

Internal Rules of the Consultative Committee for the Audit Profession

The Consultative Committee for the Audit Profession, hereinafter referred to as the "Committee";

— Having regard to Article 15-2 of the amended Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), hereinafter the "CSSF";

— Having regard to the deliberation of the Committee dated 11 March 2010;

Decided to adopt its Internal Rules as follows:

Article 1

The composition of the Committee shall be governed by Article 15-2(3) of the above-mentioned Law of 23 December 1998. To give effect to letter (c) of Article 15-2(3), according to which two members of the Executive Board of the CSSF, designated by the latter, shall be members of the Committee, and in order to take also into account the collegiate nature of the Executive Board, all members of the Executive Board shall be invited and may attend the Committee's meetings. Their presence and votes shall be taken into account as indicated below.

Article 2

(1) The Committee shall be chaired by the Director General of the CSSF.

(2) The Committee shall be convened by its Chairperson.

It must be convened at the request of either the Government or two of its members at least.

In the cases referred to in the preceding subparagraph, the Chairperson of the Committee has to convene the Committee within eight business days from the receipt of the request while complying with the procedures and conditions laid down in the subsequent subparagraph.

The notices of meetings which include the date, time and agenda of the meeting shall be addressed to the members of the Committee and shall be sent with the session documents (preferably via electronic mail) at

least eight business days before the scheduled meeting date, except in case of emergency to be assessed by the Chairperson of the Committee.

(3) The deliberations of the Committee shall be valid if at least one member of the Executive Board of the CSSF and three external members, among whom one member of the Institut des réviseurs d'entreprises, are present.

(4) The decisions of the Committee shall be taken by a majority of the votes cast. The number of those who do not participate in the vote shall not be taken into account to determine the number of voters.

The members who cannot attend a meeting of the Committee may give a proxy to another member. However, no member shall receive more than one proxy.

(5) Each member shall have one vote. Irrespective of the number of members of the Executive Board of the CSSF present at the meeting, the Executive Board shall have one vote.

(6) Experts can be invited to attend the meetings in order to explain the documents submitted for discussion.

(7) Apart from the information which the Committee decides to make public, the members of the Committee and any person attending the meetings shall keep the deliberations secret.

(8) The meetings shall take place at the registered office of the CSSF.

Article 3

(1) The agenda shall be established by the Chairperson of the Committee.

The agenda of the meetings, convened at the request of one or more members of the Committee, shall include the items indicated by this (these) member(s) of the Committee.

Each member may put on the agenda a problem concerning the implementation or application of regulations relating to the public oversight of the audit profession overall or for specific issues.

(2) The Chairperson of the Committee shall conduct the discussions.

(3) The Executive Board of the CSSF shall prepare the meeting and the Committee shall base its deliberations on the proposals submitted to it by the Executive Board of the CSSF.

Article 4

The minutes shall be drawn up by the secretary after each meeting.

The minutes shall be submitted to the members for approval at the following meeting and signed by the Chairperson and the secretary.

Article 5

The Committee's secretarial function shall be performed by an agent of the CSSF appointed in accordance with the provisions of Article 15-2(5) of the amended Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier").

Any correspondence addressed to the Committee shall be given to the secretary.

Luxembourg, 11 March 2010

*These Internal Rules were adopted by
unanimous vote of the members of the
Committee during the meeting of 11 March 2010
at 14.30.*

