

AUDIT COMMITTEE REGULATIONS

Grontmij N.V.

Adopted by the Supervisory Board on 10 March 2004

0. INTRODUCTION

- 0.1 These regulations have been prepared by the Supervisory Board pursuant to Article 5 of the Supervisory Board Regulations.
- 0.2 The audit committee is a standing committee of the Supervisory Board.
- 0.3 The meaning of some capitalised or uncapitalised terms used but not defined in these regulations have the meaning set forth in the Supervisory Board Regulations and the list of definitions attached thereto as Annex 1.

1. COMPOSITION

- 1.1 The audit committee shall consist of at least 3 and at most 6 members. All members of the audit committee must be members of the Supervisory Board. All the members of the audit committee must be independent within the meaning of Article 1.4 of the Supervisory Board Regulations, with the exception of a maximum of one member.
- 1.2 At least one member of the audit committee shall be a financial expert, in the sense that he has relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities.
- 1.3 The members of the audit committee are appointed and may be replaced at any time by the Supervisory Board. The Supervisory Board appoints one member of the audit committee as the chairman of the audit committee. The audit committee shall not be chaired by the chairman of the Supervisory Board or by a former member of the Executive Board.
- 1.4 The term of office of a member of the audit committee will generally not be set beforehand. The term of office depends, *inter alia*, of the composition of the Supervisory Board as a whole and the other committees from time to time.
- 1.5 The corporate secretary of the Company shall act as the secretary to the audit committee. The corporate secretary may delegate his duties under these regulations, or parts thereof, to a deputy appointed by him in consultation with the chairman of the audit committee.

2. DUTIES AND POWERS

- 2.1 Within the Supervisory Board the audit committee is charged in particular with:

- (a) the supervision of the Executive Board with respect to:
 - (i) the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant laws and regulations, and supervising the operation of codes of conduct;
 - (ii) the provision of financial information by the Company;
 - (iii) compliance with recommendations of the internal auditor and the external auditor;
 - (iv) the role of the internal auditor;
 - (v) the policy of the Company on tax planning;
 - (vi) the relationship with the external auditor, more in particular his independence, remuneration and any non-audit services of the external auditor for the Company (see also Article 3 below);
 - (vii) the financing of the Company; and
 - (viii) the application of information and communications technology;
- (b) to advise the Supervisory Board on the nomination by the Supervisory Board to the general meeting of shareholders for the appointment of an external auditor;
- (c) if necessary, to make proposals to the Supervisory Board on the policy it should pursue with respect to the independence of the external auditor and possible (potential) conflicts of interests between the external auditor and the Company; and
- (d) to prepare the meetings of the Supervisory Board with the Executive Board where the annual accounts, the annual reports, the half-yearly figures and the quarterly figures of the Company are discussed.

2.2 The following Annexes contain further details of some of the duties of the audit committee set out in Article 2.1:

Annex 1 – Supervision of the external auditor and the internal auditor;

Annex 2 – Supervision of financial reports and disclosures;

Annex 3 – Supervision of compliance with laws and regulations; and

Annex 4 – Financing and related strategies.

2.3 Each member of the audit committee has access to the books, information and offices of the Company and the authority to interview officers and employees of the Company insofar as required or useful for the proper fulfilment of his duties. A member of the audit committee shall exercise this right in consultation with the chairman of the audit committee and the secretary of the Company.

- 2.4 The audit committee may in exercising its duties seek the assistance or guidance of one or more experts to be appointed by it in exchange for a fee to be agreed on with the audit committee, which shall be paid by the Company.
- 2.5 While the audit committee has the duties and powers set forth in these regulations, it is not the duty of the audit committee to plan or conduct audits or to determine that the Company's financial reports and disclosures are complete and accurate and in accordance with the accounting principles generally accepted in the Netherlands and the applicable laws and regulations.
- 2.6 The audit committee may only exercise such powers as are explicitly attributed or delegated to it by the Supervisory Board and it may never exercise powers beyond those exercisable by the Supervisory Board as a whole.

3. DUTIES OF THE EXTERNAL AUDITOR

- 3.1 The audit committee shall act as the principal contact for the external auditor if he discovers irregularities in the content of the financial reports.
- 3.2 The remuneration of the external auditor and the instructions to the external auditor to provide non-audit services shall be approved by the Supervisory Board on the recommendation of the audit committee and after consultation with the Executive Board. The approval for the performance of non-audit services is given with due observance of the policy of the Supervisory Board on the independence of the external auditor as contained in Annex 6 to the Supervisory Board Regulations.
- 3.3 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.
- 3.4 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 Executive Board and the Supervisory Board in relation to its audit of the annual accounts and the related audits, which shall in any case include the matters listed in **Annex 5**.
- 3.5 Supplementary to the assessment of this by the Executive Board, the audit committee shall at least once every four years conduct a thorough assessment of the functioning of the external auditor in the different capacities in which the external auditor acts. The most important findings of this assessment shall be communicated to the general meeting of shareholders for the purposes of assessing the nomination for the appointment of the external auditor.
- 3.6 The external auditor and the audit committee shall be involved in drawing up the work schedule of the internal auditor. They shall also take cognizance of the findings of the internal auditor.

