

# Auditor Independence Policy

ASR Nederland N.V.

# Auditor Independence Policy

**Applicable to:** ASR Nederland N.V., all its subsidiaries, investment funds, associates and joint ventures

## 1. Introduction

This policy is established to ensure the independence of a.s.r.'s external auditors, both in fact and appearance. It also provides the responsibilities of both the external audit firm and the Audit and Risk Committee of the Supervisory Board of a.s.r. (referred to as Audit and Risk Committee in this document). This Policy is supplementary to and should be interpreted in conjunction with the a.s.r. Audit and Risk Committee Charter.

The Auditor Independence Policy holds the policy statements with regard to services provided by the external audit firm as well as the pre-approval procedure.

## 2. Scope

This policy is applicable to ASR Nederland N.V. and all subsidiaries in which ASR Nederland N.V. holds a direct or indirect controlling interest (hereafter: a.s.r.). Services by the External Auditor to entities in which a.s.r. has significant influence, but has no control, will not be subject to this policy and will be reviewed separately (See also paragraph 8).

The policy defines minimum requirements to ensure the independence of the external auditor. The most important applicable laws and regulation are:

- Book 2, title 9, Dutch Civil Code
- Dutch Corporate Governance Code as updated from time to time
- Wet toezicht accountantsorganisaties (Wta) (30-12-2009, stb. 2009-607)
- Dutch Audit Profession Act (Wet op het accountantsberoep (Wab)) (13-12-2012)
- Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO), NBA (1 January 2014) and amendement (17 June 2016)

## 3. General Policy

a.s.r. maintains a strict policy of avoiding, both in fact and in appearance, any conflict of interest when using the services of the external audit firm. a.s.r. maintains a policy for appointing, compensating and oversight of external audit firms performing services for which independence is required such as audit services, assurance services and permitted agreed upon procedures as outlined below. References to the external audit firm include all its internal departments, divisions, parents, subsidiaries and associated entities wherever located. The external audit firm must be registered with the AFM.

This policy is guided by the following principles:

- The external audit firm is not involved in the decision-making process at a.s.r.;
- The external audit firm assures that no direct or indirect financial, business, employment or other relationship exists which would cause an objective, reasonable and informed third party to conclude that the external audit firm's independence has been compromised;
- The external audit firm assures that it complies with its' internal rules regarding auditor independence;
- The policy should comply with the applicable laws in the Netherlands.

In line with the European rules and recommendations implemented in the Netherlands, the Supervisory Board of a.s.r. and her Board Members and Senior Management shall refrain from entering into any financial or business relationship with a.s.r.'s external audit firm, its partners or employees which could, or could be seen to:

- Create a conflict of interest;
- Place the external auditor in a position to audit their own work;
- Result in the external auditor acting as an a.s.r. manager or a.s.r. employee;
- Place the external auditor in the role of advocate for a.s.r.

a.s.r. also recognises that its relationship with the external audit firm must be managed in a consistent and transparent manner, and is committed to defining clear roles, responsibilities and processes in order to achieve this. The external auditor informs a.s.r. of any potential independence issue with a.s.r., including those which are caused by work performed by the external auditor at servicing clients of a.s.r.

## 4. Auditor Appointment

### 4.1 Appointment

The external audit firm will be appointed by the General Meeting of Shareholders of ASR Nederland N.V. for a maximum period of four years. The Audit and Risk Committee shall recommend the Supervisory Board on the appointment and remuneration of the external audit firm of a.s.r.

Engagement letters between a.s.r. and the external audit firm will contain an assignment for one year only.

### 4.2 Audit firm / partner rotation

The external audit firm shall (fully cooperate in order for a.s.r. to be able to) comply with mandatory audit firm rotation obligations pursuant to Dutch law and any other applicable law or regulations requiring audit firm rotation.

a.s.r. requires the external audit firm to adhere to an audit partner rotation policy that is widely accepted and provides an appropriate balance between continuity (effectiveness, efficiency, audit quality and fee), independence and credibility. This implies a rotation of partners in accordance with applicable domestic and international rules. After providing audit services to a.s.r. for a maximum period of five consecutive years, the signing external audit partner by law ('OOB accountant') shall be replaced by another partner of the Audit Firm and observe a three-year time-out period. The Audit and Risk Committee may recommend the Supervisory Board on this replacement.

