

Rules of procedure of the audit & compliance committee of the supervisory board pursuant to article 33 of the rules of procedure of the supervisory board of Rabobank Nederland.

**Article 1. Adoption, coming into force and amendment of the rules of procedure**

1. These rules of procedure have been adopted by the supervisory board and came into force on 1 December 2005. The rules of procedure were amended on 8 October 2007.
2. These rules of procedure can be amended by a resolution of the supervisory board following consultation with the executive board, which amendment may or may not have been proposed by the audit & compliance committee.
3. In the event of conflicts between the provisions of these rules of procedure on the one hand and statutory provisions, the articles of association or other internal or external regulations that are binding to the supervisory board on the other, the latter regulations shall prevail.
4. The text of these rules of procedure has been brought to the attention of the executive board and the works council.
5. These regulations and the composition of the audit & compliance committee have been placed on the external website of Rabobank Nederland.

**Article 2. Composition**

1. The audit & compliance committee shall consist of at least four permanent members, including the chairman of the supervisory board. All members must be members of the supervisory board. The supervisory board determines which members act as permanent members and which members have a seat for a fixed term.
2. The composition of the audit & compliance committee must be such that the committee has sufficient knowledge of accounting matters, the requirements for financial reporting and the developments in that area. The audit & compliance committee shall include at least one financial expert. That means that this person must have gained relevant knowledge of and experience in financial administration and accounting matters at listed companies or at other large legal entities.
3. All members of the audit & compliance committee shall be independent within the meaning of article 6, paragraphs 2 and 3 of the rules of procedure of the supervisory board, with the exception of a maximum of one person.
4. The audit & compliance committee shall appoint from its midst a chairman and his deputy, subject to the proviso that the committee may not be chaired by the chairman of the supervisory board or a former director of Rabobank Nederland.
5. The company secretary acts as secretary of the audit & compliance committee. The secretary of the audit & compliance committee can delegate his tasks as provided for in these rules of procedure, or parts thereof, to persons working at the company secretariat.

**Article 3. Tasks and powers**

1. The audit & compliance committee shall carry out the preparatory work for the supervision of the executive board in the context of the following matters:
  - a) the establishment, maintenance and operation of the internal risk management and control systems, supervision of compliance with the relevant laws and regulations and the procedures for drawing up and publishing the annual report, the annual accounts, the interim figures and ad hoc financial information and supervision of the functioning of (internal) codes of conduct. In this context the audit & compliance committee shall also prepare the assessment of the written reports of the executive board on the company objectives, its strategy and the related risks;
  - b) the establishment and maintenance of internal procedures that ensure that all major financial information, including that of the group divisions, is known to the executive board, so that the timeliness, completeness and correctness of the external financial reporting are assured;
  - c) the provision of financial information by Rabobank Nederland (choice of accounting policies, the application and assessment of the effects of new rules, insight into the approach to "estimated items" in the annual accounts, forecasts, the work of internal and external auditors in that regard, etc.);

- d) the assessment of the information to be provided to the supervisory board concerning the course of business at Rabobank Nederland and the affiliated companies as specified in article 30 of the rules of procedure of the supervisory board, the annual audit report and the annual management letter pursuant to article 31 of the rules of procedure of the supervisory board and the reports of rating agencies from which Rabobank Nederland has received a rating as mentioned in article 32 of the rules of procedure of the supervisory board;
  - e) compliance with the recommendations and the follow-up of the comments of internal and external auditors;
  - f) the role and the independence of the internal audit department;
  - g) the policies governing the credit risk, the market risk, the liquidity risk and the operational risk as specified in articles 39 to 42 of the rules of procedure of the supervisory board;
  - h) the Rabobank Group's policy governing tax planning;
  - i) the relationship with the external auditor (see also article 4), including in particular his independence, the remuneration and any non-auditing work for Rabobank Nederland;
  - j) the financing of Rabobank Nederland;
  - k) the applications of the information and communication technology (ICT);
  - l) compliance related activities.
2. The audit & compliance committee shall prepare the supervisory board's report for inclusion in the annual report, as well as the review of the annual accounts, the annual report and the other information added to them. The audit & compliance committee shall also prepare the supervisory board's discussion of the semi-annual report.
  3. The audit & compliance committee shall report to the supervisory board on the matters referred to in paragraphs 1 and 2, which takes decisions while taking into account these reports and recommendations.
  4. The audit & compliance committee shall provide the supervisory board with solicited and unsolicited advice on the matters referred to in paragraphs 1 and 2.
  5. At the request of the chairman of the supervisory board the audit & compliance committee shall advise on decisions of the executive board on takeovers and investments that require the approval of the supervisory board in accordance with the provisions of the articles of association.
  6. The audit & compliance committee shall approve the work schedule of the internal auditor and any material changes made to it. The audit & compliance committee further shall take cognizance of the internal auditor's findings based on his activities.
  7. The audit & compliance committee shall advise the supervisory board on the proposed appointment, suspension and dismissal of the director and the deputy director of the internal audit department.
  8. The audit & compliance committee shall determine the content of its tasks and activities. Decisions of the audit & compliance committee in which the content of its activities are laid down are attached to these rules of procedure.

