

Terms of Reference Audit Committee

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Introduction

- These Terms of Reference have been drawn up by the Supervisory Board pursuant to clause 5 of the By-Laws of the Supervisory Board and clause 20.12 of the Articles of Association.
- Capitalised terms that are used in these Terms of Reference shall have the meaning given to them in the list of definitions included as Annex 1 (*List of definitions*).

1 Composition

- 1.1 The Audit Committee shall consist of three or more members of the Supervisory Board as determined by the Supervisory Board.
- 1.2 At least half of the members of the Audit Committee shall be independent within the meaning of clause 1.5 of the By-Laws of the Supervisory Board.
- 1.3 At least one member of the Audit Committee shall be a financial expert, in the sense that he or she has relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities.
- 1.4 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 chairman of the Audit Committee that is independent within the meaning of clause 1.5 of the By-Laws of the Supervisory Board. The Audit Committee shall be chaired by a member of the Supervisory Board. The Audit Committee shall not be chaired by the chairman of the Supervisory Board or by a former member of the Management Board of the Company.¹
- 1.5 The secretary of the Audit Committee shall be appointed by the chairman.

2 Duties and Powers

- 2.1 The Audit Committee undertakes 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 systems². Working within the Supervisory Board, the Audit Committee is charged in particular with the following tasks:

¹ Dutch Corporate Governance Code, best practice provision 2.3.4

² Dutch Corporate Governance Code, best practice provision 1.5.1

- 2.1.1 the supervision and monitoring of as well as advising the Management Board and each Management Board member in relation to:
- a) the functioning of the internal risk management and control systems (risk policies, risk appetite, integrity), including the Internal Audit Function;
 - b) financial reporting, including the timely and properly publishing of the periodical external financial reports;
 - c) statutory audit of the (consolidated) Annual Accounts and ensuring independence of the External Auditor;
 - d) tax planning and corporate finance;
 - e) IT and communication technology; and
 - f) the financing of the Company.³
- 2.1.2 advising the Supervisory Board on the nomination by the Supervisory Board to the General Meeting of Shareholders for the appointment of the External Auditor⁴ by submitting a proposal to the Supervisory Board for the External Auditor's engagement to audit the financial statements. The Supervisory Board should resolve on the engagement⁵;
- 2.1.3 where necessary, to advise the Supervisory Board on the independence of the External Auditor and possible (potential) conflicts of interest between the External Auditor and the Company;
- 2.1.4 recommending to the Supervisory Board to approve both the appointment and dismissal of the Head of Internal Audit by the Management Board⁶;
- 2.1.5 giving advice to the Supervisory Board with regard to the Internal Audit Function with respect to the matters listed in Annex 2;
- 2.1.6 giving preliminary advice to the Supervisory Board regarding the approval of the Annual Accounts and the annual budget and major capital expenditures;
- 2.1.7 discussing the effectiveness of the design and operation of the internal risk management and control systems observing the following⁷:
- a) the Management Board should identify and analyze the risks associated with the strategy and activities of the Company and its affiliated enterprise. It is responsible for establishing the risk appetite, and also the measures that are put in place in order to counter the risks being taken⁸; and
 - b) the Management Board should monitor the operation of the internal risk management and control systems and should carry out a systematic assessment of their design and effectiveness at least once a year. This monitoring should cover all material control measures relating to strategic, operational, compliance and reporting risks. Attention should be given to observed weaknesses, instances of misconduct and irregularities, indications from whistle blowers, lessons learned and findings from the Internal Audit Function and the External Auditor. Where necessary, improvements should be made to internal risk management and control systems⁹; and