Other audit partners' rotation is required after providing services to a.s.r. for a maximum period of seven consecutive years followed by at least a three-year time-out period.

## 5. The Audit and Risk Committee

### 5.1 Role and responsibilities of the Audit and Risk Committee

The Audit and Risk Committee is responsible for pre-approving audit, assurance services and permitted agreed upon procedures provided by the external audit firm in order to ensure that such services do not impair the independence of the external audit firm. The external audit firm is responsible to report any conflict with Auditor Independence Policy to the Audit and Risk Committee, including sufficient explanation.

On an annual basis, the Audit and Risk Committee and Executive Board will assess the following criteria with regard to the external audit firm:

- Auditor Independence
- Quality of the audit services
- Audit budget.

### 5.2 Audit and Risk Committee pre-approval

In exercising its pre-approval authority, the Audit and Risk Committee considers for all services, either generally pre-approved or individually pre-approved, whether these services are consistent with all applicable laws and regulations. The Audit and Risk Committee also decides whether the external audit firm is best positioned to provide the most effective and efficient service, for reasons such as familiarity with a.s.r.'s business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance a.s.r.'s ability to manage or control risk or improve audit quality. The Audit and Risk Committee is mindful of the proportion of aggregate fees for audit, audit-related and other services in deciding whether to pre-approve any such services.

The annual audit of a.s.r.'s consolidated and statutory financial statements; including services that are required by the external audit firm to form an opinion on a.s.r.'s consolidated financial statements are subject to the pre-approval of the Audit and Risk Committee. The Audit and Risk Committee monitors the annual audit services engagement as necessary and also approves, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, a.s.r.'s structure or other items.

A list of assurance services and permitted agreed upon procedures, with budgeted fee amounts, is submitted by Executive Board to the Audit and Risk Committee for general pre-approval, with regard to the Audit and Risk Committee hiring the external audit firm to provide these services. The Audit and Risk Committee approves both the list of services and the budget for such services. The list of services for which pre-approval has been granted is revised by the Audit and Risk Committee on an annual basis and if specifically requested by the Executive Board to do so. Appendices A and B to this Policy describe the services per type that have been generally pre-approved by the Audit and Risk Committee.

Assurance services and permitted agreed upon procedures that (I) do not appear on the list of services or (II) exceed the pre-approved budgeted amounts or (III) exceed a fee amount of € 100,000 require the specific pre-approval of the Audit and Risk Committee. To ensure the prompt handling of these requests, the Audit and Risk Committee delegates its authority to specifically pre-approve services to the Director Audit. All assurance services and permitted agreed upon procedures that exceed a fee amount of € 25,000 require also specific approval of a.s.r.'s Director Group Accounting, Reporting & Control, in advance of a.s.r.'s Chief Financial Officer. These engagements have to be submitted in advance to the Director Audit on the compatibility of such services with the Auditor Independence Policy. The Director Audit must report any pre-approval decisions to the Audit and Risk Committee at its next regularly scheduled meeting.

### **5.3 Evaluation of the external audit firm's performance**

According to the regulations of the Audit and Risk Committee, the Audit and Risk Committee must formally:

- Evaluate the independence of the external audit firm, document its position on this matter, and address changes to this policy or situation as needed each year;
- Evaluate the audit quality control measures with respect to the external audit of a.s.r., document its position and address changes if necessary;
- Evaluate the appropriateness of the annual audit budget in relation to perceived audit risk, market conditions and results of audit services rendered.

For this evaluation an analysis is made by Internal Audit of a.s.r., which is presented first in the Executive Board and after that in the Audit and Risk Committee. The Executive Board advises the Audit and Risk Committee, which advises the Supervisory Board on the outcome of this assessment. At least once every four years, the Company performs a thorough assessment of the functioning of the external audit firm. The Supervisory Board advises the General Meeting of Shareholders on the (re-) appointment of the external auditor based on the recommendations of the Audit and Risk Committee. The (re-)appointment of the external auditor must be approved by the General Meeting of Shareholders.

## **6. Responsibilities of the external audit firm**

The external audit firm maintains a quality control system compliant to the Dutch auditor independence rules, that ensures that the independence of the firm, its partners, all employees and associated entities participating in the engagement will not be impaired. The external audit firm must report half yearly to the Audit and Risk Committee on all aspects concerning independence and confirm its independence in writing. Furthermore, the external audit firm must report yearly to the Audit and Risk Committee on the external audit firm's system of audit quality controls in general and on the audit quality control measures for the audit of a.s.r. in particular.

