

Charter of Audit Committee of the Board of Directors in Gabriel Holding A/S

1. Status and purpose

The Audit Committee (Committee) is established by the Board of Directors (Board) of Gabriel Holding A/S (Company).

The Committee's role is solely preparatory to the consideration by the Board, and the Committee must therefore present detailed accounts of its deliberations for the Board's consideration. All decisions will be made by the Board unless expressly stated in this charter.

The purpose of the Committee is to assist the Board in fulfilling its responsibilities relating to the oversight of:

- a) Financial reporting process
- b) Internal controls and risk management
- c) The assessment of the need for an internal audit function
- d) The external auditors
- e) Other tasks

The Committee must at least annually review the adequacy of this charter and, if applicable, prepare and recommend amendments to be approved by the Board.

2. Tasks and duties

According to the section § 31 of the Danish Act on Approved Auditors and Audit Firms and the 2017 recommendations by the committee on Corporate Governance, the tasks and duties of the Committee shall as a minimum consist of the following responsibilities:

a. Financial reporting

- i. Continuously monitor the financial reporting process and submit recommendations or proposals to ensure its integrity and ensure that the quarterly financial reporting provides a true, fair and balanced view of the Company's financial position.
- ii. Annually review the Company's compliance with applicable legislation, standards and other regulations for listed companies in respect of financial reporting, accounting, auditing and the publication of financial reporting, including but not limited to the Market Abuse Regulation (MAR) and General Data Protection Regulation (GDPR).
- iii. Quarterly and before the Board's approval of the Company's financial reports evaluate and report to the Board about significant accounting policies, significant

accounting estimates, related party transactions and uncertainties and risks contained in the Company's financial reports, including in relation to the outlook of the ongoing financial year.

- iv. Annually inform the Board of the result of the statutory audit and explain how the statutory audit and the Committee contributed to the integrity of the financial reporting.
- v. At least annually evaluate the Company's accounting policies and principles, including significant accounting estimates and judgments included in such policies and principles, and submit proposals to the Board if amendments are deemed necessary or appropriate. Any disputes between the auditor and the Executive Management regarding accounting policies and principles shall be discussed with the Committee.
- vi. Monitor the Company's tax policy.
- vii. Monitor the Company's reporting on CSR, internal controls and target figures for the underrepresented gender provided for in the management commentary or on the Company's website.

b. Internal controls and risk management

- i. At least once a year, review and evaluate the effectiveness and adequacy of the Company's internal control and risk management systems and policies in relation to financial reporting without violating its independence.
- ii. At least once a year, assist the Executive Management in reviewing guidelines for the Company's accounting function, IT organisation and security, budgeting, financial reporting and internal controls, including risk management, for submission to the Board.
- iii. At least once a year, assist the Executive Management in preparing and presenting reports to the Board on (i) whether the human and other qualifications of the Company are adequate and sufficient for the Company to achieve its functions, including adequate control, (ii) whether the Company's capital and share structures continue to be in the interest of the shareholders and the Company and (iii) the risks associated with the financial reporting.
- iv. Monitor the Company's procedures to prevent, expose and report fraud and annually present recommendations to the Board for remedying any deficiencies, weaknesses etc. in the internal control mechanisms in relation to fraud and in order to strengthen the Company's procedures for preventing and exposing fraud.
- v. Discuss with the auditor any deficiencies or weaknesses in the Company's internal control and risk management systems.

- vi. Monitor the reporting in the management commentary or on the Company's website concerning the main elements in the Company's internal control and risk management systems.
- vii. Annually evaluate the Company's credit risk limits and propose amendments to such limits to be approved by the Board.
- viii. Annually assist the Executive Management in reviewing the Company's Treasury Policy and presenting proposed amendments to the Board.
- ix. Annually assess and ensure that the business and the assets of the Company are sufficiently insured and according to industry practice.

c. The assessment of the need for an internal audit function

- i. Annually assess the need for an internal audit function, and if so, submit a recommendation to the Board including recommendations concerning the appointment of an internal auditor and on the budget of such a process.

d. The external auditors

- i. Monitor the statutory audit of the annual report etc.
 - 1. Present proposals to the Board concerning the audit agreement and the audit fee.
 - 2. Monitor the external auditor's audit strategy and plan etc. for the group and the Company, including the intended materiality level, scoping of components and identification of significant risks prior to commencing the audit and assessment of any changes in this respect and the reasons for any such changes.
 - 3. Monitor the result of the audit, including the auditor's observations and conclusions indicated in the audit report and any other reporting.
 - 4. Monitor Executive Management's follow-up on the external auditor's conclusions and recommendations.
 - 5. Annually assess the cooperation between the Company and the external auditor, including based on feedback from the Company's key staff, who have been involved in the performance of the audit.
- ii. Supervise and monitor the auditor's independence
 - 1. Perform a specific and critical assessment of the external auditor's independence, objectivity and qualifications; for instance, by checking that the guidelines applicable in respect of firm rotation and partner rotation are complied with and monitoring the size and composition of the fees for

audits and other services respectively, including compliance with the 70%-limit for non-audit services.

