



CHARTER OF THE AUDIT AND RISK COMMITTEE

**OF
B&S GROUP S.A.**

This Charter was adopted by the Supervisory Board on 24 August 2018



Due to the fact that legislation and regulations may change, this Charter may be amended from time to time by the Supervisory Board.

1. DEFINITIONS

The words and expressions used in this Charter have the following meaning:

- "**Audit and Risk Committee**" or "**Committee**": the audit and risk committee of the Supervisory Board;
- "**Audit Regulation**": Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC;
- "**CEO**": the chief executive officer of the Company;
- "**CFO**": the chief financial officer of the Company;
- "**Chairman**": the chairman of the Audit and Risk Committee
- "**Charter**": this charter of the Audit and Risk Committee;
- "**Code**": the Dutch Corporate Governance Code;
- "**Company**": B&S Group S.A.;
- "**Executive Board**": the executive board of the Company;
- "**General Meeting**": the Company's general meeting of shareholders;
- "**Supervisory Board**": the supervisory board of the Company.

2. PURPOSE

- 2.1. The Committee is appointed by the Supervisory Board for the primary purpose of undertaking preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems, the monitoring of the independence of the external auditor and the selection of the external auditor.
- 2.2. The Committee shall also have oversight of all direct or indirect subsidiaries of the Company, from time to time.

3. ORGANISATION

- 3.1. The Committee shall be comprised of at least two members of the Supervisory Board.
- 3.2. The members of the Committee shall be appointed by the Supervisory Board. The Committee aims to have a composition which is in accordance with the independence requirements of the Code.
- 3.3. The Chairman shall be appointed by the members of the Supervisory Board. The Chairman shall not be the chairman of the Supervisory Board or a former member of the Executive Board.



- 3.4. The Committee as a whole shall have the competence relevant to the sector in which the Company operates. At least one member of the Committee shall have competence in accounting and/or auditing.
- 3.5. Each member of the Committee shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Each member of the Committee may be removed, with or without cause, by a majority vote of the Supervisory Board.
- 3.6. The Committee shall have the authority to obtain advice and assistance from outside legal, accounting, financial, and other advisors. The Company provides appropriate funding, as determined by the Committee, for compensation to any advisors that the Committee chooses to engage, including the external auditor. In addition to any funding necessary to compensate the external auditor and outside advisors, the Company provides the Committee with such funding as the Committee determines is appropriate to fund any ordinary administrative expenses incurred by the Committee in carrying out its duties.

4. MEETINGS

- 4.1. The Committee meets at least quarterly, and more frequently as circumstances dictate.
- 4.2. The Chairman or any member of the Committee may call meetings of the Committee with due observance of a reasonable notice period. The person calling the meeting may determine the agenda (taking into account requests, if any, from other members of the Committee).
- 4.3. Meetings of the Committee may be held physically, or by telephone or via videoconferencing facilities provided that each member of the Committee taking part in such meeting is able to hear the deliberations and can be heard by the other members of the Committee.
- 4.4. If the Committee consists of two members, it shall act only on the affirmative vote of all members. The members of the Committee should endeavour to resolve all matters of disagreement between themselves. In the case of a deadlock, they shall refer the matter to the chairman of the Supervisory Board who shall cast the deciding vote. If the Committee consists of three members, it must strive for consensus in connection with any proposal or recommendation to be given to the Supervisory Board. If no consensus can be reached within the Committee, recommendations to the Supervisory Board are based on a majority of votes and the dissenting opinion(s) will be mentioned in the proposal or recommendation of the Committee to the Supervisory Board.
- 4.5. It is expected that the CFO and the senior internal auditor of the Company will be present at regular Committee meetings. The Committee decides if and when the CEO and/or the external auditor shall be present at its meetings. The Committee meets with the Executive Board and the external auditor at least twice a year to review the Company's financial statements in a manner consistent with that outlined in Section 5 of this Charter. The Committee holds a meeting with the external auditor at least once per year at which no member of the Executive Board is present.
- 4.6. The Committee may invite to its meetings any member of the Executive Board and/or the Supervisory Board, any manager of the Company or such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.



5. RESPONSIBILITIES AND DUTIES

- 5.1. The functions listed in this Section 5 shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section 2 of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee's policies and procedures should remain flexible in order to best react to such changing conditions and help ensure that the Company's accounting and reporting practices accord with all legal requirements and are of the highest quality.
- 5.2. The Committee shall also carry out any other responsibilities and duties delegated to it by the Supervisory Board from time to time related to the purposes of the Committee outlined in Section 2 of this Charter.
- 5.3. The Committee is responsible for:

Nomination and Selection of External Auditor

- (a) establishing a procedure for the selection of the external auditor and recommending to the Supervisory Board an external auditor for nomination for appointment or dismissal by the General Meeting, giving due consideration to any Executive Board observations and the detailed criteria prescribed by the Audit Regulation;
- (b) assisting the Supervisory Board in making recommendations to the General Meeting for the compensation, retention, oversight, and termination of the external auditor;

