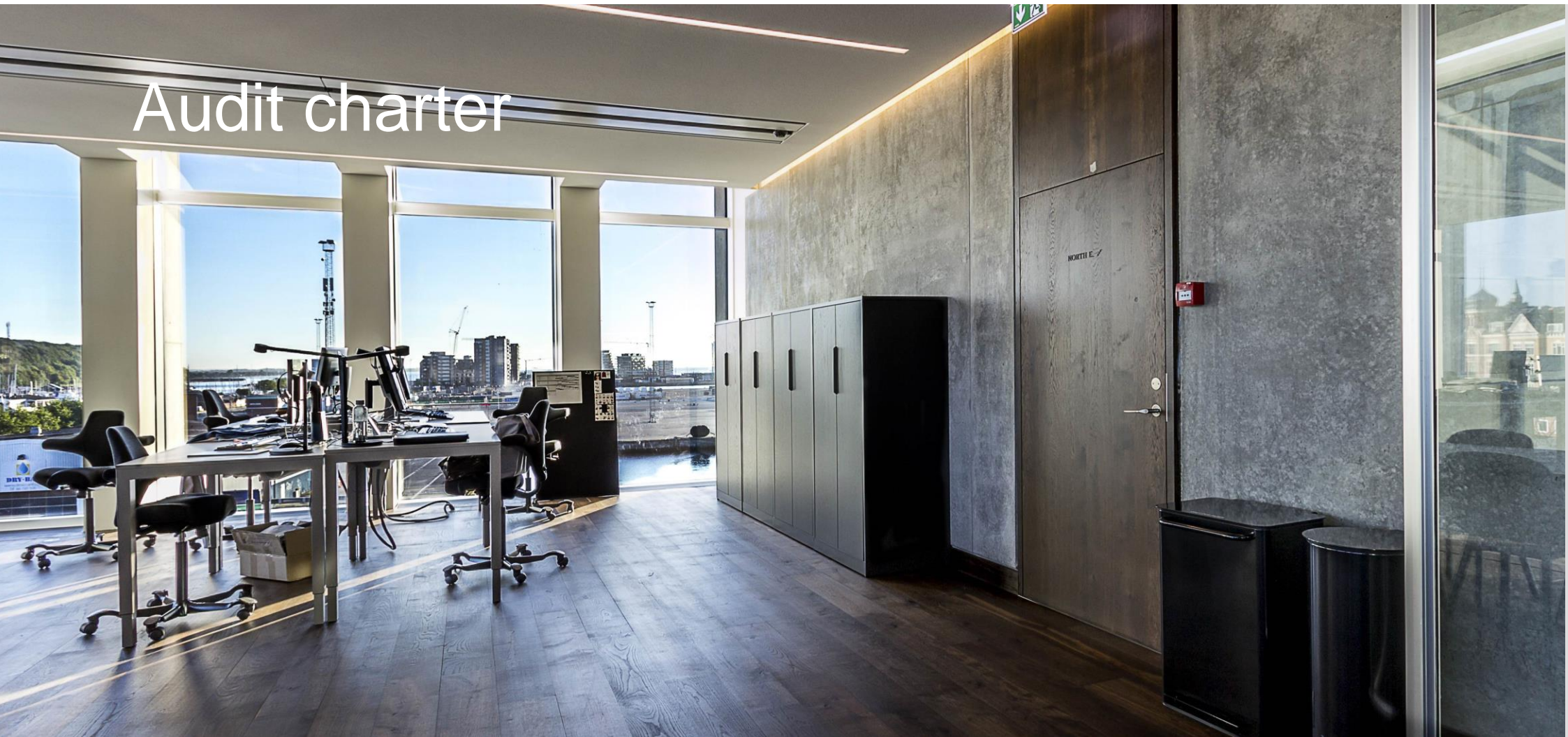


# MTH GROUP

## Audit charter



# Contents

## AUDIT CHARTER

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# 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 A/S (the Company).

## ROLE OF THE AUDIT COMMITTEE

It is the purpose of the Audit Committee to assist the Board of Directors in overseeing:

- a. The financial reporting, including the use of appropriate accounting policies and accounting estimates, any material related party transactions, and the financial reporting process.
- b. Uncertainties and risks and internal control systems designed to mitigate these, including risk management systems and measures.
- c. Statutory audit of the annual report.
- d. Appointment of the Company's independent auditor, and monitoring and controlling the auditor's independence, including especially the auditor's provision of non-audit services to the Company.
- e. Follow-up on the reporting from the Company's whistleblowing system and ethics programme (Code of Conduct) and GDPR (General Data Protection Regulation).
- f. The need for an internal audit function.

