

Audit charter



Contents

AUDIT CHARTER

Audit charter	3
Role of the Audit Committee	3
Responsibilities of the Audit Committee	3
Membership and appointment	4
Meetings	4
Quorum	4
Minutes	4
Remuneration to the Audit Committee	5
Self evaluation	5

Audit charter

The Audit Committee is a Committee under the Board of Directors established in accordance with the rules of procedure for the Board of Directors of MT Højgaard Holding A/S (the Company).

ROLE OF THE AUDIT COMMITTEE

It is the role of the Audit Committee to assist the Board of Directors in monitoring financial and internal controls and determining the terms and framework for the external auditor's work:

- a. Briefing the Board of Directors on the findings from the statutory audit, including the financial reporting process.
- b. Monitoring the financial reporting process and making recommendations or putting forward proposals to ensure the integrity of the financial statements, including significant accounting policies, significant accounting estimates, related party transactions, and uncertainties and risks.
- c. Monitoring the effectiveness of the Company's internal control systems and risk management systems with regard to the financial reporting and assessing the need for an internal audit function.
- d. Monitoring the statutory audit of financial statements etc., taking into account the findings from the latest quality control of the audit firm.

- e. Controlling and monitoring the auditor's independence, and approving the auditor's provision of non-audit services to the Group.
- f. Selecting and recommending external auditor to the Board of Directors.
- g. Following up on the reporting from the Company's whistleblowing system, ethics programme (Code of Conduct) and GDPR (General Data Protection Regulation).

RESPONSIBILITIES OF THE AUDIT COMMITTEE

- a. The Audit Committee shall brief the Board of Directors about its discussions at the first meeting of the Board of Directors after each Committee meeting, and submit recommendations to the Board of Directors. In addition, on request, the Board of Directors shall receive all material documents submitted or drafted by the Committee. In advance of the publication of all interim financial reports and annual reports, the Committee shall report on its activities and its assessment of the report.
- b. Monitoring the financial reporting process and making recommendations or proposals to ensure the integrity of the financial statements. This includes controlling compliance with existing laws, standards and other provisions for listed companies relating to the presentation and publication of financial statements.
 - Reviewing significant accounting policies, and submitting proposals for changes to the Board of Directors.
 - Reviewing significant and critical accounting issues, including their impact on the financial reporting, and significant accounting principles applied.
 - Reviewing management's overall financial reporting procedure.
 - Reviewing significant accounting estimates.
 - Reviewing significant adjustments resulting from the audit.
 - Monitoring related party transactions.
 - Monitoring uncertainties and risks, including in relation to the outlook for the current year.
 - Monitoring the Company's budgeting process and the basis for the Company's announcements concerning the future.
- c. Monitoring the adequacy and effectiveness of the Company's internal control systems and risk management systems with regard to the financial reporting, and approving material changes to these as well as assessing the need for an internal audit function.
 - Monitoring and reviewing the adequacy of the risk management systems and the effectiveness of internal controls in connection with the financial reporting process.

- In the event of material deficiencies being identified in the Company's internal control systems, the Committee is responsible for ensuring that the Executive Board prepares a plan for remedying these, and for monitoring its implementation.
 - Assessing, once a year, the need for an internal audit function.
- d. Monitoring the statutory audit of financial statements etc., taking into account the findings from the latest quality control of the audit firm.
 - The Audit Committee shall monitor the external auditor, including:
 - Preparing recommendations to the Board of Directors on the appointment of an external auditor.
 - Monitoring the external auditor's independence, objectivity and skills.
 - Discussing the external auditor's strategy plan, purpose and approach to the annual audit.
 - Making recommendations on the terms of engagement and remuneration of the external auditors for approval by the Board of Directors.
 - Reviewing the external auditor's reporting to the Board of Directors, including long-form audit reports, and discussing all reports with the external auditor.
 - Ensuring that the Company's Board of Directors and external auditor will be able to meet

- without the Executive Board present, if necessary.
- Monitoring how any disagreements between the Executive Board and the external auditor are resolved.
- e. Controlling and monitoring the auditor's independence, and approving the auditor's provision of non-audit services to the Group.
- This responsibility shall include approving guidelines and policies for non-audit services.
 - Reviewing and approving the auditor's provision of non-audit services to the Group.
 - One or more of the Committee's members shall be authorised to grant advance approvals.
 - Reviewing the performance and independence of the external auditor, at least annually, and obtaining and reviewing a report from the external auditors supporting their independence.
- f. Making selections and recommendations to the Board of Directors on the appointment of the external auditor, and evaluating the external audit.
- Making recommendations to the Board of Directors on the appointment of an external auditor at the Annual General Meeting.
 - Preparing the Board of Directors' recommendation to the Annual General Meeting

