

TERMS OF REFERENCE AUDIT COMMITTEE

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Adopted by the Supervisory Board on 19 December 2007

0. INTRODUCTION

- 0.1 These Terms of Reference have been drawn up by the Supervisory Board pursuant to clause 5 of the By-Laws of the Supervisory Board.
- 0.2 The Audit Committee is a standing committee of the Supervisory Board.
- 0.3 Certain capitalised or uncapitalised terms used but not defined in these Terms of Reference have the meanings given to them in the By-Laws of the Supervisory Board and the List of Definitions attached to these By-Laws as Annex 1.

1. COMPOSITION

- 1.1 The Audit Committee shall consist of at least 3 members. All members of the Audit Committee must also be members of the Supervisory Board. All members of the Audit Committee shall be independent within the meaning of clause 1.4 of the By-Laws of the Supervisory Board, with the exception of no more than one member.¹
- 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.²
- 1.3 The members of the Audit Committee shall be appointed and may be replaced at any time by the Supervisory Board. The Supervisory Board shall appoint one of the members of the Audit Committee as 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 Management Board of the Company.³
- 1.4 The term of office of a member of the Audit Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and that of other committees from time to time.
- 1.5 The Company Secretary shall act as Secretary to the Audit Committee. The Company Secretary may delegate his duties, or parts thereof, under these Terms of Reference, to a deputy appointed by him in consultation with the Chairman of the Audit Committee.

¹ Dutch Corporate Governance Code, best practice provision III.5.1.

² Dutch Corporate Governance Code, best practice provision III.5.7.

³ Dutch Corporate Governance Code, best practice provision III.5.6.

2. DUTIES AND POWERS

2.1 Working within the Supervisory Board, the Audit Committee is charged in particular with:

- (a) the supervision of the Management Board with respect to:⁴
 - (i) the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;
 - (ii) the provision of financial information by the Company (including but not limited to the choice of accounting policies, application and assessment of the effects of new rules, information about the treatment of estimated items in the Annual Accounts, forecasts, work of internal and external auditors, etc.);
 - (iii) compliance with recommendations and observations of the internal audit department and the external auditors;
 - (iv) the role and functioning of the internal audit department;
 - (v) the policy of the Company on tax planning;
 - (vi) relations with the External Auditor, including, in particular, his independence, remuneration and any non-audit services carried out by him for the Company (see also clause 3 below);
 - (vii) the financing of the Company; and
 - (viii) the application of information and communication technology (ICT);
- (b) to give advice to the Supervisory Board on the nomination by the Supervisory Board to the General Meeting of Shareholders for the appointment of the External Auditor⁵;
- (c) where necessary, to make proposals to the Supervisory Board on the policy applied in respect of the independence of the External Auditor and possible (potential) conflicts of interest between the External Auditor and the Company;
- (d) to prepare meetings of the Supervisory Board with the Management Board where the annual report, the Annual Accounts, the half-yearly and the quarterly figures of the Company are discussed.

2.2 Each member of the Audit Committee has access to all relevant books, records and offices of the Company and the authority to interview officers and employees of the Company to the extent necessary or useful for the proper performance of his duties. Members of the Audit Committee shall exercise this right in consultation with the Chairman of the Audit Committee and the Company Secretary.

⁴ Dutch Corporate Governance Code, best practice provision III.5.4.

⁵ Dutch Corporate Governance Code, Principle V.2.

- 2.3 When performing its duties the Audit Committee may seek assistance or information from one or more experts appointed by it at a price agreed upon with the Audit Committee, which will be paid by the Company.
- 2.4 The Audit Committee may only exercise such powers as are explicitly attributed or delegated to it by the Supervisory Board and may never exercise powers beyond those exercisable by the Supervisory Board as a whole.

3. DUTIES REGARDING 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.⁶
- 3.2 The instructions to the External Auditor to provide non-audit services - exceeding an amount of EUR 250,000 - shall after consultation with the Management Board be geared in advance to the Chairman of the Audit Committee.⁷
- 3.3 The Audit Committee shall determine - in consultation with the Management Board - how the External Auditor should be involved in the content and publication of financial reports of the Company other than the Annual Accounts.⁸
- 3.4 Supplementary to the Management Board's assessment thereof, once every four years the Audit Committee Management shall conduct a thorough assessment of the functioning of the External Auditor in the different capacities in which he acts. The main conclusions 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.⁹
- 3.5 The Audit Committee and the External Auditor shall be involved in drawing up the work schedule of the internal audit department. They shall also take cognisance of the findings of the internal audit department.¹⁰ (See **Annex 1**)

4. MEETINGS

- 4.1 The Audit Committee shall meet as often as required for a proper functioning of the Audit Committee. The Audit Committee shall meet at least three times a year. The Audit Committee shall meet at least once a year with the External Auditor without the Management Board being present.¹¹ The Audit Committee shall meet earlier if this is deemed necessary by the Chairman of the Audit Committee or by two other members of the Audit Committee.
- 4.2 Meetings of the Audit Committee are in principle called 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 members of the Audit Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.

