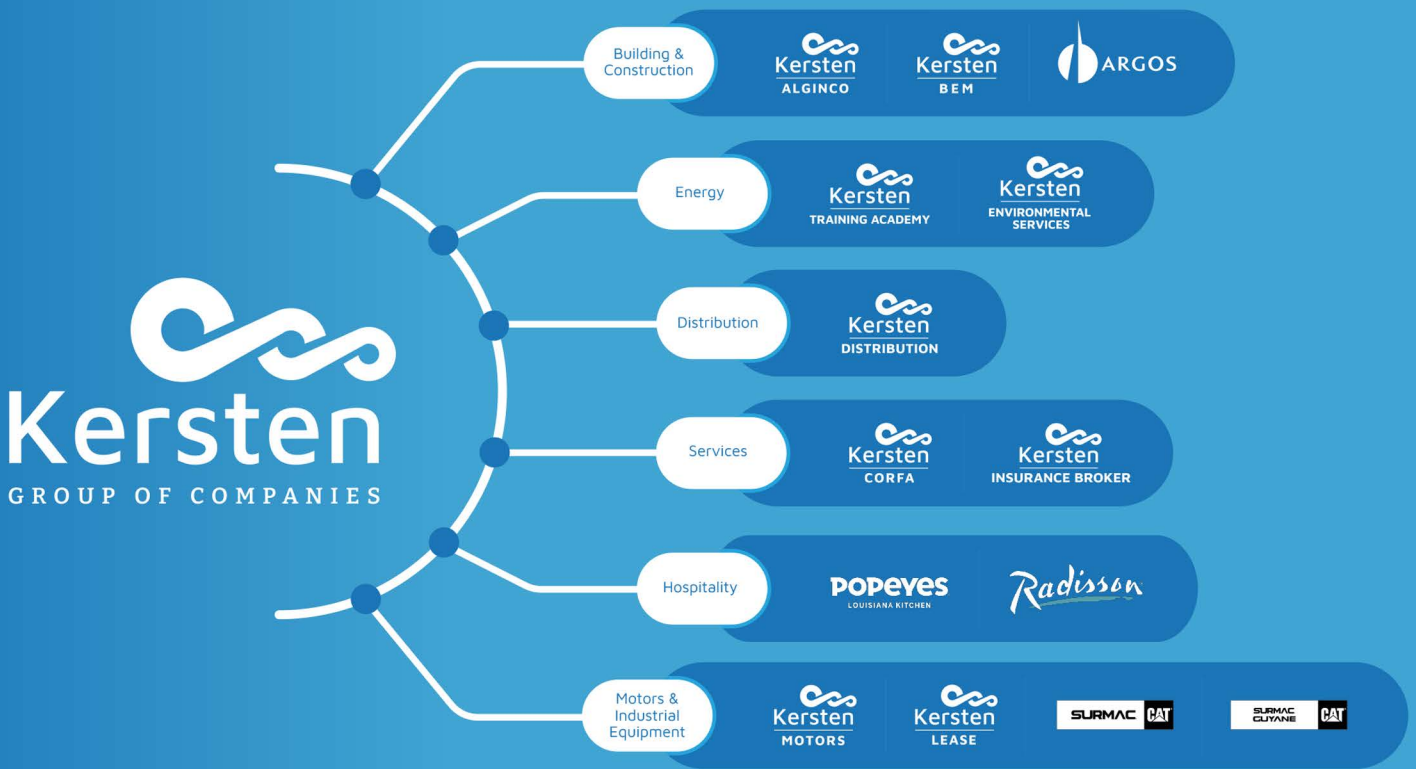
# **KERSTEN GROUP AUDIT COMMITTEE CHARTER**



