

CHARTER OF THE AUDIT COMMITTEE OF GOODVALLEY A/S

1. Purpose and authority

- 1.1 The Audit Committee is established by and among the entire Board of Directors of Goodvalley A/S (“the Board” and “Goodvalley”) for the primary purpose of:
- a) **Informing the Board**
To inform the Board about findings of the statutory audit, including the financial reporting process.
 - b) **Overseeing financial reporting**
To oversee the financial reporting process and make recommendations or proposals to safeguard integrity.
 - c) **Overseeing internal controls and risk**
To oversee operating effectiveness of internal control system, internal audit function and risk management systems with respect to financial reporting, without compromising independence.
 - d) **Overseeing external audit**
To oversee the statutory audit of the financial statements etc., taking into consideration the outcome of the latest quality assurance review of the audit firm.
 - e) **Overseeing external audit independence**
To check and oversee auditor’s independence and approve auditor’s rendering of services other than auditing, safeguard compliance with the 70% cap.
 - f) **Electing external audit**
To be in charge of the procedure for selecting and recommending auditors for election.
- 1.2 The Audit Committee should encourage continuous improvement, and should foster adherence to the Goodvalley policies, procedures, and practices at all levels. The Audit Committee should also provide for open communication among the independent external auditor, financial and senior management (minimum CEO and CFO), and the Board.
- 1.3 The Audit Committee works as preparatory committee for the Board with respect to accounting and auditing matters, including risks, internal controls and compliance matters relating thereto. The Board

may wish to have other matters examined by the Audit Committee. Any delegation to the Audit Committee shall not amend the authority or responsibility of the Board.

2. Composition, expertise and remuneration

- 2.1 The Audit Committee consists of no less than two members of whom at least one member shall in accordance with applicable Danish law have accounting or auditing qualifications.
- 2.2 The Chairman of the Audit Committee is elected by the Board, and shall be independent. The Chairman of the Board cannot be elected the chairman of the Audit Committee.
- 2.3 The Board shall determine the fees for the work of the Audit Committee members.

3. Meetings and reporting to the Board

- 3.1 Meetings are held as often as the Chairman of the Audit Committee considers necessary, subject to a minimum of four meetings annually. Normally, the meetings are held in due time before the agenda for the Board meeting is sent out in order to provide recommendations for the Board if necessary. The Executive Board (EB) members and the Chief Legal Officer and other invited persons can participate in Audit Committee meetings as guests. Any member of the Audit Committee, the EB members and/or the external independent auditor can request a meeting with the Audit Committee if either consider it necessary.
- 3.2 The CFO shall prepare and the Audit Committee Chairman shall approve the agenda for the Audit Committee meetings, and any member may suggest items for consideration.
- 3.3 The external independent auditor is free to participate in the Audit Committee meetings, if he/she so wishes, or if he/she is requested to attend by the Audit Committee or members of the EB.
- 3.4 The CFO or another person as may be appointed by the Audit Committee shall prepare and the Audit Committee Chairman shall approve the minutes for the Audit Committee meetings. Copies of the minutes shall be sent to all members of the Board and, if practically possible, considered at the first meeting of the Board subsequent to the meeting of the Audit Committee.
The Chairman of the Audit Committee shall give a summary to the Board of the business transacted at the Audit Committee meeting preceding the Board meeting, and the minutes shall be submitted to the Board for information at the following meeting of the Board.
- 3.5 The Audit Committee shall prepare an annual work plan.

4. Charter and policies

- 4.1 Review the Audit Committee's charter at least annually and propose to the Board any changes thereto.
- 4.2 Review relevant policies at least annually and propose to the Board any changes thereto.

5. Informing the Board

- 5.1 At the meeting of the Board at which the annual report is presented, the Chairman of the Audit Committee shall inform of the outcome of the statutory audit performed.
- 5.2 Reporting from the meeting of the Audit Committee, where the annual report has been dealt with, will be presented at the meeting of the Board at which the annual report is presented.

6. Overseeing financial reporting

- 6.1 Meet with the EB and the external independent auditor to oversee and evaluate the financial reporting processes for preparation of the annual report, and make recommendations or proposals to safeguard the integrity of processes.
- 6.2 Review material issues regarding accounting principles and financial reporting - including any significant changes in Goodvalley's selection or application of accounting principles, with focus on significant account balances, significant accounting estimates and assessments, and complex accounting issues and disclosures related thereto.
- 6.3 Review analyses prepared by the EB and the external independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the annual report, including analyses of the effects of alternative accounting treatments on the annual report.
- 6.4 Oversee and review the effect of new regulations and accounting standards on future annual reports of Goodvalley.

7. **Overseeing internal controls and risk**

Internal control system

- 7.1 Oversee and review the integrity and reliability of Goodvalley's financial reporting processes (both internal and external) related to the preparation of Goodvalley's annual report, the internal control structure and, in particular, the internal controls over financial reporting.
- 7.2 Periodically receive and review any disclosure from the EB and the external independent auditor regarding (a) material weaknesses and significant deficiencies in the operation of internal controls over financial reporting which are reasonably likely to adversely affect Goodvalley's ability to record, process, summarize, and report financial data; and (b) any fraud, whether or not material.