4. MEETINGS

- 4.1 The audit committee shall meet as often as deemed necessary for the proper functioning of the audit committee. The audit committee shall meet at least twice a year. The audit committee shall furthermore meet with the external auditor at least once a year, outside the presence of members of the Executive Board. The meetings are as much as possible scheduled annually in advance and held as much as possible shortly before the meetings of the Supervisory Board.

The audit committee shall also meet in the interim if this is deemed necessary by the chairman of the audit committee or a member of the audit committee.

- 4.2 Meetings of the audit committee are in principle convened by the secretary of the audit committee in consultation with the chairman of the audit committee. Save in urgent cases, to be determined by the chairman of the audit committee, the agenda for the meeting shall be sent at least five calendar days before the meeting to all the members of the audit committee. For each item on the agenda, as much as possible written explanation and other related documentation will be attached.
- 4.3 The audit committee shall decide if and when the chairman of the Executive Board, the CFO, the external auditor and/or the internal auditor should attend its meetings. In addition, independent experts may be invited to attend meetings of the audit committee. Each member of the Supervisory Board may attend meetings of the audit committee.
- 4.4 The audit committee may request of each officer or employer of the Company, its external legal advisers or the external auditor that he shall attend a meeting of the audit committee or consult members or advisers of the audit committee.
- 4.5 When the need arises, the external auditor may request the chairman of the audit committee to be allowed to attend a meeting of the audit committee.
- 4.6 The secretary of the audit committee or any other person designated for such purpose by the chairman of the meeting shall keep minutes of the proceedings at the meetings of the audit committee.

5. REPORTING TO THE SUPERVISORY BOARD

- 5.1 The audit committee must inform the Supervisory Board in a clear and timely manner about the way it has used delegated powers and major developments in the area of its responsibilities.
- 5.2 The audit committee shall report on an annual basis, and on an interim basis if needed, to the Supervisory Board on developments in their relationship with the external auditor, more particularly on their vision with respect to his independence (including the desirability of rotation of the responsible partners within the external audit firm and the desirability of the same external auditor performing the audit also providing non-audit services to the Company).
- 5.3 The audit committee shall provide the Supervisory Board with a report of its deliberations, findings and recommendations. The reports of meetings of the audit committee shall as soon as possible after the meetings be circulated to all the members of the Supervisory Board.
- 5.4 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 discussions of the audit committee.
- 5.5 Every member of the Supervisory Board shall have unrestricted access to all records of the audit committee. A member of the audit committee shall exercise this right in consultation with the chairman of the audit committee and the Company secretary.

6. MISCELLANEOUS

- 6.1 The chairman of the audit committee (or any other member of the audit committee) shall be available to answer questions about the audit committee's activities at the annual general meeting of shareholders.
- 6.2 The Supervisory Board may occasionally agree to non-compliance with these regulations, with due observance of the applicable laws and regulations.
- 6.3 The audit committee shall annually review and reassess the adequacy of these regulations, report on its assessment to the Supervisory Board and recommend, where appropriate, proposed changes to the Supervisory Board.
- 6.4 The Supervisory Board may at all times amend these regulations and/or revoke the powers granted to the audit committee.
- 6.5 Articles 25.4 to 25.7 inclusive of the Supervisory Board Regulations apply by analogy to the audit committee; a power set forth in said Articles of the Supervisory Board or the chairman of the Supervisory Board shall for the application of these regulations count as a power of the Supervisory Board or the chairman of the Supervisory Board.
- 6.6 The annual report of the Supervisory Board, referred to in Article 9.2 of the Supervisory Board Regulations, shall state the composition of the audit committee, the number of meetings of the audit committee and the main items discussed.
- 6.7 These regulations and the composition of the audit committee shall be posted on the Company's website.

ANNEX 1

SUPERVISION OF THE EXTERNAL AUDITOR AND INTERNAL CONTROL FUNCTION

- (1) Review and evaluate the external auditor and the lead partner of the external auditor team.
- (2) Obtain and review a report from the external auditor (at least once a year) regarding (i) the external auditor's internal quality-control procedures, (ii) any material issues raised during the most recent internal quality-control review, or peer review, of the firm of the external auditor or in any inquiry or investigation by governmental or professional authorities in the last five months in connection with one or more audits carried out by the firm, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the external auditor and the Company. Evaluate the qualifications, performance and independence of the external auditor, including considering whether the external auditor's quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the external auditor's independence, taking into account the vision of the Executive Board.
- (3) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, and the audit partner responsible for reviewing the audit, as well as the other members of the firm of the external auditor, as required by laws and regulations and the Company's policy on auditor independence.
- (4) Review and discuss annually with the external auditor and the Executive Board the internal audit charter and the independence (as required by laws or regulations and the policy of the Company on independence of the external auditor) of the audit process.
- (5) Meet with the external auditor prior to the audit to discuss the planning, scope and staffing of the audit.
- (6) Review the most significant reports to the Executive Board prepared by the internal auditor and the Executive Board's response.
- (7) Discuss with the external auditor and the Executive Board the internal auditor's responsibilities, the budget and any recommended changes in the planned scope of the internal audit.

