

Audit Committee Regulations

HIVOS

Article 1 Objectives of the Audit Committee

The Audit Committee's objectives are to advise the Board of Directors and the full Supervisory Board of Hivos on issues relating to financial policy, planning and reporting and on staffing of financial positions, with a view to optimising the quality of the Supervisory Board's decision-making.

Article 2 Composition of the Audit Committee

- 2.1 The Audit Committee is a committee appointed by and consisting of members of the Supervisory Board.
- 2.2 The Audit Committee consists of two members, at least one of whom has proven financial and economic expertise or expertise in preparing and reviewing annual accounts and other types of financial reporting. The Audit Committee elects a chairperson from its members.
- 2.3 The members of the Audit Committee are appointed for the same period as their term of office as member of the Supervisory Board and are eligible for reappointment.

Article 3 Detailed description of duties in connection with the Audit Committee's objectives

The Audit Committee discusses the following topics with the responsible member of the Board of Directors of Hivos:

- 3.1 the draft long-term financial planning, financing, treasury and IT;
- 3.2 the draft budget;
- 3.3 the draft periodic reports;
- 3.4 the draft annual accounts;
- 3.5 the annual report with the annual accounts and the management letter from the external auditor;
- 3.6 the financial aspects of the proposed decisions of the Board of Directors to be submitted to the Supervisory Board pursuant to the Board Regulations;
- 3.7 the development of the size and quality of staffing of financial positions.

Article 4 Report to the Supervisory Board

The Audit Committee advises the Supervisory Board on decision-making. A report on the Audit Committee's findings is prepared and sent to the Supervisory Board in a timely manner so that this can be discussed in the next Supervisory Board meeting.

Article 5 Meetings

- 5.1 The Audit Committee generally meets four times a year. If necessary the Chairperson of the Audit Committee may decide to hold an additional meeting, either at the request of the Board or the external auditor.
- 5.2 The external auditor and controller may attend meetings at the invitation of the Chairperson of the Audit Committee.

Thus adopted in the Supervisory Board meeting of 2 September 2008.

C. Izeboud