**Article 4. Tasks in respect of the external auditor**

1. The remuneration of the external auditor and the instructions to the external auditor to provide non-audit services require the approval of the supervisory board upon the recommendation of the audit & compliance committee and following consultation with the executive board.
2. The audit & compliance committee shall assess how the external auditor is involved in the content and publication of financial reports concerning Rabobank Nederland, other than the annual accounts.
3. The audit & compliance committee and the executive board shall report annually to the supervisory board on developments in the relationship with the external auditor, including in particular his independence (also covering the desirability of rotating the responsible partners of an external audit firm that is charged with performing the audit and the desirability of the same audit firm also providing non-audit services to Rabobank Nederland). The supervisory board takes this into account when making its proposal to the general meeting for the appointment of an external auditor.
4. At least once every four years the audit & compliance committee and the executive board shall carry out a thorough assessment of the performance of the external auditor in the various

capacities in which the external auditor acts. The principal conclusions of this assessment are reported to the general meeting for the purpose of assessing the nomination for the appointment of the external auditor.

5. The audit & compliance committee shall make sure that the external auditor is involved in drawing up the work schedule of the internal audit department and that he is informed of the findings of the internal audit department.
6. The audit & compliance committee shall make a proposal to the supervisory board for a policy governing the independence of the external auditor and any (potential) conflicts of interest between the external auditor and Rabobank Nederland.
7. The external auditor can enter into direct contact with the audit & compliance committee, if necessary.
8. The audit & compliance committee is the first point of contact for the external auditor if he establishes irregularities in the content of the financial reports.

#### **Article 5. Information**

The provisions of articles 28 and 29 of the rules of procedure of the supervisory board are applicable mutatis mutandis to the members of the audit & compliance committee.

#### **Article 6. Meetings of the audit & compliance committee**

1. The meetings of the audit & compliance committee shall be convened by the chairman and, in his absence, by the deputy chairman. A request for a meeting to be convened can be made by a member of the audit & compliance committee, by the executive board or by the supervisory board.
2. The members of the audit & compliance committee shall receive the agenda and the accompanying documents for the meeting in question six working days at the latest before the meeting is held. The agenda for the meeting shall be determined by the chairman and, in his absence, by the deputy chairman.  
In urgent cases the chairman (and in his absence the deputy chairman) can decide to have the agenda and/or the accompanying documents forwarded within a shorter period of time (at least one day before the meeting).
3. The audit & compliance committee decides whether, and if so, when the presence of the chairman of the executive board, the chief financial officer, the external auditor and the internal auditor is required at the meetings.  
Following prior consultation with the executive board, the chairman of the audit & compliance committee (and in his absence the deputy chairman) can invite other persons to attend a meeting of the audit & compliance committee. If one or more members of the audit & compliance committee object to the presence of the persons referred to in the first or the second sentences above, the decision will be taken by the audit & compliance committee. The head of the Compliance Department (*Directoraat Toezicht*) or his deputy shall attend the meeting of the audit & compliance committee or part of the meeting at least once a year.
4. The audit & compliance committee shall meet at least once a year with the external auditor without the executive board or (representatives of) the internal audit department being present.  
If necessary the external auditor can make a request to the chairman of the audit & compliance committee to be present at a meeting of the audit & compliance committee.
5. The audit & compliance committee shall meet at least four times a year, at least once on the subject of the annual figures, the audit report and the management letter and once on the interim figures. The meetings of the audit & compliance committee at which the interim figures, the annual figures, the audit report and the management letter are on the agenda are also attended by the internal auditor and the external auditor.  
The audit & compliance committee will evaluate its own performance at least once a year. The result of that evaluation will be reported to the supervisory board.
6. Notwithstanding the previous paragraph, the internal auditor can enter into direct contact with the audit & compliance committee.
7. Minutes are taken of the meetings of the audit & compliance committee. A copy of those minutes is forwarded to the supervisory board.

***Article 7. Conflicting interests***

The provisions of article 19 of the rules of procedure of the supervisory board are applicable mutatis mutandis to the members of the audit & compliance committee.

***Article 8. Application of the rules of procedure of the supervisory board***

Relevant subjects not covered by these rules of procedure are subject to the rules of procedure of the supervisory board.