³ Dutch Corporate Governance Code, best practice provision 1.5.1

⁴ Dutch Corporate Governance Code, best practice provision 1.6.1

⁵ Dutch Corporate Governance Code, best practice provision 1.6.3

⁶ Dutch Corporate Governance Code, best practice provision 1.3.1

⁷ Dutch Corporate Governance Code, best practice provision 1.4.1

⁸ Dutch Corporate Governance Code, best practice provision 1.2.1

⁹ Dutch Corporate Governance Code, best practice provision 1.2.3

- 2.1.8 examining whether incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings.
- 2.2 The following annexes to these Terms of Reference contain further details on some of the duties of the Audit Committee described in clause 2.1:
- Annex 2 - Supervision of External Auditor and Internal Audit Function;
 - Annex 3 - Supervision of financial reporting and publications;
 - Annex 4 - Supervision of compliance with legislation and regulations;
 - Annex 5 - Financing and finance-related strategies; and
 - Annex 6 - List of information to be included in the report of the External Auditor.
- 2.3 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. Members of the Audit Committee shall exercise this right in consultation with the chairman of the Audit Committee.
- 2.4 When performing its duties the Audit Committee may seek assistance or information from one or more experts appointed by it and in consultation with either the CEO or the CFO of the Company, which will be paid by the Company, provided that these experts do not jeopardize the independence of the Company's auditor.
- 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 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 or delegated 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

- 3.1 The chairman of the Audit Committee shall act as the principal contact for the External Auditor. The Audit Committee is the first contact for the External Auditor if any irregularities in the contents of the financial reports are discovered. If the actual or suspected misconduct or irregularity pertains to the functioning of a Management Board member, then the External Auditor should report this directly to the chairman of the Supervisory Board.¹⁰
- 3.2 The remuneration of the External Auditor, and instructions to the External Auditor to provide non-audit services, shall be approved by the Supervisory Board on the recommendation of the Audit Committee, and after consultation with the Management Board.¹¹
- 3.3 The Audit Committee shall determine how the External Auditor should be involved in the content and publication of financial reports of the Company other than the Annual Accounts.¹²
- 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 Management Board and the Supervisory Board in relation to his audit of the Annual Accounts and the related audits, which in any event will include the matters listed in Annex 6.
- 3.5 Supplementary to the Management Board's assessment thereof, the Audit Committee should report annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the External Auditor.

¹⁰ Dutch Corporate Governance Code, best practice provision 2.6.3

¹¹ Dutch Corporate Governance Code, best practice provision 1.6.3

¹² Dutch Corporate Governance Code, best practice provision 1.7.3

The Audit Committee should advise the Supervisory Board regarding the External Auditor's nomination for appointment/reappointment or dismissal and should prepare the selection of the External Auditor. The Audit Committee should give due consideration to the Management Board's observations during the aforementioned work. Also on this basis, the Supervisory Board should determine its nomination for the appointment of the External Auditor to the General Meeting of Shareholders.¹³.

- 3.6 The Audit Committee should annually discuss with the External Auditor:
- 3.6.1. the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the External Auditor in the audit plan¹⁴; and
 - 3.6.2 the findings and outcomes of the audit work on the financial statements and the management letter.¹⁵
- 3.7 The Audit Committee shall form an opinion on the way in which the Internal Audit Function fulfills its responsibilities at least annually in order for the Management Board to take this into account when assessing the same.¹⁶
- 3.8 Internal Audit should draw up an audit plan, involving the Management Board, Audit Committee and the External Auditor. The audit plan should be submitted to the Management Board, and then to the Supervisory Board, for approval. In this Internal Audit Plan, attention should be paid to the cooperation with the External Auditor.¹⁷
- 3.9 The Internal Audit Function should have sufficient resources to execute the Internal Audit Plan and have access to information that is important for the performance of its work. The Internal Audit Function should have direct access to the Audit Committee and the External Auditor. Records should be kept of how the Audit Committee is informed by the Internal Audit Function.¹⁸
- 3.10 The Internal Audit Function should report its audit results to the Management Board and the Audit Committee and should inform the External Auditor.

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 once a year with the External Auditor without the Management Board being present.¹⁹ 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 chairman 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 secretary of the Audit Committee on behalf of the chairman, in consultation with the chairman of the Audit Committee. Save in urgent cases, to be determined by the chairman of the Audit Committee, the agenda for the meeting shall be sent at least seven calendar days before the meeting to all members of the Audit Committee.

