



REGULATIONS AUDIT COMMITTEE SUPERVISORY BOARD KWH Water B.V.

Adopted by the Supervisory Board on 11 December 2014.

Amended version adopted by the Supervisory Board on 18 December 2020.

Preface

These Regulations have been drawn up in accordance with 13 paragraphs 5 and 12 of the Company's articles of association and principle 2.3.3 of the Dutch Corporate Governance Code.

These regulations supplement the provisions governing the Supervisory Board and its members as set out in applicable legislation and regulations, the Company's articles of association, the terms of reference of the Supervisory Board and the rules governing the relationship between the Supervisory Board and the Executive Board as laid down in the terms of reference.

CHAPTER 1. COMPOSITION OF THE SUPERVISORY BOARD AUDIT COMMITTEE; FUNCTIONS

1. Composition, size, expertise and independence

- 1.1 The Audit Committee shall consist of members of the Supervisory Board, taking into account the nature of the activities of the Audit Committee.
- 1.2 The number of members of the Audit Committee shall be determined by the Supervisory Board.
- 1.3 The Supervisory Board shall make every effort, within the limits of its powers, to ensure that the composition of the Audit Committee is at all times such that it is able to perform its duties properly:
 - (a) the members are able to operate independently and critically in relation to each other, the Executive Board and any particular interests;
 - (b) each member of the Audit Committee is capable of assessing the broad outline overall activities of the Audit Committee;
 - (c) at least one member of the Audit Committee is a financial expert, which means that this person has acquired relevant knowledge and experience in the field of financial administration/accounting.

2. Appointment; term of office; resignation

- 2.1 The members of the Audit Committee shall be appointed by the Supervisory Board for a period equal to the term of office of the Supervisory Board.
- 2.2 The members of the Audit Committee shall resign as members of the Audit Committee as soon as they resign as members of the supervisory board in accordance with the retirement schedule drawn up by the Supervisory Board. If they resign from the Supervisory Board prematurely, their membership of the Audit Committee shall lapse at the same time.

3. Chairperson of the Audit Committee

- 3.1 The Supervisory Board shall appoint a chairperson of the Audit Committee. The chairperson of the Audit Committee may not be a chairperson of the Supervisory Board or a former member of the Executive Board of the company.
- 3.2 The chairperson of the Audit Committee shall be primarily responsible for the functioning of the Audit Committee. The chairperson of the Audit Committee acts as spokesperson for the Audit Committee and is the main contact for the management board in the area of activity of the Audit Committee.
- 3.3 Without prejudice to the general purport of article 3.2, the chairperson of the Audit Committee shall ensure that:
- (a) the members of the Audit Committee receive in good time all information necessary for the proper performance of their duties;
 - (b) there is sufficient time for deliberation and decision-making by the Audit Committee.
- 3.4 In addition, the chairperson of the Supervisory Board is primarily responsible for the management of the company:
- (a) ensuring the proper performance of the tasks of the Audit Committee;
 - (b) setting the agenda for meetings of the Audit Committee and chairing such meetings;
 - (c) consultation with external advisers appointed by the Supervisory Board including at least the external auditor, in the area of responsibility of the Audit Committee.

4. Company secretary

- 4.1 The Audit Committee shall be assisted by the company secretary, who shall be appointed in accordance with the provisions of article 2 of the Regulations of the Executive Board.
- 4.2 The company secretary:
- (a) shall ensure that proper procedures are followed and that the Audit Committee's legal and statutory obligations are complied with;
 - (b) shall facilitate the provision of information to the Audit Committee; and
 - (c) shall assist the chairperson of the Audit Committee in the organisation of matters concerning the Audit Committee (provision of information, scheduling and reporting of meetings, evaluations and training programmes)

5. Supervisory Board

- 5.1 The Supervisory Board as a whole remains responsible for resolutions prepared by the Audit Committee. A committee may only exercise those powers that the Supervisory Board has expressly granted or delegated to it and may never exercise powers in excess of the powers that the Supervisory Board as a whole may exercise.

- 5.2 The Audit Committee shall clearly and timely inform the Supervisory Board of the manner in which it has exercised its delegated powers and of any important developments in the area of its responsibility. All members of the Supervisory Board shall have free access to all meetings and details of the Audit Committee. The Supervisory Board shall receive from the Audit Committee a report of its deliberations and findings at the next meeting of the Supervisory Board following each meeting of the Audit Committee.

