

## **Audit Committee Regulations for Funcom N.V.**

The Audit Committee regulations were approved by the Funcom Supervisory Board 21 March 2007. From 2009 the installation of an Audit Committee is required by Dutch law.

### **Chapter 1: General**

- The Supervisory Board decided in 2006 to appoint an Audit Committee from its members.
- The Audit Committee is charged with advising and assisting the Supervisory Board in relation to its responsibility to supervise the company's compliance to regulations in the field of reporting and corporate governance.
- These regulations outline and formalize the delegated authorities and working method of the Audit Committee. The Committee consists of one chairman and one member.

### **Chapter 2: Specific responsibilities and obligations**

- To supervise the integrity of the financial process and the reporting systems, the internal audit and the financial risk management procedures.
- To supervise the independence, quality and performance of the external auditor.
- To supervise the execution of recommendations of the external auditor.
- To supervise the policy regarding financing and tax planning.
- To advise the Supervisory Board, in close consultation with the Management Board, concerning the proposal to the AGM regarding the (re-)appointment of the external auditor.
- To regularly report findings and conclusions to the Supervisory Board.
- To conduct an annual review of this charter and to make any proposals for amendment to the Supervisory Board.

### **Chapter 3: Authorization**

- The Audit Committee is authorized to conduct or commission any investigation that is required to exercise its function. In addition, the Audit Committee has direct access to the external auditor and to all employees of the company. The Committee may inform the Management Board of these contacts.

### **Chapter 4: Work and review procedures**

- Review of the annual certified accounts, quarterly figures, draft management letters and other reports for publication.
- The Committee will meet at least once a year with the Management Board and the external auditor to discuss the policy and the results of risk management and risk analysis.
- The audit plan must be discussed and approved in advance in close consultation with the Management Board. The anticipated audit fee must be discussed and approved in close consultation with the CEO.

- The Audit Committee must approve in advance all non-audit activities that the external auditor wishes to conduct that would incur a charge of more than USD 25,000.
- At least once a year the company's legal situation must be reviewed and all legal matters that could have a significant influence on the results of the company must be discussed at least once a year, if necessary in the presence of a legal advisor.

## **Chapter 5: Composition and meetings**

- The Audit Committee will, in view of the size of the company and the Supervisory Board, consist of only two members. Both members also serve on the Supervisory Board. One of these members will be appointed Chairman of the Committee.
- At least one member will have extensive knowledge in the field of accounting and financial management.
- The members of the Audit Committee shall be appointed by the Supervisory Board and will remain members either until their membership of the Supervisory Board ends or the Supervisory Board or the member himself requests that the member step down.
- The Chairman of the Audit Committee will also serve as Secretary of the Audit Committee. The minutes of the meetings will be made available to the other members of the Board simultaneously (consequently before the formal approval by the Audit Committee itself).
- The Audit Committee will meet at least five times a year. The meetings will be held prior to the publication of the annual report and the quarterly results.
- The Members of the Management Board and/or CFO will normally participate in all meetings, unless the Audit Committee deems their presence undesirable. The Audit Committee will meet at least once a year with the external auditor without the Members of the Management Board and CFO being in attendance.

## **Chapter 6: Limitation of the role of the Audit Committee**

- The authorities set forth in these regulations do not mean that the Audit Committee is responsible for the correctness and comprehensiveness of the financial reporting. This remains the responsibility of the Management Board and the external auditor.

As of 1<sup>st</sup> November 2016 the Audit Committee of Funcom consists of:

Chairman: Mr. Magnus Grøneng;  
Member: Mr. Egil Kvannli.