# Kersten

GROUP OF COMPANIES

## Commercial Structure



6 divisions; 14 companies

## TABLE OF CONTENTS

<b>1. INTRODUCTION</b>	<b>2</b>
<b>2. ORGANIZATIONAL PRINCIPLES</b>	<b>2</b>
2.1 PURPOSE OF THE AUDIT COMMITTEE	2
2.2 DUTIES	2
2.3 AUTHORITY OF THE AUDIT COMMITTEE	3
2.4 COMPOSITION OF THE AUDIT COMMITTEE	3
<b>3. OPERATIONAL PRINCIPLES</b>	<b>4</b>
3.1 AUDIT COMMITTEE VALUES	4
3.2 COMMUNICATIONS	4
3.3 WORK PLAN	4
3.4 MEETING AGENDA	4
3.5 INFORMATION REQUIREMENTS	4
3.6 EXECUTIVE SESSIONS	4
3.7 PREPARATION AND ATTENDANCE	4
3.8 CONFLICT(S) OF INTEREST	5
3.9 PERMANENT EDUCATION	5
<b>4. OPERATIONAL PROCEDURES</b>	<b>5</b>
4.1 MEETINGS	5
4.2 MINUTES	5
4.3 REQUIRED ATTENDANCE	5
4.4 SECRETARIAL SERVICES	5
4.5 RESPONSIBILITIES	6
4.5.1 Risk management	6
4.5.2 Fraud	6
4.5.3 Internal control	6
4.5.4 Compliance	7
4.5.5 Oversight of the internal audit activity	7
4.5.5.1 Internal audit charter	7
4.5.5.2 Internal audit resources	7
4.5.5.3 Performance of internal audit manager	8
4.5.5.4 Internal audit strategy and plan	8
4.5.5.5 Internal audit engagement and follow up	8
4.5.5.6 Standard conformance	8
4.5.6 Oversight of the external auditors	9
4.5.7 Financial reporting	9
4.5.8 Ad hoc responsibilities	9
<b>5. REPORT ON AUDIT COMMITTEE PERFORMANCE</b>	<b>10</b>
<b>6. APPROVAL AND SIGNATURES</b>	<b>10</b>

## 1. INTRODUCTION

The Audit Committee Charter (the Charter) governs the organizational, operating, and reporting principles of the Audit Committee (the Committee) of C . Kersten en Co. N.V. (Kersten).

As established by the Supervisory Board (the Kersten Supervisory Board), the Committee has an important role in providing an independent oversight to the Kersten Supervisory Board in overseeing the Kersten Group's risk management and internal control practices.

The Committee together with the Kersten Board of Directors, Kersten Legal & Governance Officer and the Internal Audit Manager shall review this Charter at least once in every two years and recommend necessary adjustments to the Kersten Supervisory Board.

## 2. ORGANIZATIONAL PRINCIPLES

### 2.1 PURPOSE OF THE AUDIT COMMITTEE

- The purpose<sup>1</sup> of the Committee is to provide a structured, systematic oversight of the Kersten's risk management and internal control practices. The Committee assists the Kersten Supervisory Board and Kersten Board of Directors by providing advice and guidance on the adequacy of the Kersten's initiatives for:
  - a. Risk management
  - b. Fraud
  - c. Internal control
  - d. Compliance
  - e. Oversight of the internal audit activity
  - f. Oversight of the external auditors and other providers of assurance
  - g. Financial reporting
- In broad terms, the Committee reviews each of the items noted above and provides the Kersten Supervisory Board with independent advice and guidance regarding the adequacy and effectiveness of Kersten Board of Directors' practices and potential improvements to those practices.

### 2.2 DUTIES

- The duties<sup>2</sup> of the Committee are:
  - a. Undertake preparatory work for the Kersten Supervisory Board regarding supervision of the integrity and quality of the Kersten's financial reporting and the effectiveness of the Kersten's internal risk management and control systems.
  - b. Monitor the Kersten Board of Directors' actions regarding:
    - relations with, and compliance with recommendations and following up of comments by the internal and external auditors.
    - compliance with laws and regulations and applicable code of conduct in the area of finance, accounting and tax.
    - application of information and communication technology by the Kersten Group, including risks related to cybersecurity.
  - c. Monitor the activity of internal audit, external audit and other providers of assurance.

<sup>1</sup> Model Audit Committee Charter, The Institute of Internal Auditors, March 2017.

<sup>2</sup> The Corporate Governance Code of the Kersten Group, June 2022 and Board Regulations Kersten Group, June 2022.

### **2.3 AUTHORITY OF THE AUDIT COMMITTEE**

The Charter sets out the authority of the Committee to carry out the responsibilities established by the Kersten Supervisory Board.