Risk management systems

- 7.3 Discuss policies with respect to risk assessment, risk appetite and risk management, including appropriate guidelines and policies to govern the process, including any changes.
- 7.4 Oversee and discuss Goodvalley's risk management process and the most material risks, including the effect on Goodvalley's financial reporting.
- 7.5 Discuss fraud, including Goodvalley's most material risks and the steps the EB has undertaken to control them.

Whistleblower solution

- 7.6 The Audit Committee has set up a whistleblower solution, where Goodvalley employees can anonymously inform the Audit Committee about any criminal actions or other misconduct carried out by other Goodvalley employees which has come to the whistleblower's knowledge. The whistleblower solution is governed by a separate policy (Appendix 2 to this Charter).

8. **Overseeing external audit**

- 8.1 Oversee the statutory audit work that the external independent auditor performs to issue an audit report on the financial statements, or related work thereto. The external independent auditor shall report to the Audit Committee and subsequently to the Board, and the Audit Committee will oversee, how any disagreements between the EB and the external independent auditor are solved.
- 8.2 The Audit Committee shall request and receive the latest report on the quality assurance review of the audit firm, performed by the Danish Supervisory Authority on Auditing.
- 8.3 Review the external independent auditors' proposed audit plan, in particular audit strategy and risk

areas, as well as the engagement letter.

- 8.4 Hold timely discussions with the external independent auditor regarding the following:
- All significant accounting policies
 - Possible alternative accounting treatments related to material items/transactions that have been discussed with the EB and possible ramifications of the use of such alternative accounting treatment.
- 8.5 Review the external independent auditors' reports, including the audit book comments.
- 8.6 Together with the external independent auditor, review all significant difficulties, disagreements with the EB or limitations in the scope of auditing.
- 8.7 Evaluate the resources and competencies of the combined external independent audit team.

9. Overseeing external audit independence

- 9.1 Review and approve both audit and non-audit services to be provided by the external independent auditor.
- 9.2 Assess the external independent auditor's measures to ensure independence and the extent to which the external independent auditor's delivery of non-audit services is consistent with the independence of the audit, including the review of written confirmation from the external independent auditor on independence, cf. EU Regulation no 537/2014, Article 6, 2, litra a ("Regulation").

10. Electing external audit

- 10.1 Assess whether the external audit shall tender and, if appropriate, be responsible for the tender process and present a reasoned recommendation to the Board for election of the external independent auditor for presentation to the Annual General Meeting in accordance with Article 16 of the Regulation. In addition, it should be stated in the recommendation that the Audit Committee has not been affected by third parties and has not been subject to agreements, which restricted the Annual General Meeting's election of auditors, cf. the specific requirements in Article 16, 2, 3rd paragraph of the Regulation.

11. Other responsibilities

- 11.1 Ensure that the Audit Committee's expertise and knowledge of Goodvalley is always updated to reflect any changes in circumstances.
- 11.2 Ensure that the Audit Committee's work is evaluated each year and ensure that work efforts are always prioritized in relation to Goodvalley's current circumstances and needs.
- 11.3 Perform any other activities consistent with this Charter, Goodvalley's articles of association, and governing laws that the Board or Audit Committee determines are necessary or appropriate.

Adopted by the Goodvalley Board of Directors on 28 February 2018.

Appendix 1

Annual wheel for the Goodvalley Audit Committee

Basic agenda first quarter

1. Approval of minutes
2. Result for the year (annual report)
3. Accounting estimates
4. Auditors' protocol
5. Tax and Vat
6. Transfer pricing
7. Risk management
8. Whistleblowing and Issues related to fraud
9. Internal audit
10. Evaluate the resources and competencies of the combined external independent audit team and the independence of the external auditor
11. Legal issues
12. Any other matter included on the agenda by the members

Basic agenda second quarter:

1. Approval of minutes
2. Approval of Q1 report
3. Improvement points from last year's financial report.
4. Focus points next year
5. Budget for next year's audit and focus points
6. Review of the audit plan
7. Financial covenants and cash expectations.
8. Audit strategy
9. Risk management
10. Whistleblowing and Issues related to fraud
11. Internal audit
12. Legal issues
13. Any other matter included on the agenda by the members

Basic agenda Third quarter

1. Approval of minutes
2. Half year result
3. Budgeting process
4. Internal financial reporting next year
5. Risk management
6. Whistleblowing and Issues related to fraud
7. Internal audit
8. Legal issues
9. Any other matter included on the agenda by the members

Basic agenda Fourth quarter

1. Approval of minutes
2. Third quarter result
3. CSR and Corporate Governance
4. Financial reporting process
5. Accounting principles
6. Risk management
7. Whistleblowing and Issues related to fraud
8. Internal audit
9. Legal issues
10. Any other matter included on the agenda by the members