In case of the presence of any issues with auditor independence, the external auditor must report these directly to the Audit and Risk Committee.

## **7. Permitted Services**

The external auditor can only provide to a.s.r. the services included in Appendices A and B. The only exception to this rule are services that are specifically or otherwise pre-approved by the Audit and Risk Committee of a.s.r. having observed applicable laws and regulations regarding auditor independence.

## **8. Services for associates, joint ventures and Investment Funds and/or similar Investment Vehicles**

For a.s.r.'s joint ventures that are part of a.s.r. Group and for Investment Funds that are part of a.s.r., the Audit and Risk Committee has given a general pre-approval for the services listed in Appendices A and B. All other services rendered by the external auditor to associates, joint ventures and Investment Funds not listed in Appendices A and B require specific pre-approval by the Audit and Risk Committee, and follows the procedure as set out in section 5.2. (Pre-)Approval by the Audit and Risk Committee should not be read or understood to replace the approval of the Audit en Risk Committee of the Investment Fund or joint venture partner. Where relevant, the external auditor shall ask pre-approval of that audit committee.

## **9. Administrative policies**

The external audit firm will provide the Audit and Risk Committee with a full overview of all services provided to a.s.r., including related fees and supported by sufficiently detailed information. This overview will be evaluated yearly by the Audit and Risk Committee.

Throughout the year, the external audit firm, a.s.r. Internal Audit and a.s.r. Group Accounting, Reporting & Control will monitor the realization of the pre-approved budgeted amounts. Unused amounts in any pre-approved budgets will not be carried forward to the next financial year.

## **10. Hiring arrangements**

a.s.r. and the external audit firm agree on a restricted hiring policy:

- a.s.r. must not hire, in a financial reporting oversight role, a former member of the a.s.r. external audit engagement team until two years have elapsed from the time that the person was a member of the a.s.r. external audit engagement team. A financial reporting oversight role is a role in which a person is in a position to or exercises influence over the contents of the financial statements or anyone who prepares them;
- The external audit firm must not hire senior management from a.s.r. for involvement in the a.s.r. external audit within two years after termination of their employment agreement with a.s.r.

## **11. Effective date**

This Policy was approved by the Audit and Risk Committee on 18 May 2016 and adopted by the Supervisory Board on 19 May 2016. This Policy is effective as of 1 July 2016. This Policy will be published on the intranet and the internet site of a.s.r. and will be communicated to a.s.r. senior management.

For further clarification and assistance for the implementation of this Policy the Director Audit should be contacted.

# Appendix A. Pre-approved audit services

1. Annual audit of the consolidated financial statements of ASR Nederland NV and subsidiaries.
2. Annual audit of the statutory financial statements of ASR Nederland NV, subsidiaries, associates and Investment Funds.
3. Annual audit/review of a.s.r.'s Corporate Social Responsibility report.
4. Review of ASR Nederland (interim) financial statements.
5. Audits, assurance engagement and agreed-upon procedures for regulatory purposes, including for Wft, Solvency II, Basel III and NZa.
6. Review of actuarial reports when relied upon for the audit of the financial statements.
7. IT reviews/audits performed in connection with the audit of the financial statements (i.e. review and testing of controls).
8. Information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control in connection with the audit.
9. Accounting and auditing consultation relating to the audit or review activities.
10. Comfort letters and other agreed-upon procedures for offering circulars, prospectuses and registration statements in connection with security offerings.

# Appendix B. Pre-approved audit-related services

1. Audits of acquired businesses (opening balance sheet audits).
2. Audits of disposals (closing balance sheet audits).
3. Third party assurance, internal control evaluations (ISAE 3402 or equivalent audits).
4. Agreed-upon or expanded audit procedures related to accounting records and procedures required to respond to or to comply with financial, accounting or regulatory reporting matters (cost models, S&P Rating, Multizorg, and performed for the purpose of external user(s) or the Supervisory Board of a.s.r.

**ASR Nederland N.V.**

Archimedeslaan 10

3584 BA Utrecht

[www.asrnl.com](http://www.asrnl.com)

a.s.r.  
de nederlandse  
verzekerings  
maatschappij  
voor alle  
verzekeringen