CHAPTER 2. DUTIES AND POWERS

6. Duties and Powers

- 6.1 The Audit Committee shall support the Supervisory Board in discharging its supervisory responsibilities. The Audit Committee assesses the financial reporting process, the system of internal control and financial risk management and the control process.
- 6.2 The task of the Audit Committee shall be to supervise the Executive Board with respect to:
- (a) the operation of the internal risk management and control systems, including supervision of compliance with the relevant legislation and regulations and supervision of the operation of the codes of conduct;
 - (b) the provision of financial information by the company;
 - (c) compliance with recommendations and follow-up of observations of internal and external auditors;
 - (e) the policy of the company with regard to tax planning;
 - (f) the relationship with the external auditor, including in particular his independence, remuneration and any non-audit services for the company;
 - (g) the financing of the company; and
 - (f) the application of information and communication technologies, including cyber security risks.
- 6.3 The Executive Board shall, on its own initiative and in a timely manner, provide the Audit Committee with the information it needs to be able to function and carry out its duties properly. This information shall be provided as much as possible in writing (digitally and on paper upon request).
- 6.4 At least once a year the Audit Committee shall discuss the strategy and risks of the business and the result of the assessment by the Executive Board of the design and operation of the internal risk management and control systems, as well as any significant changes thereto.
- 6.5 The external auditor shall in any event attend the part of the meeting of the Supervisory Board at which the report of the external auditor concerning the audit of the annual accounts is discussed. The external auditor shall report his findings in relation to the audit of the financial statements equally to the Executive Board, the Audit Committee and the Supervisory Board.

- 6.6 The Audit Committee shall ensure that recommendations made by the external auditor are carefully considered by the Executive Board and the Supervisory Board and, if accepted, are actually implemented by the Executive Board.
- 6.7 The external auditor shall be appointed by the General Meeting of Shareholders for a period of one year at a time, unless the General Meeting of Shareholders decides otherwise. The Audit Committee advises the Supervisory Board on the nomination for appointment
- 6.8 The remuneration of and instructions to the external auditor to carry out non-audit services shall be approved by the Supervisory Board after consultation with the Audit Committee and the Executive Board.
- 6.9 The Executive Board shall report annually, and if necessary in the interim, to the Audit Committee on developments in the relationship with the external auditor, including in particular his independence. Partly on this basis the Supervisory Board shall determine its nomination for the appointment of an external auditor by the General Meeting of Shareholders.
- 6.10 The Audit Committee shall carry out other supervisory activities at the request of the entire Supervisory Board.
- 6.11 The Audit Committee shall, if necessary, initiate special investigations and, if relevant, hire special advisers or experts to support it

CHAPTER 3. MEETINGS OF THE AUDIT COMMITTEE; DECISION-MAKING

7. Frequency, convocation and agenda

- 7.1 The Audit Committee shall meet as often as is necessary for the proper functioning of the Audit Committee. The Audit Committee shall meet at least three times a year. As much as possible, the meetings shall be scheduled annually in advance. In addition, the Audit Committee shall meet in the interim if the chairperson or member of the Audit Committee or the Executive Board deems this necessary.
- 7.2 A report of the proceedings at a meeting of the Audit Committee shall be drawn up by the company secretary or - in his absence - another person designated for that purpose by the chairperson of the meeting. The report shall provide insight into the deliberations and findings. The report shall be adopted by the chairperson of the Audit Committee and presented to the Supervisory Board in the next meeting of the Supervisory Board.
- 7.3 In addition to the members of the Audit Committee and the company secretary, the Executive Board and the controller must be present, to the extent desired by the Audit Committee. The Audit Committee shall invite any person whom the Audit Committee or the Executive Board deems necessary, including the external auditor, to discuss a specific item on the agenda.
- 7.4 The Audit Committee shall consult the external auditor as often as it deems necessary, but at least once a year, without the Executive Board being present.
- 7.5 The Audit Committee shall review and update the regulations and submit amendments to the Supervisory Board for approval.

7.6 The Audit Committee shall regularly evaluate its own functioning.

CHAPTER 4. OTHER PROVISIONS

8. Remuneration Audit Committee members

8.1 The remuneration of the members of the Audit Committee shall be determined by the Supervisory Board.

9. Miscellaneous

9.1 **Acceptance by members of the Audit Committee.** Each person who is appointed as member of the Audit Committee shall declare in writing to the Company upon accepting the position that he accepts and agrees to the contents of these regulations and undertakes to comply with these regulations with respect to the Company.

9.2 **Occasional non-compliance.** The Supervisory Board may occasionally decide not to comply with these regulations, with due observance of applicable laws and regulations.

9.3 **Modification.** These regulations may be amended from time to time by the Supervisory Board without prior notice. Prior to amendment of these regulations, consultation with the Executive Board shall take place in this respect.

9.4 **Interpretation.** In the event of any ambiguity or difference of opinion regarding the meaning of any provision of these rules, the opinion of the chairperson of the Audit Committee shall be decisive.

9.5 **Applicable law and jurisdiction.** These regulations are governed by Dutch law. The Dutch court shall have exclusive jurisdiction to settle disputes arising from or in connection with these regulations.

Adopted by the Supervisory Board on 18 December 2020.

[signed ir. P. Nabuurs]

Chairperson

[signed dr. A. van Tunen]

Secretary