

Charter of the audit committee of Brdr. Hartmann

Under the rules of procedure of the Board of Directors of Brødrene Hartmann A/S, a separate audit committee is to be set up.

The audit committee will ensure an expedient process for reporting to the Board of Directors and will furthermore be responsible for processing and preparing the reporting data to form the basis of decision for the entire Board of Directors.

The responsibilities of the audit committee are laid down in this charter, which will be updated and approved annually by the Board of Directors.

I. Objectives

The main objectives of the audit committee are as follows:

- a) To inform the Board of Directors about the results of the audit performed and the financial reporting;
- b) To monitor the financial reporting process;
- c) To monitor the company's internal control systems in relation to the company's financial reporting;
- d) To monitor the statutory audit of the company's annual report and consolidated financial statements, also including conclusions from the quality control of the audit firm;
- e) To monitor the independence of the auditors, which includes approving deliveries of non-audit services;
- f) To monitor the qualifications and performance of the external auditors;
- g) To manage the process of selecting and nominating auditors;
- h) To perform tasks assigned by the Board of Directors;
- i) To ensure timely reporting on significant risks to the Board of Directors;
- j) To control and monitor the company's tax structure and tax reporting;

- k) To monitor and ensure adequate transfer pricing documentation and assess tax risks, including pending and impending tax disputes; and
- l) To monitor the company's compliance with corporate governance rules.

The audit committee must ensure that an open dialogue is maintained between the external auditors, the finance department and the day-to-day management.

2. Composition and expertise of the audit committee

The audit committee must consist of at least two members elected by the general meeting or appointed by the Board of Directors from among its own members.

The majority of the members of the audit committee, including the committee chairman, must be independent, unless the committee is composed solely of members of the company's Board of Directors. At least one member must have accounting and/or auditing qualifications, and taken as a whole the members of the audit committee must have qualifications of relevance to the company's business.

The chairman of the audit committee is appointed by the Board of Directors, unless the chairman has been elected by the general meeting.

3. Meetings

The audit committee meets six to seven times a year. Three of these meetings are held prior to the quarterly board meetings discussing interim reports and special accounting issues. These meetings may be conducted over the phone and must be held no earlier than two days prior to the release of interim reports to the stock exchange.

Additional meetings may be scheduled as and when needed, including if the Board of Directors assigns tasks to the audit committee.

The chairman of the audit committee approves the agendas for committee meetings, and board members and committee meeting attendants are free to propose items to be included on the agenda for consideration at the meeting.

In addition to the members appointed to the audit committee by the Board of Directors, the company's CFO and external auditors will also attend the meetings. Functional managers and other key employees may also be invited to attend the meetings as and when needed.

Material to be used for the consideration of interim reports must be sent to the committee members at least one day prior to the meeting. Material for use at other meetings must be submitted so that a weekend falls between the date of publication and the date of the meeting.

The chairman of the audit committee may decide that meetings may be attended by telephone.

All meetings must be documented by written minutes of meeting, which must be approved by the members of the audit committee at their next meeting. Draft minutes of meeting must be sent to the members of the Board of Directors and the Executive Board.

4. Reporting to the Board of Directors

The audit committee must at all times keep the Board of Directors informed about the audit committee's work and discussions and provide the Board of Directors with recommendations.

Material considered by the audit committee must be made available to the members of the Board of Directors on request.

5. Evaluation

Once a year, the audit committee must perform an evaluation of the committee's work and its members and report the results to the Board of Directors.

6. Remuneration

The members of the audit committee receive a fee that has been approved by the general meeting in connection with the approval of the remuneration paid to the Board of Directors.

7. Responsibilities and obligations

The audit committee discharges its obligations as follows:

Charter

- 1) To review the charter of the audit committee at least once every year.

External auditors

The duties of the auditors

- 2) To monitor the work of the external auditors for the purpose of preparing an auditors' report or other similar work. The external auditors report directly to the Board of Directors/the audit committee;
- 3) To review the audit plan proposed by the external auditors, including in particular the audit strategy and risk areas;

- 4) To discuss the following matters with the external auditors at relevant times:
 - All significant accounting policies;
 - Any alternative accounting treatment relating to significant matters/transactions which have been discussed with management and any potential consequences in the event that alternative accounting treatment is applied;
- 5) To review the audit results with the external auditors, including any issues and difficulties and management reactions relating thereto.
 - Other significant written documentation between the external auditors, the Executive Board and the Board of Directors – including the auditors' report and the long-form audit report, including the list of uncorrected misstatements and missing financial information;
- 6) To review the reports by the external auditors; and
- 7) To propose candidates for appointment/reappointment of auditors.

Independence of auditors

- 8) To review and approve in advance audit services as well as non-audit services which may/must be performed by the external auditors;
- 9) To assess whether the procedures of the external auditors in relation to approval of non-audit services are consistent with the independence of the auditors; and
- 10) To maintain an active dialogue with the external auditors concerning the independence and objectivity of the auditors.

Financial reporting process, accounting policies and internal control structure

Internal control structure

- 11) To review the integrity and reliability of the company's financial reporting process (internal as well as external) and the internal control structure, including in particular the internal controls relating to the financial reporting; and
- 12) To receive and review, at regular intervals, information from the company concerning (a) material weaknesses in the internal control of the financial reporting which may reasonably be expected to affect the company's ability to calculate, process, summarise and report financial information and (b) fraud of a material or immaterial nature.

Accounting policies

- 13) To review significant matters in relation to the accounting policies and the financial reporting, including any significant changes in the company's selection and application of accounting policies;
- 14) To review analyses prepared by management (and the external auditors as specified above) which describe any material matters relating to the financial reporting and assessments made in connection with the preparation of the annual report, including analyses of the effect of alternative accounting treatment in the annual report; and
- 15) To review the effects of legislative and financial reporting initiatives on the company's annual report.

Legislation and rules

- 16) To review, together with the company's legal adviser and other relevant persons, compliance with relevant legislation and legal matters which could have a material effect on the company's annual report.

Risk management

- 17) To discuss risk assessment and risk management principles, including guidelines and practices;
- 18) To monitor and discuss the company's risk management process and principal risk factors, including in particular the effect of these on the company's financial reporting; and
- 19) To discuss fraud, including the company's principal risk factors and measures implemented by management to manage such risks.

Whistleblower scheme

- 20) The audit committee has been appointed by the Board of Directors to receive and consider reports from the company's whistleblower scheme. The audit committee must subsequently report to the Board of Directors.

Other obligations

- 21) To ensure that the audit committee's expertise within and knowledge of the company are up to date at all times and match the company's situation; and

- 22) To participate in such other activities in accordance with this charter, the company's articles of association and applicable legislation as the Board of Directors or the audit committee may deem necessary or appropriate.

Gentofte, November 2017

The Board of Directors of Brødrene Hartmann A/S

Agnete Raaschou-Nielsen, Chairman

Niels Hermansen, Vice Chairman

Steen Parsholt

Jørn Mørkeberg Nielsen

Niels Christian Petersen

Jan Peter Antonisen

Andy Hansen