¹³ Dutch Corporate Governance Code, best practice provision 1.6.1

¹⁴ Dutch Corporate Governance Code, best practice provision 1.7.2

¹⁵ Dutch Corporate Governance Code, best practice provision 1.7.2

¹⁶ Dutch Corporate Governance Code, best practice provision 1.3.2

¹⁷ Dutch Corporate Governance Code, best practice provision 1.3.3

¹⁸ Dutch Corporate Governance Code, best practice provision 1.3.4

¹⁹ Dutch Corporate Governance Code, best practice provision 1.7.4

- 4.3 The chairman of the Audit Committee shall decide if and when any other member of the Management Board, the Head of Internal Audit and/or the External Auditor will be invited to its meetings.²⁰ In addition, the chairman of the Audit Committee may invite or require any other person to attend meetings of the Audit Committee, including any officer or employee of the Company, or external experts. The secretary of the Audit Committee or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meetings 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 delegated 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 its interaction with the External Auditor, in particular on the Audit Committee's views of the External Auditor's independence.
- 5.3 The Audit Committee shall report to the Supervisory Board its deliberations and findings. This report must, at least, include the following information²¹:
- 5.3.1 the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in article 2.1.1 under (a) and (b) of these Terms of Reference;
 - 5.3.2 the methods used to assess the effectiveness of the internal and external audit processes;
 - 5.3.3 material considerations regarding financial reporting; and
 - 5.3.4 the way material risks and uncertainties referred to in the Management Report have been analyzed and discussed, along with a description of the most important findings of the Audit Committee.

The reports of meetings of the Audit Committee are distributed among all members of the Supervisory Board.

- 5.4 If requested, the chairman 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.
- 5.5 Every Supervisory Board member has unrestricted access to all records of the Audit Committee. A member of the Supervisory Board shall exercise this right in consultation with the chairman of the Audit Committee.

6 Miscellaneous

- 6.1 The chairman 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 Audit Committee may occasionally decide at its sole discretion not to comply with these Terms of Reference, subject to applicable law and regulations and, where applicable, adequate disclosure in the Management Report. The Supervisory Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Audit Committee.
- 6.3 These Terms of Reference and the composition of the Audit Committee are posted on the Company's website.²²

²⁰ Dutch Corporate Governance Code, best practice provision 1.5.2

²¹ Dutch Corporate Governance Code, best practice provision 1.5.3

²² Dutch Corporate Governance Code, best practice provision 2.3.3

Annex 1 – List of definitions

In these Terms of Reference the following terms have the following meanings:

"**Annual Accounts**" means the annual accounts of the Company as referred to in section 2:101 of the Dutch Civil Code.

"**Articles of Association**" means the articles of association (*statuten*) of the Company.

"**Audit Committee**" means the audit committee of the Company.

"**By-Laws**" means the by-laws of the Supervisory Board, including the annexes belonging thereto.

"**CEO**" means the chief executive officer of the Company.

"**CFO**" means the chief financial officer of the Company.

"**Company**" means Adyen N.V., and, where appropriate, the Subsidiaries and possible other group companies of the Company, whose financial information is incorporated in the consolidated Annual Accounts of the Company.

"**External Auditor**" means the firm of auditors charged with the auditing of the Company's annual financial statements as referred to in section 2:393 of the Dutch Civil Code.

"**General Meeting of Shareholders**" means the general meeting of shareholders (*algemene vergadering van aandeelhouders*) of the Company.

"**Head of Internal Audit**" means the senior internal auditor appointed in accordance with clause 16.2 of the By-Laws of the Management Board.

"**Internal Audit Function**" means the internal audit function of the Company.

"**Internal Audit Plan**" means the internal audit plan of the Company as determined by the Management Board in accordance with clause 16.4 of the By-Laws of the Company.

"**Management Board**" means the management board (*bestuur*) of the Company.

"**Management Report**" means the management report of the Company drawn up by the Management Board, as referred to in section 2:101 of the Dutch Civil Code.

"**Subsidiary**" has the meaning attributed to it in section 2:24a of the Dutch Civil Code.

"**Supervisory Board**" means the supervisory board (*raad van commissarissen*) of the Company.

"**Terms of Reference**" means the terms of reference of the Audit Committee, as established by the Supervisory Board.