In discharging its responsibilities, the Committee:

- will have unrestricted access to members of Kersten Board of Directors, employees, and relevant information it considers necessary to discharge its duties.
- will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Committee will follow a prescribed, Kersten Supervisory Board approved mechanism for resolution of the matter.
- is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The Kersten's management and staff should cooperate with the Committee's requests.
- may engage independent counsel and/ or other advisors as it deems necessary to carry out its duties after consultation with the Supervisory Board.
- The Committee is empowered to:
  - a. appoint, approve compensation, and oversee all audit and non-audit services performed by auditors, including the work of any registered public accounting firm employed by the organization.
  - b. resolve any disagreements between Kersten Board of Directors and the external auditor regarding financial reporting and other matters.
  - c. preapprove all auditing and non-audit services performed by auditors.

### **2.4 COMPOSITION OF THE AUDIT COMMITTEE**

- The Committee will consist of at least two independent members of the Kersten Supervisory Board. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, IT, law, governance, risk and control. Because the responsibilities of the Committee evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate members' competencies and the overall balance of skills on the Committee in response to emerging needs.
- The members of the Committee shall be appointed and may be replaced at any time by the Kersten Supervisory Board. Continuance of Committee members will be reviewed annually. To ensure continuity within the Committee, the appointment of members should be staggered.
- The Kersten Supervisory Board will designate the chair of the Committee. The Committee shall not be chaired by the chairman of the Kersten Supervisory Board or by a former member of the Kersten Board of Directors as stipulated in paragraph 2.5 of the Corporate Governance Code of the Kersten Group.

### **3. OPERATIONAL PRINCIPLES**

#### **3.1 AUDIT COMMITTEE VALUES**

The Committee will conduct itself in accordance with applicable principles and regulation of the Kersten, such as the code of conduct and ethics of Kersten. The Committee assumes in its task that the Kersten Board of Directors and staff also adhere with these requirements.

#### **3.2 COMMUNICATIONS**

The Committee assumes in its task that all communication with Kersten Board of Directors and staff as well as with any external assurance providers will be direct, open, and complete. This means that the Committee should receive all information that is necessary for the performance of its work in a timely fashion.

#### **3.3 WORK PLAN**

The Committee chair will collaborate with the Kersten Board of Directors and the Internal Audit Manager to establish a work plan to ensure that the responsibilities of the Committee are scheduled and will be carried out.

#### **3.4 MEETING AGENDA**

The chair will establish agendas for the Committee meetings in consultation with the Committee members, the Kersten Board of Directors, and the Internal Audit Manager.

#### **3.5 INFORMATION REQUIREMENTS**

The Committee will establish and communicates its requirements for information, which will include the nature, extent, and timing of information. Information will be provided to the Committee at least one week prior to each Committee meeting.

#### **3.6 EXECUTIVE SESSIONS**

The Committee will schedule, and hold if necessary, a private session with the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Commercial Officer (CCO), the Internal Audit Manager, external assurance providers, and with any other officials that the Committee may deem appropriate at each of its meetings.

#### **3.7 PREPARATION AND ATTENDANCE**

The Committee members are obliged to prepare for and participate in the Committee meetings.

### **3.8 CONFLICT(S) OF INTEREST**

- The Committee members should adhere to the Kersten's Code of Conduct and any values and ethics established by the Kersten.
- It is the responsibility of the Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee.
- If there are questions as to whether the Committee member(s) should recuse themselves from a vote, then the Supervisory Board will determine whether the member recuse himself or herself.

### **3.9 PERMANENT EDUCATION**

To ensure that the expertise of the Committee is maintained and, where necessary, broadened, a program of continuing education for the members of this Committee is recommended.

## **4. OPERATIONAL PROCEDURES**

### **4.1 MEETINGS**

The Committee will meet at least three times annually or more frequently as the Committee deems necessary. The Committee will at least conduct a meeting with the external auditors (i) prior to the audit – external audit plan presentation, (ii) after the interim audit, and (iii) financial statement closing.

### **4.2 MINUTES**

Minutes will be prepared in accordance with applicable law, regulation, bylaw, policy, procedure, and/or other applicable requirements. Meeting minutes will be provided in draft format at least two weeks after the Committee meeting. The minutes are drawn up by the Internal Audit Manager or another officer appointed by the Committee.

### **4.3 REQUIRED ATTENDANCE**

- The Internal Audit Manager and the Chief Financial Officer are required to attend all Audit Committee meetings.
- The Chief Executive Officer, the Chief Commercial Officer and the Group Financial Controller have a standing invitation to the Committee meetings.

