

TERMS OF REFERENCE AUDIT COMMITTEE

NX Filtration N.V.

Adopted by the Supervisory Board on 11 June 2021

1. INTRODUCTION

- 1.1 These terms of reference have been drawn up by the Supervisory Board pursuant to clause 4.4 of the By-Laws of the Supervisory Board.
- 1.2 The Audit Committee is a standing committee of the Supervisory Board.
- 1.3 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 those By-Laws as Annex 1.

2. COMPOSITION

- 2.1 The Audit Committee shall consist of at least one member. Members of the Audit Committee may also be Supervisory Directors. More than half of the members of the Audit Committee shall be independent within the meaning of best practice provision 2.1.7 of the Dutch Corporate Governance Code.
- 2.2 At least one member of the Audit Committee shall have competence in accounting or auditing.¹
- 2.3 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 members of the Audit Committee as chair of the Audit Committee.² The Audit Committee shall not be chaired by the chair of the Supervisory Board or by a former Managing Director of the Company.³
- 2.4 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.

3. DUTIES AND POWERS

- 3.1 Working within the Supervisory Board, the Audit Committee is charged in particular with:⁴
 - (a) informing the Supervisory Board of the results of the statutory audit and explaining how the statutory audit has contributed to the integrity of the financial reporting and the role the Audit Committee has fulfilled in this process;
 - (b) the monitoring of the financial-accounting process and preparation of proposals to safeguard the integrity of said process;
 - (c) the monitoring of the efficiency of the internal management system, the internal audit system and the risk management system with respect to financial reporting;

¹ Audit Committee Decree 2016, section 2(3).

² Audit Committee Decree 2016, section 2(3).

³ Dutch Corporate Governance Code, best practice provision 2.3.4.

⁴ Audit Committee Decree 2016, section 2(2) (b-f).

- (d) 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); and
- (e) the review and monitoring of the independence of the External Auditor.

3.2 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 reporting and the effectiveness of the Company's internal risk management and control systems. Among other things, it focuses on monitoring the Supervisory Board with regard to:⁵
 - (i) the financing of the Company;
 - (ii) the application of information and communication technology (ICT), including risks relating to cyber security; and
 - (iii) the Company's tax policy.
- (b) the preparation of meetings of the Supervisory Board where the Report of the Supervisory Board, the Annual Accounts and the interim figures of the Company are discussed.

3.3 Each member of the Audit Committee has access to all relevant books, records and offices of the Company and the authority to interview officers and employees of the Company to the extent necessary or useful for the proper performance of his duties.

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

3.5 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 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.

3.6 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.

4. DUTIES REGARDING THE EXTERNAL AUDITOR

4.1 The Audit Committee shall advise the Supervisory Board regarding the External Auditor's nomination⁶ 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 observations of the Supervisory Board.⁷ Furthermore, the (preparation of the) selection of the External Auditor shall be in accordance with Section 16 EU-Regulation 537/2014.

⁵ Dutch Corporate Governance Code, best practice provision 1.5.1.

⁶ Section 10 By-laws of the Supervisory Board.

⁷ Dutch Corporate Governance Code, best practice provision 1.6.1.

- 4.2 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.⁸
- 4.3 The Audit Committee shall advise the Supervisory Board 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.⁹

⁸ Dutch Corporate Governance Code, best practice provision 1.6.3.

⁹ Dutch Corporate Governance Code, best practice provision 1.7.3.