

AUDIT COMMITTEE REGULATIONS

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¹ The Audit Committee regulations were amended by the GSB in 29.07.2010.

PREAMBLE

With regard to the organization of its work, the GSB must create specialized committees whenever it considers this appropriate to enable certain functions to be carried out, particularly given the specific nature of its powers.

The creation of the Audit Committee is due not only to the law and corporate bylaws, in that it is a committee devoted to monitoring financial matters, but also to good corporate governance practices, which were already being followed to a great extent in the previous governance model.

It has therefore been decided to make use of the work of the previous audit committee in the preparation of these Regulations. Certain changes have been made, as deemed necessary and appropriate in light of the requirements emerging in the context of the Audit Committee under the new governance model, and resulting from the stricter demands made of governance practices, which the Company must take into account.

One of the main differences lies in the fact that the Audit Committee is composed wholly of independent members, in keeping with the most stringent corporate governance practices.

Another concern is ensuring that the Audit Committee is autonomous and that it has the resources needed to fulfill its functions. It can be flexible in its operations, in particular in its interaction with other corporate bodies of the Company and its subsidiaries, with special reference to its relations with the EBD, the statutory auditor and the external auditor.

Finally, the importance given to the qualitative assessment of its work should be stressed. This must be carried out by the Audit Committee itself through an annual review of the results of its work, in addition to ongoing supervision and monitoring by the GSB.

Since the Audit Committee must start work in the shortest possible time, it has to be provided with a set of rules that will enable it to start work immediately. The GSB therefore approves these internal regulations, along with its constitution, and grants it full powers to review them whenever this is deemed necessary for the full development of its functions.

Article 1

Establishment of the Audit Committee

1. The Audit Committee created by the GSB is responsible for exercising the functions described in Article 4 of these Regulations and its mission is to oversee and supervise the following areas on a continuous basis:

- a) The Company's financial matters.
- b) The Company's internal auditing procedures or accounting practices.
- c) Matters relating to the internal control system for financial information and risk management procedures.
- d) The work and independence of the Company's statutory auditor and external auditor.

2. The work carried out by the Audit Committee as part of its duties also extends to subsidiaries/group companies and may include information relevant to other companies in which the Company or its subsidiaries/group companies have a direct or indirect stake.

Article 2

Composition

1. The Audit Committee is composed of suitably qualified and experienced members, independent of the GSB, as defined in Article 8 of the GSB Internal Regulations. There shall be one member with a higher education qualification appropriate to his/her duties and with knowledge of auditing or accounting.

2. The following may not be members of the Audit Committee:

- a) Persons who exercise functions in a rival company and who represent or act on behalf of such a company or who are in any other way bound to the interests of the rival company.
- b) The spouses, relatives or relations by marriage up to the 3rd degree, inclusive, in indirect line, of persons barred under the provision in the previous paragraph.

3. Members of the Audit Committee are elected for the same terms of office as that of the GSB which elects them.

4. The Chairman of the GSB shall be chairman of the Audit Committee provided he/she is an independent member.

Article 3

Functioning

1. Meetings of the Audit Committee are convened by the Chairman or two of its members, either on their own initiative or at the request of any member of the GSB, the Chairman of the EBD, the statutory auditor or the external auditor.
2. The Audit Committee should meet regularly enough to ensure its duties can be carried out, and at least:
 - a) Once a quarter so as to submit its opinions on the financial information and annual, half-yearly and quarterly accounts approved by the EBD, to the GSB.
 - b) Monthly, to monitor the monthly accounts.
3. Notice of the convening and agenda of each meeting must be sent to all members of the Audit Committee at least 3 working days before the meeting is to be held.
4. The agenda must also be sent, for information purposes, to the Chairman of the EBD, who must inform the Audit Committee if he/she wishes to attend the meeting or part of it.
5. The Audit Committee may decide to include external members in its meetings and, in relation to the Company and its subsidiaries/group companies, may jointly or individually interview and request the attendance of the following:
 - a) Members of the Board of Directors.
 - b) Members of the supervisory bodies.
 - c) The SA (Statutory Auditor).
 - d) The External Auditor.
 - e) Senior managers or other employees.
6. Audit Committee meetings with the SA and the external auditor will take place without any member of the EBD attending, unless their presence is essential to the purpose of the meeting.
7. The Audit Committee is required to hold meetings and make decisions on the basis of a majority attendance. Decisions are taken on the basis of a majority vote and in the event of a tie, the Chairman has the casting vote.
8. The decisions of the Audit Committee's meetings shall be recorded in the minutes.
9. During the course of its work, the Audit Committee may request technical assistance from the office of the GSB.

