



Terms of reference **Audit Committee**

These terms of reference lay down the responsibilities and authorities of the audit committee.

1. Purpose

- 1.1. In accordance with the EU Directive on statutory audits of annual accounts and consolidated accounts (8th Directive), article 31(3) of the Danish Act on Approved Auditors and Audit Firms and the current recommendations on corporate governance, the board of directors has established an audit committee. The audit committee is an advisory board committee whose main responsibility is to prepare decisions taken by the board of directors.
- 1.2. The role of the audit committee is to monitor. The audit committee will not assume the responsibility that rests with the executive management or the board of directors under the Danish Public Companies Act, the Danish Financial Statements Act, and other relevant legislation.
- 1.3. The board of directors shall appoint the members of the audit committee from among its own members.
- 1.4. The members of the audit committee are usually appointed at the board meeting following the annual general meeting.

2. Tasks

2.1. The principal tasks of the audit committee are:

- to inform the entire supreme governing body about the result of the statutory revision, including the financial reporting process
- to monitor the financial reporting process and make requests or proposals to ensure integrity
- to monitor whether the company's internal control system, potential internal audit function and risk management systems function effectively in so far as concerns the company's financial reporting process without infringing its independence
- to monitor the statutory audit of the financial statements etc., in consideration of the results of the latest quality control of the audit firm
- to check and monitor the auditor's independence in accordance with the requirements to audit of public interest entities and approve the provision of non-audit services
- to be responsible for the procedure of selecting and recommending the auditor to be elected in accordance with the requirements to audit of public interest entities.

2.2. Based on information from the executive management and the external auditor on relevant issues, the audit committee shall prepare the board of directors' treatment of the statutory requirement (Danish Financial Statements Act, article 107 B) to give an account of corporate governance and of the chief elements in the Aarsleff Group's internal control and risk management systems relating to the financial reporting process.

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- 2.3. In order to perform these tasks the audit committee shall establish an open dialogue between the company's board of directors, management and external auditors, and the audit committee shall also continuously assess the need for provision of information about its work and communication to the company's employees, including the establishment of a whistleblower function.
- 2.4. In order to more precisely concretise and exemplify the tasks of the audit committee, an annual plan shall be prepared.
- 2.5. The annual plan shall also contain an ongoing self-assessment of the audit committee's work and members. The self-assessment shall be submitted to the chairman of the board of directors by the chairman of the committee and shall form part of the board's own self-assessment.
- 2.6. The audit committee shall also function as a rule committee, carrying out preparatory work concerning the rules and guidelines which are to be considered by the board of directors. The audit committee may be assigned any task which the board of directors considers relevant and which forms a natural part of the committee's remit.

3. The audit committee's authorisation and resources

Within its terms of reference, the audit committee is authorised to:

- 3.1. obtain such professional, independent advice as the audit committee considers necessary for performing its tasks
- 3.2. Obtain information from relevant employees of the Group companies who may be summoned to attend meetings at the audit committee's request; other board members, the executive management as well as relevant employees are obliged to attend meetings if summoned by the audit committee
- 3.3. get unrestricted access to all information that the audit committee considers relevant for performing its duties
- 3.4. submit proposals to the board of directors concerning choice of auditors and the related remuneration
- 3.5. establish policies and procedures as well as authorisation of the framework for these for the engagement of external auditor to provide non-audit services.

4. Organisation

- 4.1. The members of the audit committee are appointed by and among the members of the board of directors. The audit committee appoints the chairman of the audit committee. The chairman of the board of directors cannot be chairman of the audit committee. The members are elected for a one year term.
- 4.2. The audit committee shall consist of at least three members of the board of directors.
- 4.3. At least one member of the committee must qualify as independent and have qualifications in accounting or auditing. The board of directors is responsible for making this assessment.
- 4.4. The members of the audit committee must collectively possess up-to-date insight in and experience of financial, accounting and auditing conditions relating to listed companies.

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- 4.5. The audit committee is functional when at least two members are present.
- 4.6. The meetings of the audit committee are confidential, and the members and meeting participants are subject to the same provisions for secrecy and confidentiality that apply to members of the board of directors.

5. Meeting activity

- 5.1. Only members of the audit committee have the right to be present at the meetings.
- 5.2. The chairman of the audit committee shall determine the agenda and the frequency of the meetings and convene the meetings in accordance with the annual plan prepared by the chairman of the audit committee each year.
- 5.3. A minimum of three meetings shall be held each year.
- 5.4. Minutes of all committee meetings shall be prepared and submitted for approval as soon as possible. The minutes shall be approved by the audit committee members and immediately thereafter submitted to all members of the board of directors. The minutes shall reflect the dialogue and the views of the meetings with a view to ensuring a suitable and fair basis for the decisions to be taken by the entire board of directors. If a board meeting is held without the board members having received the minutes of the last audit committee meeting, an oral preliminary report must be given by the chairman of the audit committee, or in the absence of the chairman, by one of the other members of the committee.
- 5.5. The company shall provide a secretariat function for the audit committee.

6. Remuneration

- 6.1. The remuneration policy of Per Aarsleff Holding A/S shall determine the remuneration for the audit committee members.

Approved at the board meeting on 25 August 2020.

The Board of Directors of Per Aarsleff Holding A/S