

Audit Committee Charter

Introduction

The Audit Committee plays an important role in providing oversight of the organization's governance, risk management and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit Committee performs its role by providing independent oversight to the Supervisory Board.

Purpose

The purpose of the Audit Committee is to provide a structured, systematic oversight of the organization's governance, risk management, and internal control practices. The committee assists the Supervisory Board and management by providing advice and guidance on the adequacy of the organization's initiatives for:

- values and ethics;
- governance structure;
- risk management;
- internal control framework;
- oversight of the internal audit activity, external auditors, and other providers of assurance;
- financial statements and public accountability reporting.

In broad terms, the Audit Committee reviews each of the items noted above and provides the Supervisory Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

Authority

The Audit Committee Charter sets out the authority of the Audit Committee to carry out the responsibilities established for it by the Supervisory Board as articulated within the Audit Committee Charter.

In discharging its responsibilities, the Audit Committee will have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The committee also will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Audit Committee will follow a prescribed, Supervisory Board approved mechanism for resolution of the matter.

The Audit Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The organization's management and staff should cooperate with Audit Committee requests.

The Audit Committee may engage independent counsel and/or other advisors it deems necessary to carry out its duties.

The Audit Committee is empowered to:

- appoint, compensate, and oversee all audit and non-audit services performed by auditors, including the work of any registered public accounting firm employed by the organization;
- resolve any disagreements between management and the auditor regarding financial reporting and other matters;
- pre-approve all auditing and non-audit services performed by auditors.

Composition of the Audit Committee

The committee will consist of at least one member of the Supervisory Board, the General Manager and the Finance Manager. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, IT, law, governance, risk and control. Because the responsibilities of the Audit Committee evolve in response to regulatory, economic, and reporting developments, it is important to

periodically re-evaluate members' competencies and the overall balance of skills on the committee in response to emerging needs.

The Supervisory Board will designate the chair of the Audit Committee and appointment committee members.

Terms of office

The term of office for an Audit Committee member is four years. Continuance of Audit Committee members will be reviewed annually. To ensure continuity within the Audit Committee, the appointment of members should be staggered.

Quorum

The quorum for the Audit Committee will be a majority of the members.

Operational principles

Audit committee values

The Audit Committee will conduct itself in accordance with the code of values and ethics of the organization. The Audit Committee expects that management and staff of the organization will adhere to these requirements.

Communications

The Audit Committee expects that all communication with management and staff of the organization as well as with any external assurance providers will be direct, open and complete.

Work plan

The Audit Committee chair will collaborate with senior management to establish a work plan to ensure that the responsibilities of the Audit Committee are scheduled and will be carried out.

Meeting agenda

The chair will establish agendas for Audit Committee meetings in consultation with Audit Committee members and senior management.

Information requirements

The Audit Committee will establish and communicate its requirements for information, which will include the nature, extent, and timing of information. Information will be provided to the Audit Committee at least one week prior to each Audit Committee meeting.

Preparation and attendance

Audit committee members are obliged to prepare for and participate in committee meetings.

Conflict(s) of interest

Audit committee members should adhere to the organizations code of conduct and any values and ethics established by the organization. It is the responsibility of Audit Committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee. If there is any question as to whether Audit Committee member(s) should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.

Operational procedures

Meetings

The Audit Committee will meet at least two times annually or more frequently as the committee deems necessary. The time frame between Audit Committee meetings should not exceed four months.

Minutes

Minutes will be prepared during each meeting. Meeting minutes will be provided in draft format at least two weeks after the Audit Committee meeting.

Remuneration of committee members

Committee members may be reimbursed for travel and committee related out-of-pocket expenses in accordance with the organization's expense reimbursement policy.

Responsibilities

It is the responsibility of the Audit Committee to provide the Supervisory Board with independent, objective advice on the adequacy of management's arrangements with respect to the following aspects of the management of the organization:

Values and ethics

To obtain reasonable assurance with respect to the organization's values and ethics practices, the Audit Committee will:

- provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all of the managers and staff of the organization;
- review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct and identify and deal with any legal or ethical violations.

Organizational governance

To obtain reasonable assurance with respect to the organization's governance process, the Audit Committee will review and provide advice on the governance process established and maintained within the organization and the procedures in place to ensure that they are operating as intended.

