

DIETSMANN N.V.

TERMS OF REFERENCE AUDIT COMMITTEE

*(Reglement Audit Commissie)*

Adopted by the Supervisory Board on 13 December 2007

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# **Terms of Reference of the Audit Committee of Dietsmann N.V.**

## **1 Introduction**

- 1.1 These Terms of Reference are established by the Supervisory Board pursuant to clause 15 of the Regulations of the Supervisory Board.
- 1.2 The Audit Committee is a standing committee of the Supervisory Board.

## **2 Composition**

- 2.1 The Audit Committee shall consist of at least two members. All members of the Audit Committee shall be Supervisory Board members who are independent within the meaning of clauses 2.3 and 2.4 of the Regulations of the Supervisory Board. Each member of the Audit Committee must be financially literate and at least one member of the Audit Committee must have accounting or related financial management expertise. At least one member of the Audit Committee shall be a financial expert as defined in clause 2.3 of the Regulations of the Supervisory Board.
- 2.2 The members of the Audit Committee shall be appointed by the Supervisory Board on the recommendation of the Audit Committee. Members of the Audit Committee may be replaced by the Supervisory Board at any time.
- 2.3 The chairman of the Audit Committee shall be designated by the Supervisory Board on the recommendation of the Audit Committee.
- 2.4 The Corporate Secretary shall act as the secretary to the Audit Committee.

## **3 Meetings**

- 3.1 The Audit Committee shall meet as often as it determines. The Audit Committee shall furthermore meet with the External Auditor as often as it considers necessary, but at least once a year, outside the presence of members of the Management Board.
- 3.2 The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or External Auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Every Supervisory Board member may attend meetings of the Audit Committee. The Audit Committee shall decide whether, and if so when, the CEO, the CFO or the External Auditor shall attend meetings of the Audit Committee.
- 3.3 Minutes will be made by the Corporate Secretary and shall be circulated as soon as possible to all the Supervisory Board members.
- 3.4 If and when required, the chairman of the Audit Committee shall provide further information to the Supervisory Board during its meetings on the results of the Audit Committee's discussions.

## **4 Specific Committee Authority and Responsibilities**

- 4.1 The Audit Committee shall have the sole authority, which is subject to confirmation by the Supervisory Board, to recommend to the General Meeting of Shareholders the appointment or replacement of the External Auditor. The Audit Committee shall

be directly responsible for the compensation and oversight of the work of the External Auditor (including resolution of disagreements between management and the External Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The External Auditor shall report directly to the Audit Committee.

- 4.2** The Audit Committee shall determine how the External Auditor should be involved in the content and publication of financial reports of the Company other than the Annual Accounts.
- 4.3** The Audit Committee shall request the External Auditor to include in its report the matters which the External Auditor wishes to bring to the attention of the Board of Management and the Supervisory Board in relation to his audit of the Annual Accounts and the related audits.
- 4.4** The Audit Committee shall ensure that the External Auditor may be questioned by the General Meeting of Shareholders in relation to its audit opinion and that the External Auditor shall attend the General Meeting of Shareholders and be entitled to address this meeting.
- 4.5** The Audit Committee shall in full report its dealings with the External Auditor to the Supervisory Board.
- 4.6** The Audit Committee shall thoroughly assess the functioning of the External Auditor every three years.
- 4.7** The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its External Auditor. The Audit Committee may delegate such authority to its chairman, but for special occasions only, provided that any decision of the chairman of the Audit Committee to grant such a preapproval shall be presented to the full Audit Committee at its next scheduled meeting.
- 4.8** The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the External Auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.
- 4.9** The Audit Committee is authorised by the Supervisory Board on its behalf to exercise all powers of the Supervisory Board needed to discharge itself of its assignments and may consequently inspect all relevant corporate books and records, interview all officers and employees of the Company in so far as necessary to fulfil its assignment.

## **5 Limitation of the Audit Committee's Role**

While the Audit Committee has the responsibilities and powers set forth in these Terms of Reference, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

## **6 Annual Assessment of Committee Functioning**

The Audit Committee shall review and re-assess the adequacy of these Terms of Reference annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board for approval and adoption.

## **7 Amendment of these Terms of Reference; Revocation of Powers**

Subject to applicable law and regulation, the Supervisory Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Audit Committee.

## **8 Disclosures regarding Audit Committee**

**8.1** The composition of the Audit Committee shall be mentioned in the report of the Supervisory Board which is part of the Annual Report and on the Company's website.

**8.2** These Terms of Reference shall be published on the Company's website.

**8.3** The number of meetings of the Audit Committee and the main items discussed shall be mentioned in the report of the Supervisory Board which is part of the Annual Report.

## **9 Miscellaneous**

**9.1** Every Supervisory Board member shall have unrestricted access to all records of the Audit Committee.

**9.2** The chairman of the Audit Committee or one of the other Audit Committee members shall be available to answer questions about the Audit Committee's activities at the annual General Meeting of Shareholders.

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