Article 4

Duties

1. In addition to any other duties expressly conferred on it by the GSB, the Audit Committee is responsible for:

- a) Appraising the accounting policies and procedures and the valuation criteria adopted by the Company to see if they are consistent with generally accepted accounting principles appropriate to a correct presentation of its assets, liabilities and profits or losses.
- b) To supervise compliance with, and the proper application of, the accounting principles and standards in force, in liaison with the work of the internal auditing, the SA and the external auditor, promoting and requesting the exchange of information necessary for this purpose.
- c) The ongoing monitoring, assessment and supervision of internal procedures for matters relating to audit and accounting matters, and the effectiveness of systems for risk management, internal control and internal auditing.
- d) To define and implement the procedures for receiving and processing complaints regarding accounting matters, internal accounting and auditing controls, and complaints emanating from employees or any other parties.
- e) To analyze the quarterly, half-yearly and annual information, preparing nonbinding reports on these accounts for consideration by the GSB. These reports may, in particular, include recommendations to the EBD with respect to the provision of information to shareholders.
- f) To propose the appointment and dismissal of the Statutory Auditor (SA) at the General Shareholder's Meeting.
- g) To propose the hiring and dismissal of the external auditor to the GSB, by indication of this body to the EBD.
- h) To continuously monitor the work and contractual relations with the SA and the external auditor, including recommendations concerning the relations between the GSB, the EBD, the SA and the external auditor with respect to financial information, and to consider the impartiality and independence of the SA and the external auditor, with particular reference to the provision of extra services.

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- i) To assess, with the SA and the external auditor, the scope and breadth of the revision of the accounts and the audit for the purposes of submitting recommendations to the GSB and the EBD.
 - j) To assess the content of the annual reports and certification of accounts and audit with the SA and the external auditor, respectively, with specific reference to any reservations stated, for the purposes of submitting recommendations to the GSB and the EBD.
 - k) To propose measures to the EBD designed to improve the functioning of the systems for the internal control of financial information and the internal audit.
 - l) To discuss the content of the internal control report with the internal and external auditors.
 - m) To issue opinions on the annual report and Company accounts.
 - n) To oversee the preparation and release of financial information.
 - o) Pursuant paragraph a) of Article 3 of the Dutch Royal Decree of 26 July 2008, to exercise the duties of supervision and monitoring in relation to EDP Finance BV.
2. In carrying out its work, the Audit Committee will pay special attention to supervision of the following:
- a) Any changes in accounting policies and practices and the procedures for their approval.
 - b) The reporting of any unusual transactions in the accounts of the Company and its subsidiaries/group companies.
 - c) Any significant manual adjustments in the accounts of the Company and its subsidiaries/group companies prompted by the Board or on the intervention of the SA and external auditor.
 - d) Any changes in relevant financial indicators and any alterations in the formal or informal rating of the Company or its subsidiaries/group companies.
 - e) Any significant exposure to financial risks, such as foreign currency, price, interest rate, derivatives or contingent liability risks.
 - f) The development of good governance practices for the Company in terms of the internal control system for financial procedures.
3. Among its functions, the Audit Committee is also authorized to:
- a) Check, as and when it deems appropriate, the bookkeeping, accounts and supporting documents and the status of any assets or securities held by the Company.

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- b) Propose to the GSB the contracting of specialist services and independent consultants in accordance with the appropriate budgets.
 - c) Carry out other inquiries in departments of the Company and its subsidiaries/group companies, when necessary in order to enable it to fulfill its duties.
 - d) Obtain all the information it requires in order to carry out its duties, either directly or indirectly through the Chairman of the GSB.
 - e) Attend meetings of the EBD; attendance at meetings at which the annual accounts are to be considered is mandatory.
4. The Audit Committee will establish all the necessary mechanisms to enable it to work in conjunction with the audit committees in the subsidiaries/group companies, with the aim of holding regular joint meetings and defining procedures for monitoring their work.

Article 5

Reporting to the GSB

- 1. The Audit Committee will inform the GSB of its actions and must submit written reports or statements on the most important matters.
- 2. The Audit Committee must produce an annual report of its work and its assessment of this work, which will be submitted to the GSB for consideration and will be included in its annual report.

Article 6

Internal Regulations

- 1. The Audit Committee will annually review the implementation of these Regulations and must make any alterations it considers necessary to enable it to fully carry out its work. These alterations must be presented to the GSB for ratification.
- 2. The GSB Internal Regulations apply to all areas not covered by these Regulations.