- concerning the appointment of an external auditor.
- Making recommendations to the Board of Directors if the Committee considers that the appointed auditor should be replaced at the coming Annual General Meeting.
 - If the Audit Committee recommends the appointment of a new external auditor, the Audit Committee shall also prepare and be responsible for the selection procedure in accordance with regulation no 537/2014 of 16 April 2014.
 - Preparing a recommendation containing at least two proposals for a new external auditor and a reasoned preference for one of them.
- g. Following up on any concerns raised via the Company's whistleblowing system so that all complaints, concerns, etc., are noted and investigated. Evaluating the adequacy of the Company's ethics programme (Code of Conduct). Following up to ensure that the Company is able to document that the provisions of the GDPR legislation are being adhered to and that security breaches are being followed up.

MEMBERSHIP AND APPOINTMENT

The Audit Committee shall comprise two to three members of the Company's Board of Directors or persons elected by the shareholders in general meeting as members of the

Committee. Appointments to the Committee shall be for a period of one year.

The appointment shall take place at the first meeting of the Board of Directors following the Annual General Meeting. The Board of Directors shall also appoint one of its members to serve as Chairman of the Committee. The Chairman of the Board of Directors should not be a member of the Committee. Any member of the Committee may be removed by the Board of Directors at any time. The majority of the members of the Committee shall be independent. At least one member of the Committee shall have qualifications in accounting or auditing.

MEETINGS

The Committee shall meet as often as deemed appropriate by the Committee, although at least four times a year. The Committee shall also meet at the request of a Committee member or the external auditor.

Meetings shall be planned in such a way that an annual plan for the coming year is adopted no later than four weeks after the appointment of the Committee. The annual plan shall be aligned with the Board meeting schedule so that the Committee's recommendations can be considered in detail by the Board.

The Corporate Finance department shall act as secretariat for the Audit Committee.

Meetings shall be convened by the Chairman of the Committee with at least seven days' written notice to all members of the Committee. If relevant, members of the Executive Board, or other relevant persons in the Company, shall be invited to attend. The Audit Committee shall meet with the external auditor at least once a year without the Executive Board present.

The notice of meeting shall confirm the venue, time and date and include an agenda of items to be discussed. Supporting papers shall, so far as possible, be sent to the members of the Committee at the same time. The person appointed as Secretary of the Committee shall prepare minutes of proceedings at Committee meetings.

QUORUM

The Committee shall form a quorum when two or more of its members are present. Resolutions of the Committee shall be passed by simple majority. In the event of equality of votes, the Chairman of the Committee shall have the casting vote.

MINUTES

Minutes of the proceedings at Committee meetings shall be kept to document that the Committee is discharging the responsibilities conferred on it. Draft minutes shall be distributed to Committee members within one week of each Committee meeting. Minutes shall be distributed to all attendees.

Efforts shall be made to have the minutes approved no later than the day before ordinary meetings of the Board of Directors for distribution to the full Board of Directors. The minutes shall be printed out at the following meeting of the Audit Committee – and shall be kept together with the Company’s minute books and records.

Minutes shall include concise and well-reasoned recommendations to the Board of Directors and shall reflect the views that have been expressed on the Committee.

REMUNERATION TO THE AUDIT COMMITTEE

Committee members shall receive fixed annual remuneration, which shall be determined together with the remuneration to the members of the Board of Directors – at the Annual General Meeting.

SELF EVALUATION

The Committee shall perform an annual self evaluation of its work and members. The self evaluation shall be reported by the Chairman of the Committee to the Chairman of the Board of Directors and shall form part of the overall self evaluation of the Board of Directors.

Based on the self evaluation, the Chairman of the Audit Committee shall make any proposals for improvements and efficiencies.

Søborg, 13 May 2020

BOARD OF DIRECTORS

Carsten Dilling
Chairman

Anders Lindberg
Deputy Chairman

Pernille Fabricius

Christine Thorsen

Ole Røsdahl