

# Africa

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## THE AUDIT COMMITTEE OF MOTA-ENGIL AFRICA N.V. TERMS OF REFERENCE

Mota-Engil Africa N.V. (the "**Company**") has adopted a one tier board structure.

Pursuant to principle III.5 (and best practice provisions III.5.1-III.5.14) and best practice provision III.8.3 of the Dutch Corporate Governance Code, if the Company has a one tier board with more than four non-executive directors, the Company's non-executive directors 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 18 June 2014.

Please find below the terms of reference (the "**Audit Committee Terms of Reference**") governing the Audit Committee, as adopted by the Board on 14 November 2014.

### 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 with recommendations and observations of the Company's internal and external auditors;
- 1.1.5. supervising and reviewing the effectiveness of the internal audit function of the Company; in particular co-determining the plan of action (*werkplan*) for the internal audit department and taking note of the findings and considerations of the internal audit department;
- 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);

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#### REGISTERED OFFICE

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- 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 the work that can and cannot be performed for the Company by the external auditor, (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 the financial reporting are discovered;
- 1.1.10. recommending the appointment, re-appointment and removal of an external auditor by the Company's general meeting of shareholders ("**General Meeting**") and assessing the remuneration and terms of engagement of the external auditor. If the external auditor resigns, the Audit Committee shall investigate the issues giving rise to such resignation and consider whether any action is required; and
- 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 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 must prepare and publish on an annual basis a report of its deliberations and findings, which includes 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 Chairman of the Audit Committee (as defined below) attends the annual General Meeting and should be prepared to respond to any shareholder questions during such meeting with respect to the Audit Committee's activities.

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- 1.6. At least once a year, the Audit Committee reports to the full Board on the developments concerning the relationship with the external auditor, in particular its independence. The report must address, among other things, the potential desirability of rotation of partners within a firm of external auditors that is responsible for the Company's audit, and the work that can and cannot be performed 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.
- 1.7. At least every four (4) years, the full Board will, together with the Audit Committee, thoroughly assess the functioning of the external auditor in the various entities and capacities in which the external auditor operates. The main conclusions of the assessment will be notified to the General Meeting for the purpose of considering the recommendation for the (re)appointment of the Company's external auditor.
- 1.8. The external auditor must receive the financial information underlying the adoption of the quarterly or half-yearly accounts and other interim financial reports and must be given the opportunity to respond to all information provided.

## 2. COMPOSITION

- 2.1. The Audit Committee shall consist of a minimum of three (3) members. The members of the Audit Committee shall be appointed and may be replaced at any time by the Board.
- 2.2. The following requirements must be observed with respect to the composition of the Audit Committee:
  - 2.2.1. at least one (1) of the members must have relevant knowledge and experience of financial administration and accounting for listed companies or other large companies;
  - 2.2.2. members must be non-executive directors of the Board; and
  - 2.2.3. with the exception of a maximum of one (1) member, all members must be independent within the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code.

## 3. CHAIRMAN / SECRETARY

- 3.1. Subject to article 2 of these Audit Committee Terms of Reference, the members of the Audit Committee appoint one (1) of the members of the Audit Committee as the chairman thereof (the "**Chairman of the Audit Committee**"), who:
  - 3.1.1. must be independent within the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code;
  - 3.1.2. may not be chairman of the Board; and

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3.1.3. may not previously have been an executive director of the Board.

- 3.2. The Chairman of the Audit Committee shall be primarily responsible for the proper functioning of the Audit Committee. He or she shall act as the spokesman of the Audit Committee and shall be the main contact for the Board.
- 3.3. Unless the Chairman of the Audit Committee appoints another person for such purpose for the relevant meeting, the Company secretary shall act as the secretary for each meeting of the Audit Committee (the "**Secretary of the Audit Committee**"). The Secretary of the Audit Committee shall keep appropriate records of all meetings of the Audit Committee and all decisions made thereon.

#### 4. MEETINGS

- 4.1. The Audit Committee will hold at least four (4) 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. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.
- 4.2. The quorum necessary for the transaction of business is a majority of the members of the Audit Committee. Each Audit Committee member shall undertake all reasonable endeavors to attend the Audit Committee meetings. A duly convened meeting of the Audit Committee at which a quorum is present is competent to exercise all or any of the authorities and discretions vested in or exercisable by the Audit Committee. The Audit Committee may adopt resolutions by a simple majority vote.
- 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 dispatched to each member of the Audit Committee, any other person required to attend and all other non-executive directors, no later than seven (7) business days prior to the date of the meeting. Supporting papers shall be sent to the members of the Audit Committee and to other attendees as appropriate, at the same time.
- 4.4. The Chairman of the Audit Committee may ask the Company's external auditor 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 decides if and when the Company's Chief Executive Officer, Chief Financial Officer, external auditor or internal auditor must be present at its meetings.

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4.6. Minutes of the Audit Committee meeting shall be prepared by the person acting as Secretary of the Audit Committee. 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 person acting as Secretary and the Chairman of the Audit Committee and shall be dispatched to all directors of the Board as soon as practicable.

## 5. AUTHORITY

5.1. The Audit Committee is authorized:

- 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. OTHER

6.1. The Audit Committee shall also perform such other functions related or incidental to the foregoing as the Audit Committee, at the request of the Board, may from time to time agree to undertake.

## 7. PUBLICATION OF TERMS OF REFERENCE

7.1. These Audit Committee Terms of Reference shall be made available on the Company's website and will be updated annually.