ANNEX 2

SUPERVISION OF FINANCIAL REPORTS AND DISCLOSURES

- (1) Meet with the Executive Board and the external auditor and review the financial annual accounts audited by the external auditor, including statements made in management interviews, analyses and suchlike.
- (2) Review and discuss with the Executive Board and the external auditor the Company's interim financial statements prior to their release, including the results of any review by the external auditor of the interim financial statements.
- (3) Discuss with the Executive Board and the external auditor significant financial reporting issues and statements made in connection with the preparation of the Company's financial statements, including the quality of earnings, significant deviations between planned and actual performance, any significant changes in the Company's selection or application of accounting principles, any issues regarding the adequacy of the Company's internal controls and any special steps adopted in light of control deficiencies.
- (4) Review and discuss any reports from the external auditor on:
 - (i) all major aspects of the accounting policy and the used methods;
 - (ii) all alternative treatments of financial information within accounting principles generally accepted in the Netherlands that have been discussed with the Executive Board or any of its members, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and
 - (iii) other important written communication between the external auditor and the Executive Board or any of its members, like management letters.
- (5) Discuss with the Executive Board (i) the Company's earnings press releases, including the use of information not in accordance with the accounting principles generally accepted in the Netherlands and (b) the Company's plans and policies with respect to financial information and earnings guidance provided to analysts and rating agencies.
- (6) Discuss with the Executive Board and the external auditor the impact of initiatives in the area of laws and regulations as well as "off-balance" structures for the financial reports of the Company.
- (7) Discuss with the Executive Board the Company's major financial risk exposures and the steps the Executive Board has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

ANNEX 3

SUPERVISION OF COMPLIANCE WITH LAWS AND REGULATIONS

- (1) Obtain reports from the Executive Board, the Company's internal auditor and the external auditor that the Company and its subsidiaries comply with applicable laws and regulations and the Company's internal rules. Review reports and intended disclosures of insider and affiliated party transactions. Advise the Supervisory Board on the Company's policies and procedures regarding compliance with applicable laws and regulations.
- (2) Discuss with the Executive Board and the external auditor correspondence with regulatory or governmental agencies and published reports which raise material issues regarding the Company's financial statements or accounting policies.
- (3) Discuss with the appropriate persons of the legal department of the Company legal affairs that could materially affect the financial statements or the Company's policy regarding compliance with laws and regulations.

ANNEX 4

FINANCING AND RELATED STRATEGIES

- (1) Review and discuss with the Executive Board at least once a year the general financial strategy of the Company.
- (2) Review and discuss with the Executive Board the Company's financial policy and financial procedures, including foreign exchange policy and procedures.

The discussions between the audit committee and the Executive Board on the above-mentioned matters shall take place before these matters are to be discussed between the Supervisory Board and the Executive Board.

ANNEX 5

LIST OF INFORMATION TO BE INCLUDED IN EXTERNAL AUDITOR'S REPORT

The report of the external auditor pursuant to Section 2:393, paragraph 4, Civil Code shall contain the matters which the external auditor wishes to bring to the attention of the Executive Board and the Supervisory Board in relation to his audit of the annual accounts and the related audits.

The following examples can be given:

A. with regard to the audit:

- information about matters of importance to the assessment of the independence of the external auditor;
- information about the course of events during the audit and cooperation with the internal auditor and/or any other external auditors, matters for discussion with the Executive Board, a list of corrections that have not been made, etc.

B. with regard to the financial figures:

- analyses of changes in shareholders' equity and results, which do not appear in the information to be published, and which, in the view of the external auditor, contribute to an understanding of the financial position and results of the Company;
- comments regarding the processing of one-off items, the effects of estimates and the manner in which they have been arrived at, the choice of accounting policies, when other choices were possible, and special effects of such policies;
- comments on the quality of forecasts and budgets.

C. with regard to the operation of the internal risk management and control systems (including the reliability and continuity of automated data processing) and the quality of the internal provision of information:

- points for improvement, gaps and quality assessments;
- comments about threats and risks to the Company and the manner in which they should be reported in the particulars to be published;
- compliance with articles of association, instructions, regulations, loan covenants, requirements of external supervisors, etc.