

**ANNEX C**  
**REGULATIONS OF THE**  
**SUPERVISORY BOARD AUDIT COMMITTEE**

These regulations were revised on 31 December 2017 on the basis of the Regulations of the Supervisory Board of Royal Boskalis Westminster N.V.

**Article 1;     Role of the Audit Committee**

1.1.   The duties of the Audit Committee shall include:

- a)    informing the Supervisory Board of the company of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of the financial reporting and what the role of the Audit Committee has been in that process;
- b)    monitoring the financial reporting process and submitting proposals to ensure its integrity;
- c)    monitoring the effectiveness of the internal control system, the internal audit function and the risk management system regarding the financial reporting of the company;
- d)    monitoring the statutory audit of the financial statements and the consolidated annual accounts, in particular the execution thereof taking into account the assessment of the AFM in accordance with article 26, sub clause 6 of the EU Directive 537/2014;
- e)    assessing and monitoring the independence of the external auditor, specifically taking into account the provision of ancillary services to the company;
- f)    determining the procedure for the selection of the external auditor and the nomination for the engagement to carry out the statutory audit in accordance with article 16 of EU directive 537/2014;
- g)    advising the Supervisory Board on the approval of the appointment and the dismissal of the internal auditor;
- h)    providing its opinion on the performance of the internal audit function;
- j)    advising on the annual internal audit plan.

- 1.2 It is the role of the Audit Committee to prepare the decision-making of the Supervisory Board 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 Board of Management with regard to:
- a) relations with, and compliance with recommendations and following up of comments by, the internal and external auditors;
  - b) the company's tax policy;
  - c) the application of information and communication technology by the company, including risks related to cybersecurity; and
  - d) the financing of the company;
- 1.3 The Audit Committee shall report annually to the Supervisory Board on the performance of and the developments in the relationship with the external auditor. The Audit Committee shall:
- a) advise the Supervisory Board with regard to the nomination for the appointment or reappointment or dismissal of the external auditor and shall prepare the selection of the external auditor. When carrying out the aforementioned duties the Audit Committee shall take into account the observations of the Board of Management;
  - b) submit a proposal to the Supervisory Board for the external auditor's engagement to audit the financial statements. In formulating the terms of the engagement, attention should be paid to the scope of the audit, the materiality to be used and the remuneration for the audit.;
  - c) discuss with the external auditor the audit plan and the findings of the external audit from the work undertaken by him;
  - d) discuss annually, after the external auditor has discussed the draft audit plan with the Board of Management, with the external auditor:
    - i) the scope and materiality of the audit plan and the most important risks of the annual reporting identified by the external auditor in the audit plan; and
    - ii) based also on the underlying documents, the findings and the results of the audit work on the financial statements and the management letter;
  - e) determine whether, and if so, in which manner the external auditor will be involved in the content and publication of financial reports other than the Annual Accounts.
  - f) consult with the external auditor when considered necessary, but at least once a year without the presence of the Board of Management.

- 1.4. The Audit Committee shall report to the Supervisory Board on its deliberations and findings. This report shall, at least, include the following information:
- a) the manner wherein the effectiveness of the design and operation of the internal risk management and control systems;
  - b) the manner wherein the effectiveness of the internal and external audit processes have been assessed;
  - c) material considerations regarding the financial reporting;
  - d) the manner wherein material risks and uncertainties have been analyzed and discussed and the most important findings of the Audit Committee.

## **Article 2; Composition, expertise and independence**

- 2.1 The Audit Committee shall consist of at least three members.
- 2.2. Without prejudice to Article 3.5 of the Supervisory Board Regulations, the following criteria must be taken into account with respect to the composition of the Audit Committee:
- a) the members jointly shall have the requisite expertise relevant to the sector in which the Company operates;
  - b) at least one of its members shall be a financial expert, which means that such member has gained relevant knowledge and experience in the field of financial reporting or audit of listed companies or other large enterprises;
  - b) the majority of its members shall be independent within the meaning of Article 3.5 (d) of the Supervisory Board Regulations;
  - c) Nor the chairman of the Supervisory Board, nor one of the former members of the Board of Management, may be a Chairman of the Audit Committee.

## **Article 3; Chairman**

Subject to the provisions of article 2 of these regulations, the Audit Committee shall appoint one of its members as chairman. The chairman shall in particular be responsible for the proper performance of the Committee. The chairman shall also act as spokesman for the Committee and be the main point of contact for the Supervisory Board.

## **Article 4; Meetings (agenda, participants and minutes)**

- 4.1 The Audit Committee shall meet at least three times a year and otherwise as often as one or more of its members deem necessary. Meetings will usually be held in the Company's offices, but may also be convened elsewhere.

- 4.2 Unless the Audit Committee decides otherwise, its meetings shall be attended by the Chief Financial Officer, the internal auditor and the external auditor. The audit committee shall decide whether and when the chairman of the Board of Management should attend its meetings.
- 4.3 The chairman of the Audit Committee shall convene meetings. Wherever practicable, the convening notice and the agenda of the matters to be discussed shall be distributed to the members of the Audit Committee seven days in advance of the meeting.
- 4.4 Minutes shall be taken of the meeting. These will normally be adopted at the next meeting, but may also be adopted before then if all the members of the Audit Committee concur with their content. The minutes shall be signed by the chairman and shall be sent as quickly as possible to the other members of the meeting.

#### **Article 5; Application of the Supervisory Board Regulations**

The relevant articles of the Supervisory Board Regulations, in particular articles 1.1, 1.2, 10.1, 10.2, 17 and 18, shall also apply to these regulations.