### **4.4 SECRETARIAL SERVICES**

The Internal Audit Manager will facilitate and coordinate meetings as well as provide ancillary support to the Committee, as time and resources permit.

## **4.5 RESPONSIBILITIES**

It is the responsibility of the Committee to provide the Kersten Supervisory Board with independent, objective advice on the adequacy of Kersten Board of Directors' arrangements with respect to the following aspects:

- a. Risk management (4.5.1)
- b. Fraud (4.5.2)
- c. Internal Control (4.5.3)
- d. Compliance (4.5.4)
- e. Oversight of the internal audit activity (4.5.5)
- f. Oversight of the external auditors (4.5.6)
- g. Financial reporting (4.5.7)
- h. Ad hoc responsibilities (4.5.8)

### **4.5.1 Risk management**

To obtain reasonable assurance with respect to Kersten's risk management practices, the Committee will:

- annually review the Kersten Group's risk profile.
- obtain from the Internal Audit Manager an annual report on Kersten Board of Directors' implementation and maintenance of an appropriate enterprise wide risk management process.
- provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by Kersten Board of Directors and the Kersten Supervisory Board.
- review and provide recommendations on the adequacy of assurances being provided by all assurance providers (internal audit and external assurance providers).
- review and provide advice on the risk management processes established and maintained by Kersten Board of Directors and the procedures in place to ensure that they are operating as intended.

### **4.5.2 Fraud**

To obtain reasonable assurance with respect to Kersten's procedures for the prevention and detection of fraud, the Committee will:

- review Kersten Board of Directors' arrangements for the prevention and deterrence of fraud.
- ensure that appropriate action is taken against known perpetrators of fraud.
- challenge the Kersten Board of Directors, the internal, and the external auditors to ensure that Kersten has appropriate anti-fraud programs and controls in place to identify potential fraud and ensure that investigations are adequately taken if fraud is detected.

### **4.5.3 Internal control**

To obtain reasonable assurance with respect to the adequacy and effectiveness of controls in responding to risks within the Kersten's governance, operations and information systems, the Committee will:

- consider the effectiveness of the Kersten's control framework, including information technology security and control.
- review and provide advice on the control of the as a whole and its individual units.



- receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to Kersten Board of Directors and the Kersten Supervisory Board.

#### **4.5.4 Compliance**

To obtain reasonable assurance with respect to compliance practices, the Committee will:

- review the effectiveness of the system for monitoring compliance with laws and regulations and the results of the Kersten Board of Directors' investigation and follow up (including disciplinary action) of any instances of noncompliance.
- review the observations and conclusions of internal and external auditors and the findings of any regulatory agencies.
- review the process for communicating all policies to Kersten's personnel and for monitoring compliance.
- obtain regular updates from the Kersten Board of Directors and the Kersten's legal counsel regarding legal and compliance matters.

#### **4.5.5 Oversight of the internal audit activity**

To obtain reasonable assurance that the Kersten Board of Directors has acted on the results and the recommendations of internal and external audit engagements, the Committee will regularly review reports on the progress of implementing the approved Kersten Board of Directors' action plans and audit recommendations resulting from completed audit engagements.

To obtain reasonable assurance with respect to work of the internal audit activity, the Committee will provide oversight related to:

##### **4.5.5.1 Internal audit charter**

- Review and approve the Internal Audit Charter at least annually.
- The Internal Audit Charter should be reviewed to ensure that it accurately reflects the internal audit activity's purpose, authority, and responsibility, consistent with the mandatory guidance of the IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as changes in financial, risk management, and the governance processes of the organization and reflects developments in the professional practice of internal auditing.

##### **4.5.5.2 Internal audit resources**

- Advise the Kersten Supervisory Board about increases and decreases to the requested resources to achieve the internal audit plan.
- Evaluate whether any additional resources are needed permanently or should be provided through outsourcing.

#### **4.5.5.3 Performance of internal audit manager**

- Advise the Kersten Board of Directors regarding the qualifications and recruitment, appointment, and removal of the Internal Audit Manager. Both the appointment and the dismissal of the Internal Audit Manager are submitted to the Kersten Supervisory Board for approval, along with the recommendation issued by the Audit Committee.
- Provide input to Kersten Board of Directors related to evaluating the performance of the Internal Audit Manager.
- Advise the Kersten Supervisory Board regarding the scope and the adequacy of the Internal Audit work plan and the objectivity and performance of the Internal Audit function.