## RESPONSIBILITIES OF THE AUDIT COMMITTEE

- a. Monitor the Company's financial reporting, including the use of appropriate accounting policies and accounting estimates.
  - Review accounting policies in key areas, and submit proposals for changes to the Board of Directors.
  - Review significant and critical accounting issues, including their impact on the financial reporting, and significant accounting principles applied.
  - Review management's overall financial reporting procedure.
  - Review key accounting estimates.
  - Monitor the Company's budgeting process and the basis for the Company's announcements concerning the future.
  - Monitor that the Company is complying with current legislation for companies and book-keeping, and any stock exchange requirements, standards, etc., related to the reporting.
- b. Review the adequacy and effectiveness of the Company's internal control systems, and approve material changes to these.
  - Review the adequacy of risk systems, in relation to the financial reporting. Ensure that they are effective.
  - In the event of material deficiencies being identified in the Company's internal control systems, it is the Committee's duty to ensure
- c. Statutory audit of the annual report.
  - that a plan for remedying these is prepared, and to monitor its implementation.
  - Review the performance and independence of the external auditor, at least annually, and obtain and review a report from the external auditors supporting their independence.
  - Review the external auditor's strategy plan, scope and approach to the annual audit.
  - Make recommendations in relation to the terms of engagement and remuneration of the external auditors for approval by the Board of Directors.
  - Review the external auditor's report to the Executive Board and the Board of Directors, including management letters and long-form audit reports, and discuss all reports with the Executive Board and the external auditor.
  - Ensure that the Company's Board of Directors and external auditor will be able to meet without the Executive Board present, if necessary.
  - Resolve any disagreements between the Executive Board and the external auditor regarding the financial reporting.
- d. Make recommendations for the appointment of the external auditor, and evaluate the external audit.
  - Make recommendations to the Board of Directors in relation to the auditor to be appointed at the Annual General Meeting.

- Prepare the Board of Directors' recommendation to the Annual General Meeting concerning the appointment of an external auditor.
  - Review the Company's use of non-audit services provided by the external auditor.
  - If necessary, make recommendations to the Board of Directors if the Committee considers that the appointed auditor should be replaced at the coming Annual General Meeting.
- e. Follow-up on any concerns raised via the Company's whistleblowing system so that all complaints, concerns, etc., are noted and investigated. Evaluate the adequacy of the Company's ethics programme (Code of Conduct). Follow-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.
  - f. Assess, once a year, the need for an internal audit function.

## MEMBERSHIP AND APPOINTMENT

The Audit Committee shall comprise of three members. The members of the Committee shall be appointed by and from among the members of the Board of Directors. Appointments 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 shall

appoint one of its members 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 member of the Committee, the CFO 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. If possible, meetings shall be held no later than the day before ordinary Board meetings.

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. If possible, meetings shall be held ahead of the Board's consideration and/or approval of financial matters, interim financial

reports or annual reports or other material financial reporting, and before the auditor's report is issued.

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 minute the proceedings and resolutions of meetings. At least once a year, the Committee shall meet with the external auditor, without the Company's Executive Board being present, if desired.

#### QUORUM

The Committee shall form a quorum when two or more of its members are present. Any decisions of the Committee shall be taken on a simple majority basis. In the event of an equality of votes, the Chairman of the Committee shall have the casting vote.

#### MINUTES

The proceedings and resolutions of all meetings of the Committee shall be minuted 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 Board meetings. The minutes shall then be sent

to the full Board of Directors and to the Executive Board. The minutes shall be printed out at the following meeting of the Audit Committee – and stored together with company's minute books and records.

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

#### REPORTING TO THE BOARD OF DIRECTORS

The 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 to or drafted by the Committee.

In advance of the publication of interim financial reports and annual reports, the Committee shall report on its activities and its assessment of the report.

#### REMUNERATION RECEIVED BY THE AUDIT COMMITTEE

Committee members receive fixed annual remuneration, which is determined together with the remuneration received by the members of the Board of Directors – at the Annual General Meeting.

#### SELF EVALUATION

The Committee shall perform an annual self evaluation of its activities 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 for the Board of Directors. Based on the self evaluation, the Chairman of the Audit Committee shall make any proposals for improvements and enhancing efficiency.

Søborg, 21 February 2019

## BOARD OF DIRECTORS

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Søren Bjerre-Nielsen  
Chairman

Anders Lindberg  
Deputy Chairman

Carsten Dilling

Ole Røsdahl

Pernille Fabricius

Christine Thorsen

Irene Chabior

Vinnie Sunke Heimann

Hans-Henrik Hannibal  
Hansen