

## **REGULATIONS OF THE AUDIT COMMITTEE OF ROYAL TEN CATE NV**

These Regulations have been drawn up by the Supervisory Board.

### **1. DEFINITIONS**

In these Regulations the following terms shall have the meanings shown:

the General Meeting:	the general meeting of shareholders of the Company;
the Audit Committee:	the audit committee of the Supervisory Board;
the Executive Board:	the executive board of the Company;
the Supervisory Board:	the supervisory board of the Company;
the Regulations:	the regulations of the Audit Committee;
the Company:	the public limited company Royal Ten Cate N.V., having its registered office in Almelo;
the Chairman:	the chairman of the Audit Committee.

### **2. REGULATIONS**

These Regulations shall remain in force until they are amended in accordance with the provisions set forth below.

### **3. DUTIES OF THE AUDIT COMMITTEE**

- 3.1 The Audit Committee shall prepare, within its area of responsibility, the decision-making of the Supervisory Board, on the understanding that the full Supervisory Board shall remain collectively responsible for the fulfilment of its duties.
- 3.2 The Audit Committee shall in any case focus its attention on supervising the Executive Board with regard to:
  - a. the operation of the internal risk management and control systems, including supervision of compliance with the relevant legislation and regulations;

- b. the provision of financial information by the Company (choice of accounting policies, application and assessment of effects of new rules, claims assessment, forecasts, related work of the external auditor, etc.);
  - c. compliance with recommendations and follow-up of observations made by the external auditor;
  - d. the Company's policy with regard to tax planning;
  - e. the relationship with the external auditor, including in particular his independence, remuneration and any non-audit work for the Company;
  - f. the financing of the Company;
  - g. the applications of the information and communication technology (ICT).
- 3.3 The Audit Committee shall be the first point of contact for the external auditor if the latter observes irregularities in the content of the financial reports.
- 3.4 The Audit Committee shall assess how the external auditor is to be involved in the content and publication of financial reports other than the financial statements of the Company.
- 3.5 The Executive Board and the Audit Committee shall report separately each year to the Supervisory Board on the developments in relation to the external auditor, in particular concerning his independence (including the desirability of rotating the responsible partners within an external auditing firm entrusted with the auditing and of the carrying out of non-audit work for the Company by the same firm).
- 3.6 The Executive Board and the Audit Committee shall carry out at least once every four years a thorough assessment of the operation of the external auditor in the various entities and capacities in which the external auditor operates. The main conclusions shall be made known to the General Meeting for the assessment of the nomination for the appointment of the external auditor.
- 3.7 In accordance with article 6.3 of the Regulations of the Supervisory Board, the Audit Committee shall be responsible for ensuring that the Supervisory Board receives a report of its deliberations and findings.

#### **4. COMPOSITION OF THE AUDIT COMMITTEE**

The Audit Committee shall consist of at least three members.

#### **5. CHAIRMAN**

- 5.1 The Audit Committee shall appoint a Chairman from among its members. The Chairman shall not be the chairman of the Supervisory Board, nor a former member of the Executive Board.
- 5.2 The Chairman shall determine the agenda and shall conduct the meetings of the Audit Committee and shall be responsible for and actively promote the proper operation of the Audit Committee.
- 5.3 The Chairman shall maintain close and frequent contact with the Supervisory Board and shall keep the members of the Audit Committee accurately and regularly informed of such contacts.

## **6. APPOINTMENTS**

The members of the Audit Committee shall be appointed by the Supervisory Board from among its members.

## **7. MEETINGS**

- 7.1 The Audit Committee shall meet as often as it deems necessary, but no less than once per year, independently of the Executive Board and in the presence of the external auditor. The meetings shall be held in principle at the offices of the Company, but they may also be held elsewhere.
- 7.2 The Audit Committee shall determine whether and when the Chairman of the Executive Board, the Finance Director and the external auditor shall attend its meetings.
- 7.3 Meetings shall be convened in principle by the Chairman.
- 7.4 A report shall be drawn up of each meeting. The provisions of article 3.7 shall apply to this report.

## **8. AMENDMENTS**

These Regulations may only be amended if the Supervisory Board so resolves. Any such amendment shall be made in writing.