2. Determine procedures for ensuring the auditor's independence and objectivity.
 3. Present proposals to the Board concerning the auditor's provision non-audit services.
 4. Discuss threats to the auditor's independence with the auditor, as well as the measures taken to counteract such threats that are documented by the auditor.
 5. Approve the auditor's performance of permitted non-audit services contemplated to be carried out by the auditor. Authorisation for standard services may be given to the Executive Management on the delivery of non-audit services as specified in Appendix 1.
 6. Monitor and review the guidelines for the provision of non-audit services including tax and valuation services permitted under the Danish Act on Approved Auditors and Audit Firms – Appendix 1.
- iii. Be responsible for the procedure of selecting and recommending an auditor for election
1. Submit proposals to the Board on the election of an auditor at the annual general meeting. In the proposal, the Committee shall state that it is not influenced by any third party or otherwise subject to restrictions concerning the proposal.
 2. Assess whether the audit should be put out to tender, if a new auditor is required or if a tender is required; and if so, monitor the tender procedure, establish criteria for the selection of an auditor, nominate the firms to be invited to take part in the tender, monitor the tender material, monitor firm presentations and procedures in this respect and assess tenders received and the robustness hereof.
 3. Present proposals to the Board concerning the election of an audit firm, entering an audit agreement and agreeing on a fee structure with the firm elected. Ensure in connection with tenders that a reasoned recommendation for the choice of auditor is available to the Board, which must contain at least two options and the reasons for the Committee's preference.
- iv. Monitor the latest quality review of the audit firm

1. Monitor the result of the latest quality review in the transparency report issued by the audit firm and in the report on the results of the quality review published by the Danish Business Authority.
2. Discuss the result of the latest quality review with the auditor, including whether the PIE company has been subject to quality review and, if so, the result hereof.
3. In light thereof, assess whether this gives rise to special considerations, including requesting the replacement of the signing auditor or election of a new auditor.

e. Other tasks

- i. Carry out such other tasks on an ad hoc basis as specifically decided by the Board.

3. Membership

The Committee shall consist of all members of the Board of which one shall be appointed chairman of the Committee. The members are elected for a one year term by the board members and the chairman of the Board may not be appointed as chairman of the Committee. Re-appointment may take place. The election takes place at the first board meeting following the annual general meeting.

The Board may remove a member of the Committee at any time, with or without cause. Any member of the Committee who resigns from the Board must also resign from the Committee.

At least one member of the Committee must have relevant qualifications within accounting or auditing. Collectively, the members of the Committee must have competence of relevance to the Company's industry and relevant financial experience and expertise to gain sufficient insight into and oversee the Company's financial affairs and assess the independence of the external auditor.

Members of the Executive Management, employees and/or other persons shall attend meetings at the invitation of the Committee.

Each member of the Committee shall in line with the remuneration policy receive an annual fee which shall be approved by the annual general meeting.

The secretary appointed to serve the Committee shall prepare minutes of all meetings and keep a record of attendance to document the fulfilment of the Committee's responsibilities.

The Committee shall have available appropriate funding as determined necessary by the Committee for the fulfilment of its tasks and duties.

4. Meetings

The Committee shall meet as often as it determines appropriate, but shall not have less than four meetings per financial year, which should be held prior to any external financial reporting, in accordance with the Annual Wheel ([Appendix 2](#)). The chairman of the Committee shall convene a meeting, when it is necessary in the opinion of the chairman, or upon request from a member of the Committee or a member of the Executive Management.

The Committee shall meet with the Company's external auditor at least once every year at which meeting (or the relevant part of the meeting) the Executive Management must not be present.

The meetings shall normally be convened with no less than 7 days' written notice to all members of the Committee. The notice shall include an agenda for the meeting. Any written material relating to the individual agenda items shall, to the extent possible, be forwarded to the members together with the notice convening the meeting.

In exceptional circumstances, a Committee resolution may be passed over the phone or in writing. In such cases the proposed resolution shall be forwarded to the members of the Committee and the chairman shall then seek to obtain a written or electronically transmitted statement from members of the Committee and sees to it that the resolution is entered in the book of minutes.

5. Quorum

The Committee shall form a quorum when two or more of its members are present and all resolutions of the Committee must be passed by a simple majority of votes. In the event of an equality of votes, the chairman of the Committee shall have the casting vote.

6. Reporting to the Board

The Committee shall submit recommendations to the Board on a current basis for the reporting in the annual report and financial reporting and report on the outcome of the Committee's work. Any material presented to or prepared by the Committee is to be made available to the members of the Board upon request from the said board member.

7. Self-evaluation

The Committee shall on an annual basis conduct a self-evaluation of the Committee's performance, independence and financial expertise and report to the Board.

The charter will be made available on the Company's website.

As adopted by the Board of Directors on 12 December 2019.

Pernille Fabricius

Chairman

Jørgen Kjær Jacobsen

Hans O. Damgaard

Søren B. Lauritsen

Rikke Lyhne Jensen

Quinten van Dalm

Appendix 1 – Guidelines for the provision of non-audit services including tax and valuation services

Appendix 2 – Annual Wheel