Annex 2 - Supervision of External Auditor and Internal Audit Function

1. Assess and evaluate the External Auditor and the lead partner of the audit team of the External Auditor.
2. Obtain and review a report from the External Auditor (at least annually) regarding (i) the External Auditor's internal quality control procedures, (ii) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five months with respect to one or more independent audits carried out by the firm, (iii) any steps taken to deal with any such issues and (iv) all relationships between the External Auditor and the Company. Evaluate the qualifications, performance and independence of the External Auditor, including considering whether the External Auditor's quality controls are adequate, and taking into account the opinions of the Management Board.
3. Ensure the rotation of the lead (or co-ordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as well as the other members of the External Auditor, as required by law, regulation and/or the Supervisory Board By-Laws.
4. Meet with the External Auditor prior to the audit to discuss the planning, scope and staffing of the audit.
5. Discuss the Internal Audit Function's audit plan. Attention should be paid to the interaction with the External Auditor.
6. Discuss the essence of Internal Audit Function's reports on its audit results. The research findings of the Internal Audit Function should, at least, include the following:
 - a) any flaws in the effectiveness of the internal risk management and control systems;
 - b) any findings and observations with a material impact on the risk profile of the Company and its affiliated enterprise; and
 - c) any failings in the follow-up of recommendations made by the Internal Audit Function.

Annex 3 - Supervision of Financial Reporting and Publications

1. Discuss whether and, if so, how the External Auditor should be involved in the content and publication of financial reports other than the financial statements.²³ Review and discuss with the Management Board and the External Auditor the annual audited financial statements, including disclosures made in management interviews, and analyses.
2. Review and discuss with the Management 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 Management Board and the External Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the quality of earnings, 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:
 - a) all major elements of the accounting policies and the methods used;
 - b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management Board or any member thereof, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the External Auditor; and
 - c) other important written communications between the External Auditor and the Management Board or one of its members.
5. Discuss with the Management 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 Management Board and the External Auditor the consequences of legislative or regulatory initiatives as well as off-balance structures for the financial reporting by the Company.
7. Discuss with the Risk Committee, the Credit Risk Committee and the Management Board the Company's major financial risk exposures and the steps the Management Board has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

²³ Dutch Corporate Governance Code, provision 1.7.3

Annex 4 - Supervision of Compliance with Legislation and Regulations

1. Obtain reports from the Management Board, the Internal Audit Function and the External Auditor to the effect that the Company and its Subsidiaries comply with the applicable legislation and regulations and the internal rules of the Company. Review reports on intended disclosures on insider and affiliated party transactions. Advise the Supervisory Board on policy and procedures of the Company for compliance with applicable legislation and regulations.
2. Discuss with the Management Board and the External Auditor any correspondence with supervisory authorities, market authorities or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with the relevant persons of the legal and compliance department of the Company, the legal or compliance related issues that may materially affect the financial reports or the policy of the Company regarding its compliance with legislation and regulations.

Annex 5 – Financing and Finance-related Strategies

1. Review and discuss with the Management Board at least once a year the general financial strategy of the Company.
2. Review and discuss with the Management Board the financial policy and financial procedures of the Company, including its currency, policies and procedures.
3. The discussions between the Audit Committee and the Management Board on the above issues shall take place prior to the discussions on these issues between the Supervisory Board and the Management Board.

Annex 6 – List of Information to be included in the Report of the External Auditor

Pursuant to section 2:393, subsection 4 of the Dutch Civil Code, the report of the External Auditor shall contain the matters which the External Auditor wishes to bring to the attention of the Management Board and the Supervisory Board in relation to its audit of the Annual Accounts and the related audits.

The following examples can be given:

- (A) With regard to the audit:
- information about matters of importance to the assessment of the independence of the External Auditor;
 - information about the course of events during the audit and co-operation with External Auditors, matters for discussion with the Management Board, a list of corrections that have not been made, etc.
- (B) With regard to the financial figures:
- analyses of changes in shareholders' equity and results which do not appear in the information to be published and which, in the view of the External Auditor, contribute to an understanding of the financial position and results of the Company;
 - comments regarding the processing of one-off items, the effects of estimates and the manner in which they have been arrived at, the choice of accounting policies when other choices were possible, and particular effects of such policies.
- (C) With regard to the operation of the internal risk management and control systems (including the reliability and continuity of automated data processing) and the quality of the internal provision of information:
- points for improvement, gaps and quality assessments;
 - comments about threats and risks to the Company and the manner in which they should be reported;
 - compliance with Articles of Association, instructions, regulations, loan covenants, requirements of external supervisors, etc.