



SCHEDULE 2

Regulations of the Audit Committee of the Board of Kardan N.V.

1. CONSTITUTION

- 1.1. The Audit Committee is a committee comprising of non-executive Board Members with the general task of evaluating and when necessary providing advice to the Board on matters concerning the financial administrative control, the financial reporting and the internal and external audit of Kardan N.V. and its group companies (hereafter "Kardan").
- 1.2. The activities of the Audit Committee may in no way infringe on the statutory authorities of the Board.

2. MEMBERSHIP

- 2.1. It is desirable that, where possible, the Audit Committee comprises of three non-executive Board Members.
- 2.2. The term for Board Members in the Audit Committee will equal their term as Board Members.
- 2.3. The Audit Committee shall not be chaired by the Chairman of the Board.
- 2.4. At least one member of the Audit Committee shall be an expert in managing enterprises, in financial administration and accounting for listed companies and other large legal entities.

3. ATTENDANCE AT MEETINGS

- 3.1. Officers with responsibility for the following areas shall be invited as attendees when appropriate: Finance, Compliance and Internal audit.
- 3.2. The CEO and CFO shall attend, to the extent possible, all meetings of the Audit Committee. The Audit Committee shall decide whether and, if so, when the internal auditor should attend its meetings.

The external auditor shall at least attend the meetings of the Audit Committee, at which the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which annual accounts are to be established. In addition, the external

auditor shall attend the meetings of the Audit Committee at which the quarterly and half-yearly results are discussed.

- 3.3. The Audit Committee shall further meet with the external auditor as often as it considers necessary.

4. FREQUENCY OF MEETINGS

Meetings shall be held as and when required by the chairman of the Audit Committee, or any two members thereof or at the request of the CEO. However, at least four meetings shall be held annually, of which one anticipating the closing of the financial year to be held prior to the Board's meeting.

5. AUTHORITY

- 5.1. The Audit Committee is authorised by the Board to investigate any activity within the scope of these Regulations and may to that extent via the CEO or CFO request such reasonable information as it deems necessary from any functionary of the Company, its subsidiaries or group companies with account being taken of possible impediment due to local legislation.
- 5.2. The Audit Committee is authorised to request advice from outside experts if it considers this necessary.
- 5.3. The Audit Committee shall act as the principal contact for the external auditor if he discovers irregularities in the content of the financial reports.

6. ROLE

- 6.1. The Audit Committee's role is to:
 - a. review on an annual basis the accounting policies, practices and going concern assumption of Kardan and to discuss compliance with accounting standards, regulatory and legal requirements;
 - b. review the adequacy of co-ordination between the internal and external auditors and to discuss annually with the auditors (internal and external) the scope of the audit, the cost effectiveness of their work, their independence and any non-auditing work for Kardan;
 - c. review the state and effectiveness of the financial reporting and internal control systems used throughout Kardan (including effectiveness of business risk assessment);

- d. review and discuss the Auditor's Report on Kardan's accounts, review the results of the internal and external audit, the contents of the (consolidated) management letters and responses from management;
- e. review and discuss the financing of the Company, the policy of the Company on tax planning and the applications of information and communication technology (ICT);
- f. discuss major judgmental areas and significant legal action commenced against or by the business;
- g. review the annual financial statements of the Company prior to the Board and recommend to the Board whether to approve them or not; and
- h. review any other matter within the terms of reference as the Audit Committee deems appropriate.

7. FINANCIAL REPORTING AND AUDITOR

- 7.1. The Audit Committee advises the Board on its responsibility for the quality and completeness of publicly disclosed financial reports. The Audit Committee shall supervise compliance with the procedures regarding the preparation and publication of the annual report, the annual accounts, the quarterly and/or half yearly figures and ad hoc financial information.
- 7.2. The Audit Committee shall supervise that and to what extent the external auditor is involved in the content and publication of financial reports other than the annual accounts.
- 7.3. The Audit Committee shall report its dealings with the external auditor to the Board on an annual basis, including his independence in particular (for example, the desirability of rotating the responsible partners of an external audit firm that provides audit services, and the desirability of the same audit firm providing non-audit services to the Company).
- 7.4. The external auditor and the Audit Committee shall be consulted by the CEO on the work schedule of the internal auditor. They shall also be informed on the findings of the internal auditor.

8. REPORTING PROCEDURES

- 8.1. The chairman of the Audit Committee shall report the findings of the Audit Committee to the Board from time to time.