

RULES OF THE FINANCIAL COMMITTEE

1. Introduction

The board of CFA Society VBA Netherlands (the 'Society') shall present its annual report on the developments within the Society and the policy pursued during a general meeting held within six months after the end of the Society's financial year. The board shall present the balance sheet and statement of income and expenditure as well as the notes to these statements for approval to the general meeting (article 16 paragraph 4 of the articles of association of the Society). In accordance with article 16 paragraph 5 of the articles of association of the Society, a financial committee shall be appointed. This financial committee shall audit the annual accounts and the board's accounting and shall report its findings to the general meeting.

The law as well as the articles of association and the internal regulations of the Society include a general description of the duties and composition of the financial committee. The Rules of the Financial Committee define the duties, procedures and authorities of the financial committee in further detail.

The financial committee must be able to perform its duties relying on the assumption that the figures presented by the treasurer of CFA Society VBA Netherlands present a true and fair view and have been prepared in accordance with the applicable laws and regulations.

In accordance with the articles of association of the Society's related foundations Stichting VBA Opleidingsinstituut Morreau and Stichting Register Risk Manager for Financial Institutions, the auditing duties of the financial committee extend to auditing the balance sheets and the statements of income and expenditure of both foundations. The following articles 2, 4 and 5 shall in that case apply by analogy. The boards of the foundations shall not adopt the balance sheets and statements of income and expenditure until they have received the report of the financial committee.

2. Financial committee

2.1 Composition

The financial committee of CFA Society VBA Netherlands has at least 2 members. The members of the financial committee may not be members of the board. In addition, they may not have served on the board for the past 3 years. The members of the financial committee are members of CFA Society VBA Netherlands. If the audit of the annual accounts

and the board's accounting should require special accounting expertise, the financial committee may seek the assistance of an expert.

2.2 Appointment and dismissal of members

The members of the financial committee shall be appointed and dismissed by the general meeting in accordance with article 16 paragraph 5 of the articles of association and article 2.2 of the internal regulations of the Society. The members are appointed for a term of 3 years and may be re-appointed no more than once. The general meeting shall ensure that any vacancies in the financial committee are filled. If a vacancy arises during the year, the board may temporarily appoint one or more members of the financial committee. These appointments must nevertheless still be approved by the general meeting. The members of the financial committee shall draw up a retirement schedule.

2.3 Chairman

The financial committee shall appoint one of its members as chairman.

2.4 Termination of membership

Membership of the financial committee shall end, besides by a decision by the general meeting to not reappoint the member and upon expiry of the term of office, when the individual concerned ceases to be a member of CFA Society VBA Netherlands. The members of the financial committee are moreover authorised to end their membership of the financial committee by means of written notification the board. It is not desirable for members of the financial committee to retire simultaneously during the term of session.

2.5 Duty of confidentiality

Both during and after termination of their membership of the financial committee, the members of the financial committee shall observe confidentiality towards third parties with regard to any data that they have received that are the property of CFA Society VBA Netherlands.

3. Duties of the financial committee

The financial committee shall audit the accounts and financial reports of the Society and shall report its findings to the general meeting.

The financial committee's opinion covers:

- The consistency between the defined policy and the policy pursued, in particular the issue as to whether the board has employed the financial assets in accordance with the policy plans and the financial budget adopted by the general meeting of CFA Society VBA Netherlands;

- The assessment of the (financial) risks to which the Society is exposed.

The findings and/or the recommendation to discharge the board shall be put down in writing in a financial committee report, that shall be attached to the meeting documents for the general meeting of CFA Society VBA Netherlands. The financial committee shall ensure that its report is ready in time for the board to attach it to the meeting documents for the general meeting. In addition, a member delegated by the financial committee shall provide further information about the report during the general meeting. Reports by the financial committee must be retained for a period of seven years, in accordance with the applicable legal guideline.

4. Information to be provided to the financial committee

In order to be able to operate effectively, the financial committee must have access to:

- a. The draft budget before this is presented to the general meeting;
- b. The final version of the board's financial report, including the balance sheet and the statement of income and expenditure;
- c. Ledger accounts and records.

The financial committee shall treat the documents listed under a. and b. as confidential documents.

5. Procedures of the financial committee

In order to prepare the financial committee's report, a meeting shall be held during which besides the members of the financial committee, the treasurer and a member of the Society's staffed office shall also be present.

The chairman of the financial committee shall set a date, time and location for this meeting in consultation with the members of the committee. The members of the committee may decide to hold one or more meetings in preparation for this meeting, during which at least one member of the staffed office shall be present.

As part of the audit of the consistency of the financial policy, the financial committee shall at least cover the following items:

- a. Verify that all expenditure has occurred in accordance with the budget.
Expenditure that was not included in the budget or that deviates substantially from the budget must be explained by the treasurer. The financial committee must also consider whether such a decision by the board is in accordance with the objectives of CFA Society VBA Netherlands.

- b. Verify that income has been received as budgeted. If the income received deviates substantially from the budgeted amount, the committee shall enquire about the causes thereof.
- c. Assess whether the amount of interest received is reasonable given the amount of available financial resources.

6. Adoption and amendment of the rules

These rules are adopted and amended by the General Meeting of CFA Society VBA Netherlands. The general meeting may order the board to submit relevant proposals.

Adopted by the General Meeting of CFA Society VBA Netherlands
Amsterdam, 31 May 2018