⁶ Dutch Corporate Governance Code, best practice provision III.5.5.

⁷ Dutch Corporate Governance Code, Principle V.2.

⁸ Dutch Corporate Governance Code, best practice provision V.1.2.

⁹ Dutch Corporate Governance Code, best practice provision V.2.3.

¹⁰ Dutch Corporate Governance Code, best practice provision V.3.1.

¹¹ Dutch Corporate Governance Code, best practice provision III.5.9.

- 4.3 In principle, the Chairman of the Management Board and the CFO should attend all meetings of the Audit Committee. The manager Corporate Planning & Control and the manager Internal Audit should attend its meetings usually.¹² All this without prejudice of the authority of the Audit Committee to invite other persons to 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 require any officer or employee of the Company, its external legal advisers or the External Auditor to attend a meeting of the Audit Committee or to consult with members or advisers of the Audit Committee.
- 4.5 When the need arises, the External Auditor shall be invited to explain his report(s) and shall give presentations to the Audit Committee, if necessary. If necessary, he may request the Chairman of the Audit Committee to be allowed to attend a meeting of the Audit Committee.¹³
- 4.6 The Secretary of the Audit Committee or any other person designated for such purpose by the Secretary of the Audit Committee in consultation with the chairman of the meeting shall draw up minutes of the meeting 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 of major developments in the area of its responsibilities.
- 5.2 The Audit Committee shall report annually, and earlier if required, to the Supervisory Board on its dealings with the External Auditor, in particular on the Audit Committee's views of the External Auditor's independence (including the desirability of rotation of the responsible partners of the External Auditor and of whether the External Auditor who is charged with the audit should also carry out non-audit work for the Company).¹⁴
- 5.3 The Audit Committee shall provide the Supervisory Board with a report of its deliberations, findings and recommendations.¹⁵ The reports of meetings of the Audit Committee are distributed among all members of the Supervisory Board as soon as possible after the meeting concerned.
- 5.4 If requested, the Chairman of the Audit Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the Audit Committee.
- 5.5 Every Supervisory Board member has unrestricted access to all records of the Audit Committee. He shall exercise this right in consultation with the Chairman and the Secretary of the Audit Committee.

6. MISCELLANEOUS

- 6.1 The Supervisory Board may occasionally decide at its sole discretion not to comply with these Terms of Reference, subject to applicable law and regulations.

¹² Dutch Corporate Governance Code, best practice provision III.5.8.

¹³ Dutch Corporate Governance Code, best practice provision V.4.2.

¹⁴ Dutch Corporate Governance Code, best practice provision V.2.2.

¹⁵ Dutch Corporate Governance Code, best practice provision III.5.3.

- 6.2 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.
- 6.3 The Supervisory Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Audit Committee.
- 6.4 Clauses 30.3 to 30.6 inclusive of the By-Laws of the Supervisory Board apply by analogy to the Audit Committee, while for the application of these Terms of Reference the power of the Supervisory Board or the Chairman of the Supervisory Board referred to in these Clauses is considered a power of the Supervisory Board or the Chairman of the Supervisory Board.
- 6.5 The annual report of the Supervisory Board as referred to in clause 11.2 of the By-Laws of the Supervisory Board shall state the composition of the Audit Committee, the number of meetings held by the Audit Committee and the main issues dealt with at these meetings.¹⁶
- 6.6 These Terms of Reference and the composition of the Audit Committee are posted on the Company's website.¹⁷

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¹⁶ Dutch Corporate Governance Code, best practice provision III.5.2.

¹⁷ Dutch Corporate Governance Code, best practice provision III.5.1.

ANNEX 1

TO TERMS OF REFERENCE AUDIT COMMITTEE

SUPERVISION OF EXTERNAL AUDITOR AND INTERNAL AUDIT DEPARTMENT

Supervision External Auditor:

- (1) Assess and evaluate the External Auditor and the final responsible partner of the audit team of the External Auditor.
- (2) Obtain and review a report from the External Auditor (at least annually) regarding (i) the External Auditor's internal quality control procedures, and (ii) 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, and taking into account the opinions of the Management Board and the internal audit department.
- (3) Discuss annually with the External Auditor, the CFO and the manager Internal Audit the planning, scope and staffing of the audit control.
- (4) Supervise the rotation of the final responsible audit partner and the other audit partner(s) responsible for reviewing the quality of the audit as well as the other core members of the audit team of the External Auditor, as required by law or regulation for the External Auditor's Independence Policy.

Supervision internal audit department:

- (5) Review annually the 'Charter Corporate Internal Audit' adopted by the Management Board.
- (6) Take note of the Internal Audit Annual Plan/, as adopted by the Management Board.
- (7) Discuss with the External Auditor and the Management Board the internal audit department's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
- (8) Review the appointment and replacement of the manager Internal Audit.
- (9) Review the reports most significant to the Management Board prepared by the internal audit department and the Management Board's response.