Assessment, Contact, and Monitoring of External Auditor

- (c) monitoring the auditing work of the external auditor, and shall discuss the audit with the external auditor at least annually and whenever the Committee deems this appropriate;
- (d) making proposals to safeguard the integrity of the audit process, approving action plans to address any auditor concerns and recommendations, and tracking the progress of any related steps taken;
- (e) reviewing with the external auditor the adequacy and effectiveness of the Company's internal control over financial reporting, financial reporting procedures and disclosure controls and procedures;
- (f) reviewing the additional report to the Committee which will be prepared by the external auditor in accordance with article 11 of the Audit Regulation and will confirm the independence of the external auditor;
- (g) discussing the external auditing firm's internal quality-control procedures and any threats to the external auditor's independence and the safeguards applied to mitigate such threats;
- (h) approving non-audit services provided by the external auditor;
- (i) discussing the scope and materiality of the audit proposed for the current year, the audit procedures to be utilised, and any subsequent changes to such scope or procedures with the external auditor at least annually;

Review financial statements

- (j) reviewing and discussing the annual audited financial statements and interim financial statement, including related press releases with the Executive Board and external auditor, paying particular attention to:
 - (i) all critical accounting policies and practices of the Company and any changes thereto;
 - (ii) adjustments resulting from the internal and external audit, and any difficulties encountered during encountered in performing the audit, if any, and management's response;
 - (iii) disagreements between management and the external auditor, if any, and management's response to such disagreements;
 - (iv) the findings and the outcome of the audit work on the financial statements and the management letter;
 - (v) compliance with applicable accounting standards, statutory and legal requirements;
 - (vi) major issues and risks, if any, regarding accounting principles and financial statement presentation, including any analysis prepared by the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;

Monitoring of the Executive Board and senior management

- (k) monitoring the Executive Board with regard to:
 - (i) relations with, and compliance with the recommendations and following up of comments by, the internal and external auditors;
 - (ii) the funding of the Company;
 - (iii) the application of information and communication technology by the Company, including risks relating to cyber security;
 - (iv) the Company's tax policy;
 - (v) guidelines and policies with respect to risk assessment and risk management, including major financial risk exposure, and the steps taken to monitor and control such risk;
 - (vi) the adequacy and effectiveness of the Company's internal control over financial reporting, financial reporting procedures and disclosure controls;

Monitoring of Internal Audit Function

- (l) monitoring the effectiveness of the internal control, the internal audit function and the internal risk management system with respect to the financial reporting of the Company;

- (m) reviewing the Company's internal audit plan and discussing this with the internal audit function;
- (n) in the absence of an internal audit function, considering the need for such internal audit;
- (o) assessing any proposal from the Executive Board regarding the appointment or dismissal of the head of the Company's internal audit function and preparing a recommendation in respect thereof for submission to the Supervisory Board; and

Miscellaneous

- (p) setting materiality thresholds and guidelines for and overseeing all material related-party transactions.

6. REPORTING

- 6.1. The Committee reports regularly to the Supervisory Board (i) following meetings of the Committee and (ii) with respect to such recommendations as the Committee may deem appropriate. The Chairman reports to the Supervisory Board on the activities, findings and recommendations of the Committee. Reports can be verbal or in writing.
- 6.2. The Committee reports annually to the Supervisory Board regarding:
 - (a) the execution of the Committee's duties and responsibilities;
 - (b) the result of the audit of the annual accounts, highlighting in which manner the audit has attributed to the integrity of the financial reporting and the role of the Committee;
 - (c) material considerations regarding financial reporting;
 - (d) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
 - (e) the methods used to assess the effectiveness of the internal and external audit process;
 - (f) the manner in which material risks and uncertainties relevant to the expectation of the Company's continuity for the period of twelve months after preparation of the Executive Board Report have been analysed and discussed, along with a description of the Committee's most important findings; and
 - (g) the functioning of, and developments in, the relationship with the external auditor.
- 6.3. The Committee maintains minutes or other records of meetings and activities of the Committee.



7. ANNUAL PERFORMANCE EVALUATION

The Committee will annually perform a review and evaluation of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Supervisory Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate. In addition, the annual assessment of the workings of the Committee and the performance of its members form a part of the annual overall assessment of the Supervisory Board and its members.

8. MISCELLANEOUS

- 8.1. This Charter is prepared on the basis of the articles of association of the Company and the rules for the Supervisory Board. Article 9 of the rules for the Supervisory Board shall apply mutatis mutandis to this Charter.
- 8.2. This Charter may only be amended by the Supervisory Board.
- 8.3. This Charter and the composition of the Committee shall be published on the website of the Company.

