

THE AUDIT COMMITTEE OF VIMETCO N.V. TERMS OF REFERENCE

Vimetco N.V. (the "**Company**") has adopted a one tier board structure.

Pursuant to Principle III.5 of the Dutch Corporate Governance Code (and Best Practice provisions III.5.1-III.5.14), if a company has a one tier board with at least four non-executive members, the non-executive members should appoint from amongst themselves a remuneration committee, an audit committee and a selection and appointment committee. In compliance with such requirement, the board of the Company (the "**Board**") resolved to install an audit committee of the Board (the "**Audit Committee**") during a Board meeting that was held on 12 July 2007.

In addition to the above, and noting that the Company has been admitted to trading on the Main Market of the London Stock Exchange plc, the Board considered the provisions of the UK Combined Code on Corporate Governance (the "**Combined Code**"). The Combined Code states that "The board should establish formal and transparent arrangements for considering how they should apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors."

The Board believes that the terms of the Dutch Corporate Governance Code substantially mirror the spirit of the Combined Code. Where applicable, however, provisions from the Combined Code have been added to the rules below to enhance the corporate governance regime applied by the Company.

Please find below the rules (the "**Audit Committee Rules**") governing the Audit Committee, as adopted by the Board during the above referenced meeting, and as last amended by the Board resolution of 27 April 2009, which rules were prepared on the basis of the Dutch Corporate Code with certain additional provisions of the Combined Code.

1. RESPONSIBILITIES

1.1. The responsibilities of the Audit Committee include:

- 1.1.1. supervising, monitoring and advising the Board on the effect of internal risk management and control systems, including the supervision of the enforcement of the relevant legislation and regulations, and supervising the effect of codes of conduct;
- 1.1.2. monitoring, in discussion with the Company's auditors, the integrity of the financial statements of the Company, and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgments contained in them;
- 1.1.3. supervising the submission of financial information by the Company (choice of accounting policies, application and assessment of the effects of new legislation in this area, information on the treatment of estimated entries (*schattingsposten*) in the financial statements, forecasts, etc.);
- 1.1.4. supervising the compliance of recommendations and observations of the Company's internal and external auditors;

- 1.1.5. supervising the functioning of the internal audit function; in particular co-determining the plan of action (*werkplan*) for the internal audit function and taking note of the findings and considerations of the internal audit function;
- 1.1.6. supervising the policy of the Company on tax planning;
- 1.1.7. supervising the financing of the Company;
- 1.1.8. supervising the application of information and communication technology (ICT);
- 1.1.9. maintaining frequent contact, and supervising the relationship, with the Company's external auditor, including in particular (i) assessing the external auditor's independence and objectivity and any non-auditing work for the Company (taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm), (ii) determining the involvement of the external auditor in respect of the contents and publication of financial reporting by the Company other than the annual accounts, and (iii) taking note of and acting as the principal contact for the external auditor if any irregularities in respect of the content of the financial reports are discovered;
- 1.1.10. recommending the appointment, re-appointment and removal of an external auditor by the Company's general meeting of shareholders and assessing the remuneration and terms of engagement of the external auditor;
- 1.1.11. approving of the annual accounts and approving the annual budget and major capital expenditures of the Company for approval and adoption by the Shareholders of the Company at the general meeting.
- 1.2. The Audit Committee shall be the principal contact for the external auditor, if the external auditor discovers any irregularities in the financial reporting.
- 1.3. The Audit Committee should also keep under review the arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action.
- 1.4. The Audit Committee shall prepare and publish on an annual basis a report of its deliberations and findings, which shall include the following:
 - 1.4.1. the role and main responsibilities of the Audit Committee;
 - 1.4.2. the composition of the Audit Committee, including relevant qualifications and experience; the appointment process; and any fees paid in respect of membership;
 - 1.4.3. the number of meetings and attendance levels; and
 - 1.4.4. a description of the main activities of the year carried out to comply with its responsibilities as set out in section 1.1 above.
- 1.5. The Audit Committee should carry out the duties set out in this article 1 for the parent company, each major subsidiary and the group as a whole, as appropriate.