#### **4.5.5.4 Internal audit strategy and plan**

- Review and provide input on the internal audit activity's strategic plan, objectives, performance measures, and outcomes.
- Review and approve the annual internal audit plan and the engagement work program, as it deems necessary, including reviewing internal audit resources necessary to achieve the plan.
- Review the internal audit activity's performance relative to its audit plan.

#### **4.5.5.5 Internal audit engagement and follow up**

- Review internal audit reports and other communications to Kersten Board of Directors.
- Review and track Kersten Board of Directors' action plans to address the results of internal audit engagements.
- Review and advise Kersten Board of Directors on the result of any special investigations.
- Inquire with the Internal Audit Manager whether:
  - any internal audit engagements or non-audit engagements have been completed but not reported to the Committee; if so, inquire whether any matters of significance arose from such work.
  - any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, should be taken.

#### **4.5.5.6 Standard conformance**

- Ensure that the internal audit activity conforms with the IIA's International Professional Practices Framework of Internal Auditing (Standard).
- Ensure that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the Committee.
- Ensure that the internal audit activity has an external quality assurance review every five years.
- Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address recommendations.
- Advise the Kersten Supervisory Board about any recommendations for the continuous improvement of the internal audit activity.

#### **4.5.6 Oversight of the external auditors**

To obtain reasonable assurance with respect to the work of the external assurance providers, the Committee will:

- meet with the external assurance providers during the planning phase of the engagement, the presentation of the audited financial statements, and the discussion of the results of engagements and recommendations for the Kersten Board of Directors.
- review the external auditors proposed audit scope and approach, including coordination of audit effort with the internal audit activity.
- review performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
- obtain statements from the external auditors about their relationships with Kersten, including non-audit services performed in the past, and discuss the information with the external auditors to review and confirm their independence.
- have regularly scheduled exclusive meetings with external auditors to discuss any sensitive matters.
- monitor Kersten Board of Directors' progress on action plans regarding the recommendations of the external auditors.
- advise the Supervisory Board regarding the appointment and removal of the external auditor.
- propose the rotation of the external audit partner, scope and adequacy of external audit, independence and performance of the external auditor, and any proposal for the external auditor to provide non-audit services whether it can compromise the independence of the external auditor.

#### **4.5.7 Financial reporting**

The Committee is responsible for oversight of the independent audit of Kersten's financial statements including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics, the Committee will:

- review with the Kersten Board of Directors and the external auditors the results of audit engagements, including any difficulties encountered.
- review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- review the annual financial statements, and consider whether they are complete, consistent with information known to the committee members, and reflect appropriate accounting principles.
- review other sections of the annual report and consider the accuracy and completeness of the information before it is released.
- review with Kersten Board of Directors and the external auditors all matters required to be communicated to the Committee under the generally accepted external auditing standards.
- understand strategies, assumptions and estimates that Kersten Board of Directors has made in preparing financial statements, budget and investment plans.
- understand how Kersten Board of Directors develops interim financial information and the nature and extent of internal and external auditor involvement in the process.

#### **4.5.8 Ad hoc responsibilities**

In addition, the Committee will:

- perform activities related to this Charter as requested by the Kersten Supervisory Board.
- institute and oversee special investigations as needed.

## **5. REPORT ON AUDIT COMMITTEE PERFORMANCE**

The Committee will report to the Kersten Supervisory Board at least annually, summarizing the Committee's activities and recommendations. The report should include:

- A summary of the work the Committee performed to fully discharge its responsibilities during the preceding year.
- A summary of Kersten Board of Directors' progress in addressing the results of internal and external audit engagement reports.
- An overall assessment of management's risk, control, and compliance processes, including details of any significant emerging risks or legislative changes impacting the governing organization.
- Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended.
- The Committee may report to the Kersten Supervisory Board at any time regarding any other matter it deems of sufficient importance.
- Report on special investigations, such as fraud audits and audits on request, to the Kersten Supervisory Board.

## **6. APPROVAL AND SIGNATURES**

Revised and approved by the Supervisory Board of C. Kersten en Co. N.V., on November 4, 2022.

On behalf of the Board of Directors of C. Kersten en Co. N.V.,  
Mr. Vishal Jadnanansing, Chief Executive Officer

On behalf of the Supervisory Board of C. Kersten en Co. N.V.,  
Mr. Michael Kembel, Chairperson

