

# GrandVision NV

## Audit Committee Rules

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December 13, 2017

## **RULES GOVERNING THE GRANDVISION NV AUDIT COMMITTEE**

These rules governing the audit committee (“**Audit Committee**”) of the supervisory board (“**Supervisory Board**”) of GrandVision NV (the “**Company**”) on the basis of Article 7.2 of the Supervisory Board Rules and are effective as of December 13, 2017.

### **1 RESPONSIBILITIES**

**1.1** Notwithstanding Article 7.1 of the Supervisory Board Rules, the Audit Committee advises the Supervisory Board in accordance with its responsibilities as set out in this document and formulates resolutions to be passed by the Supervisory Board.

**1.2** The responsibilities of the Audit Committee shall in addition to the statutory responsibilities referred to in article 2.2 of the Dutch Decree on Audit Committees (*Besluit instelling auditcommissie*) include:

- (a) supervising, monitoring and advising the management board (“*statutaire directie*”) of the Company (the “**Management Board**”; each individual director of the Management Board: a “**Managing Director**”) in relation to the operation of internal risk management and control systems, including monitoring compliance with the relevant legislation and regulations, and with the Company's corporate governance structure;
- (b) overseeing the submission of financial information by the Company (choice of accounting policies, compliance with – and assessment of the effects of – mandatory law in this area, information on the processing of estimated entries (“*schattingsposten*”) in the annual accounts, forecasts, and the activities of internal and external auditors in relation to this);
- (c) monitoring compliance with recommendations and observations made by internal and external auditors;
- (d) supervision on the performance of the internal audit function (which may be either inhouse or outsourced to an external provider, or a combination thereof); in particular being involved in drawing up the plan of action (“*werkplan*”) for the

internal audit function and taking note of the deliberations and findings of the internal audit function;

- (e) recommending persons for appointment as senior internal auditor;
- (f) forming a position on how the internal audit function fulfils its responsibility;
- (g) if the Company does not have an internal audit department, either internal or outsourced, recommending to the Supervisory Board whether adequate alternative measures have been taken.
- (h) overseeing the Company's tax policy;
- (i) monitoring the Company's financing;
- (j) maintaining frequent contact with, and overseeing the Company's relationship with, the External Auditor, including the following tasks in particular:
  - (i) assessing the External Auditor's independence, remuneration and any non-auditing work they may carry out for the Company;
  - (ii) overseeing the External Auditor's involvement in the content and publication of any financial reporting they may undertake.
- (k) making the nomination for the appointment of an external auditor by the Company's General Meeting;
- (l) preparing the review by the Supervisory Board of the Company's annual accounts, annual budget and major capital expenditures;
- (m) evaluating its own performance and the effectiveness of these rules on an annual basis;
- (n) assisting the Supervisory Board in supervising the application of information technology and communication technology.

- 1.3** The Audit Committee will prepare a report for each meeting held, detailing its deliberations and findings, and submit this report to the Supervisory Board.
- 1.4** The Audit Committee informs the Supervisory Board of the result of the statutory audit of the annual accounts, with an explanation of the way in which the statutory audit contributes to the integrity of the financial reporting and the role of the Audit Committee in this process.

## **2 COMPOSITION, EXPERTISE AND INDEPENDENCE**

- 2.1** The Audit Committee consists of at least two members.
- 2.2** Members of the Audit Committee will be appointed by the Supervisory Board from among the Supervisory Directors. The Supervisory Board may at all times suspend or dismiss the members of the Audit Committee.
- 2.3** Rules regarding the independence of members of the Audit Committee must be complied with, unless explained otherwise.
- 2.4** At least one member of the Audit Committee shall have competence in accounting or auditing.
- 2.5** The Audit Committee is empowered to:
- (a) have discussions, either jointly or separately, with the chairman of the Management Board, the chief financial officer, the corporate controller, the treasurer and the internal auditor of the Company and the External Auditor (as defined in Article 5 of these rules);
  - (b) carry out reviews and retain for that purpose the services of internal and external experts it may designate.

## **3 CHAIRMAN**

With due observance of the provisions of Article 2 of these rules, the Supervisory Board will appoint one of the Audit Committee members as chairman (the “Chairman”).

#### **4 AUDIT COMMITTEE MEETINGS (AGENDA, ATTENDANCE, MEETINGS)**

- 4.1** Audit Committee meetings will be convened by those member(s) requesting the meeting. To the extent possible, announcements of a meeting, and the agenda of (and any memoranda pertaining to) the items to be considered and discussed at the meeting, must be sent out to all Audit Committee members at least five days prior to the meeting. However, lack of advance notice or short notice will not prevent valid decision-making.
- 4.2** The Audit Committee will hold at least four meetings a year and additionally whenever one or more members have requested a meeting. Audit Committee meetings are generally held at the offices of the Company, but can also take place elsewhere. In addition, meetings can be held by telephone or video conference provided that all participants can hear each other simultaneously.
- 4.3** The Audit Committee should meet with the External Auditor as often as it considers necessary, but at least once a year, without any of the Managing Directors or the Company's Corporate Controller being present. Without prejudice to the preceding sentence, the chief financial officer, the senior internal auditor and the External Auditor should attend the Audit Committee meetings, unless the Audit Committee determines otherwise. The Audit Committee decides if and when the chairman of the Management Board, the corporate controller and the treasurer will be present at its meetings.
- 4.4** Minutes of the meeting will be prepared by the person nominated by the Chairman to this end. These minutes will be adopted at the next Audit Committee meeting. However, if all members of the Audit Committee agree on the contents of the minutes, they may be adopted earlier. The minutes must be signed for adoption by the Chairman and be sent to the other members of the Audit Committee as soon as possible. A document affirming that one or more resolutions have been adopted which has been signed by the company secretary will constitute valid proof of these resolutions.

#### **5 AUDITOR**

- 5.1** The Audit Committee must be approached first by the external auditor who is responsible for the Company's audit (the "**External**

**Auditor”)** if the External Auditor identifies any irregularities in the Company's financial reporting. In addition, the Audit Committee must be contacted by both the External Auditor and the Management Board if there appears to be a difference of opinion or there is any disagreement regarding the audit.

- 5.2 The Audit Committee reports annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the External Auditor.
- 5.3 The Audit Committee advises the Supervisory Board regarding the External Auditor's nomination for appointment/reappointment or dismissal and prepares the selection of the External Auditor. The Audit Committee gives due consideration to the Management Board's observations during this process. Based on this, among other things, the Supervisory Board determines its nomination for the appointment of the external auditor to the general meeting of shareholders.
- 5.4 The main conclusions of the Supervisory Board regarding the External Auditor's nomination and the outcomes of the External Auditor selection process shall be communicated to the general meeting of shareholders.
- 5.5 The Company's Internal Auditor will operate under the responsibility of the chairman of the Management Board and will have access to the External Auditor and the Chairman.
- 5.6 The External Auditor will receive the financial information that goes to make up the Company's interim financial reports and be given the opportunity to comment on this information.

## 6 **APPLICABLE SUPERVISORY BOARD RULES**

Articles 1.1, 1.2, 1.3, 12, 18 and 19 of the Supervisory Board Rules apply *mutatis mutandis* to these rules.