- 1.6. The Chairman of the Audit Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions, during such meeting, with respect to the Audit Committee's activities.
- 1.7. At least once a year the Audit Committee shall report to the full Board on the developments concerning the relationship with the external auditor, in particular its independence. The report shall address, *inter alia*, the desirability of rotation of partners within a firm of external auditors that is responsible for the Company's audit, and the desirability of any non-auditing work for the Company by the external auditor. The selection and recommendation of the external auditor will also take into account the outcome of this report.
- 1.8. At least every four years, the full Board shall, together with the Audit Committee, thoroughly assess the functioning of the external auditor in the various entities and capacities in which the external auditors operate. The main conclusions of the assessment shall be notified to the General Meeting for the purpose of considering the recommendation for the (re)appointment of the Company's external auditor.
- 1.9. The external accountant shall receive the financial information underlying the adoption of the quarterly or half-yearly accounts and other interim financial reports and shall be given the opportunity to respond to all information provided.

2. COMPOSITION, EXPERTISE AND INDEPENDENCE OF THE AUDIT COMMITTEE

- 2.1. The Audit Committee shall consist of three (3) members to be appointed by the Board among its members. Currently the Audit Committee consist of Mr. Currie (Chairman), Mr. Machitski and Mr. Zonneveld.
- 2.2. The following requirements must be observed with respect to the composition of the Audit Committee:
 - 2.2.1. at least one of the members shall have relevant expertise in financial administration and accounting for listed companies or other large companies; and
 - 2.2.2. at least two of the three members shall be independent.¹

3. CHAIRMAN

- 3.1. Subject to article 2 of these Audit Committee Rules, the non-executive members of the Board shall appoint one of the members of the Audit Committee as the Chairman thereof. The Chairman of the Audit Committee may not be the Chairman of the Board and should be an independent non-executive director. The Chairman of the Audit Committee shall be primarily responsible for the proper functioning of the Audit Committee. The Chairman shall act as the spokesman of the Audit Committee and shall be the main contact for the Board.

4. AUDIT COMMITTEE MEETINGS (AGENDA, ATTENDANCE, MINUTES)

- 4.1. The Audit Committee shall hold at least two (2) meetings per year and whenever one or more of its members request a meeting. Audit Committee meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, Audit Committee meetings may be held by teleconference or videoconference (or by any combination thereof) provided that all participants can hear each other simultaneously.

¹ as defined in the Dutch Corporate Governance Code

- 4.2. The quorum necessary for the transaction of business shall be two (2) members. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities and discretions vested in or exercisable by the Audit Committee.
- 4.3. Unless otherwise agreed, notice of each meeting confirming the time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Audit Committee, any other person required to attend and all other non-executive directors, no later than seven business days prior to the date of the meeting. Supporting papers shall be sent to Audit Committee members and to other attendees as appropriate, at the same time.
- 4.4. The Chairman of the Audit Committee may ask the external auditor of the Company to be present at Audit Committee meetings.
- 4.5. The Audit Committee will at least once a year hold a meeting with the external auditor of the Company without the other directors of the Company or the internal auditors being present. Subject to the preceding sentence, the Audit Committee shall decide if and when the Chief Executive Officer, the Chief Financial Officer, the external auditor of the Company or the internal auditor of the Company will be present at its meetings.
- 4.6. Minutes of the meeting shall be prepared by the secretary of the meeting to be appointed during the meeting of Audit Committee. The secretary shall be elected out of the advisors or employees of the Company or of its subsidiaries having appropriate financial or administrative skills and sufficient experience in terms of dealing with relevant documentation. The minutes shall generally be adopted in the next meeting. If all members of the Audit Committee agree on the contents of the minutes, they may be adopted earlier. Once agreed, the minutes shall be signed for adoption by the Chairman of the Audit Committee and shall be dispatched to all members of the Board as soon as practicable.
- 4.7. The secretary shall ascertain at the beginning of each meeting the existence of any conflicts of interest, and make a note in the minutes of the meeting accordingly.
- 4.8. The secretary shall keep appropriate records of all meetings of the Audit Committee and all decisions made thereon.

5. AUTHORITY

- 5.1. The Audit Committee is authorised:
 - 5.1.1. to seek any information it requires, from any employee of the Company, in order to perform its duties;
 - 5.1.2. to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
 - 5.1.3. to call any employee to be questioned at a meeting of the Audit Committee as and when required.

6. PUBLICATION OF RULES

- 6.1. These Audit Committee Rules shall be made available on the Company's website and will be updated annually.