Risk management

To obtain reasonable assurance with respect to the organization's risk management practices, the Audit Committee will:

- annually review the organization's risk profile;
- provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Supervisory Board;
- provide oversight of the adequacy of the combined assurance being provided;
- review and provide advice on the risk management process established and maintained by management and the procedures in place to ensure that they are operating as intended.

Fraud

To obtain reasonable assurance with respect to the organization's procedures for the prevention and detection of fraud, the Audit Committee will:

- oversee management's arrangements for the prevention and deterrence of fraud;
- ensure that appropriate action is taken against known perpetrators of fraud;
- challenge management and external auditors to ensure that the entity has appropriate anti-fraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

Control

To obtain reasonable assurance with respect to the adequacy and effectiveness of the organization's controls in responding to risks within the organization's governance, operations and information systems, the Audit Committee will:

- consider the effectiveness of the organization's control framework, including information technology security and control;
- review and provide advice on the control of the organization as a whole and its individual units;
- receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to senior management and the Supervisory Board.

Compliance

The Audit Committee will:

- review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance;
- review the observations and conclusions of external auditors and the findings of any regulatory agencies;
- review the process for communicating the code of conduct to the organization's personnel and for monitoring compliance;
- obtain regular updates from management and the organization's legal counsel regarding compliance matters.

Oversight of assurance providers

External auditors

To obtain reasonable assurance with respect to work of the external assurance providers, the Audit Committee will meet with the external assurance providers during the planning phase of the engagement, the presentation of the audited financial statements, and the discussion of the results of engagements and recommendations for management.

The Audit Committee will:

- review the external auditors' proposed audit scope and approach;
- review the performance of the external auditors, and exercise final approval on the appointment or discharge of auditors;
- obtain statements from the external auditors about their relationships with the organization, including non-audit services performed in the past, and discuss the information with the external auditors to review and confirm their independence;
- have exclusive meetings with external auditors to discuss any sensitive matters at least once a year;
- monitor management's progress on action plans.

To obtain reasonable assurance that management has acted on the results and recommendations of external audit engagements, the Audit Committee will regularly review reports on the progress of implementing approved management action plans and audit recommendations resulting from completed audit engagements.

Financial statements and public accountability reporting

The Audit Committee is responsible for oversight of the independent audit of the organization's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control legal, regulatory compliance, and ethics.

The Audit Committee will:

- review with management and the external auditors the results of audit engagements, including any difficulties encountered;
- review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles;
- review other sections of the annual report and related regulatory filings and consider the accuracy and completeness of the information before it is released;
- review with management and the external auditors all matters required to be communicated to the Audit Committee under generally accepted external auditing standards;

- understand strategies, assumptions and estimates that management has made in preparing financial statements, budgets, and investment plans;
- understand how management develops interim financial information and the nature and extent of external auditor involvement in the process.

Other responsibilities

In addition, the Audit Committee will:

- perform other activities related to this charter as requested by the governing body;
- institute and oversee special investigations as needed;
- regularly evaluate its performance and that of its individual members.

Reporting on Audit Committee performance

The Audit Committee will report to the Supervisory Board annually, summarizing the committee's activities and recommendations. The report may be delivered during an Audit Committee meeting attended by the Supervisory Board or during a regularly scheduled meeting of the Supervisory Board.


The report should also include:


- a summary of the work the Audit Committee performed to fully discharge its responsibilities during the preceding year;
- a summary of management's progress in addressing the results of external audit engagement reports;
- an overall assessment of management's risk, control, and compliance processes, including details of any significant emerging risks or legislative changes impacting the governing organization;
- details of meetings including the number of meetings held during the relevant period and the number of meetings each member attended;
- provide information required, if any, by new or emerging corporate governance developments.

The committee may report to the governing body at any time regarding any other matter it deems of sufficient importance.

Approval/Signatures:

Managing Director:  _____ Date: 08/06/2021
Marjolein Albers

Audit Committee Chair:  _____ Date: 11/06/2021
Jos Huijbregts (Supervisory Board member)

Chairman of the Supervisory Board:  _____ Date: 16/06/2021
Harold Knebel