

AUDIT COMMITTEE REGULATIONS

Adoption of the present Regulations duly took place on 24 May 2004 on the strength of article 5(2) of the Supervisory Board Regulations

1.1 Article 1: Audit Committee Remit

- 1.1 Without prejudice to article 5(1) of the Supervisory Board Regulations, the Audit Committee shall advise the Supervisory Board on the latter's duties as well as preparing that Board's decision making in this context.
- 1.2 The Audit Committee's remit comprises:
 - a. supervision and (prior) monitoring of, and provision of advice to, the Board of Management regarding the functioning of the internal risk management and control systems, including supervision of compliance with the relevant legislation and regulations and of the efficacy of the Codes of Conduct;
 - b. supervision of the Company's dissemination of financial information (choice of accounting policies, application and assessment of impact of new regulations, appreciation of how "estimates" in the financial statements are dealt with, projections, work performed by external auditors in this respect, and so on);
 - c. supervision of compliance with recommendations made by, and of observance of comments from, the external auditors;
 - d. supervision of the Company's tax planning policy;
 - e. supervision of the Company's finance;
 - f. supervision of the information and communication technology (ICT) applications;
 - g. liaising at regular intervals and supervision of the association with the external auditors including more in particular: (i) assessment of the external auditors' independence, remuneration and, where appropriate, any performance for the Company's benefit behalf of non-audit related duties, (ii) verification regarding the external auditors' involvement in terms of the substance and publication by the Company of its financial reporting other than in the context of the financial statements, and (iii) taking cognisance of irregularities in the financial reporting substantively where the external auditors may so report;
 - h. recommendation for the engagement, by the General Meeting of Shareholders, of a particular firm of external auditors.
- 1.3 The Audit Committee shall annually prepare and publish a report on its deliberations and findings.
- 1.4 The Audit Committee together with the Board of Management shall at least once every year report to the Supervisory Board regarding developments concerning the association with the external auditors, more in particular where it concerns the latter's independence and performance of non-audit duties for the Company's benefit. The selection and nomination of the external auditors shall partly depend on the outcome of such report.
- 1.5 The Audit Committee together with the Board of Management shall at least once every four years subject the performance of the external auditors at the level of the various entities at, and in the qualities in, which the external auditors are operating to scrupulous assessment and consider whether it would be appropriate that new external auditors be engaged or the partners in charge at the incumbent external auditors should be substituted. The main conclusions of this exercise

shall be reported to the Supervisory Board, to be used by the latter in finalising its recommendation for engagement of the external auditors *vis-à-vis* the General Meeting of Shareholders.

1.2 Article 2: Composition, Expertise and Independence of the Audit Committee

- 2.1 The Audit Committee shall be made up of at least two members.
- 2.2 Without prejudice to article 3(4) of the Supervisory Board Regulations, due allowances shall be made for the following requirements where the composition of the Audit Committee is concerned:
 - a. at least one Audit Committee member shall boast relevant know-how and experience of (financial) accounting having been gained at other major corporations;
 - b. each of the Audit Committee's members with the exception of at most one person shall be independent as defined in article 3(4) sub (d) of the Supervisory Board Regulations;
 - c. neither the Supervisory Board Chair nor any of the (former) Board of Management members shall (concurrently) officiate as Audit Committee Chair.

2. Article 3: Presidency

With due observance of the provisions as per the preceding article 2, the Supervisory Board shall appoint one of its members as its Chair, to be charged with the responsibility for the proper performance of the Committee and to officiate as the Committee's spokesperson and as the Supervisory Board's main contact.

Article 4: Audit Committee Meetings **(Committee Agenda, Participants and Minutes)**

- 4.1 The Audit Committee shall convene at least twice every year and additionally, shall meet up with such frequency as one or more of its members deem(s) to be appropriate, such meetings customarily to be held at the Company's offices, although they may also take place elsewhere.
- 4.2 The Company's external auditors may where appropriate request of the Audit Committee Chair that they should be allowed to attend an Audit Committee meeting. The Audit Committee shall at least once every year stage a meeting involving the Company's external auditors, which meeting shall not be attended by the Board of Management. Without prejudice to the above, it shall be up to the Audit Committee to decide whether and if so, when the Company's Chief Executive Officer or the Board of Management member in charge of financial affairs and/or the external auditors should attend its meetings.
- 4.3 Meetings shall be convened by such person(s) as has (have) requested that they should be held. Where feasible, the convocation and the agenda of topics to be discussed shall be handed out to the Audit Committee members seven days ahead of the start of the meeting.
- 4.4 Minutes shall be prepared of (that which is discussed at) the meeting, generally to be adopted at the next meeting; however, where all Audit Committee members approve the substance of the minutes, the latter's adoption could also take place on an earlier occasion. The draft minutes are to be forwarded to the other Audit Committee and Supervisory Board members at the earliest

opportunity, with the minutes being adopted at the next meeting and provided with the Chair's signature in evidence of their having been duly adopted.

3. Article 5: Application by Analogy of Supervisory Board Regulations

Articles 1(1), 1(2), 15 and 16 of the Supervisory Board Regulations shall apply *mutatis mutandis* to the present Audit Committee Regulations.