

# H+H International A/S

## Charter of the Audit Committee

### 1. Authority and purpose

The Audit Committee (AC) is a committee established by the Board of Directors (the Board) in accordance with applicable legislation, the Danish Corporate Governance Recommendations and the Company's Rules of Procedure.

The overall objective of the AC is to assist the Board with the supervision of:

- financial and non-financial reporting processes
- audit review of the Company's financial and non-financial reports
- internal control system
- enterprise risk management system
- whistleblowing system
- auditor nomination, auditor contract and auditor independence

The responsibilities of the AC are further described in Annex 1.

The AC is under supervision of the Board and is tasked with preparing recommendations and decisions to be taken by the Board.

### 2. Composition and remuneration

The AC shall consist of at least three members. However, it may consist of only two members if the Board consists of few board members or if the Company's complexity is such that two members collectively can perform the duties of the AC.

The Board appoints the AC members among the members of the Board and decides who of the AC members shall chair the AC. The Chair of the Board may not be Chair of the AC. The appointment shall usually take place after each annual general meeting, but the Board may change the composition of the AC at any time. The term of appointment shall be until the next annual general meeting. Re-appointment may take place.

The majority of the AC members shall be independent, and the Board determines if an AC member is independent or not. Furthermore, at least one AC member shall qualify as an audit committee financial expert on financial, accounting and audit aspects of companies with shares admitted to trading on a regulated market, cf. article 31(1) of the Danish Act on Approved auditors and Audit Firms. Finally, the AC members shall jointly have the competences relevant to H+H's overall business and performance of AC's duties.

The remuneration to each AC member shall be in accordance with the Remuneration Policy for the Board of Directors and the Executive Board and be approved by the annual general meeting.

### 3. AC meetings

AC meetings shall be held when the AC Chair finds it necessary, and at least prior to each board meeting at which an interim financial report, the annual financial report or the sustainability/ESG report is to be approved by the Board. A meeting shall also be held, and related agenda items be included in the agenda at the request of an AC member or another member of the Board, a member of the Executive Board or the Company's external auditor.

All meetings shall be convened preferably one week prior to the AC meeting and no later than the last Friday before the meeting. The meeting notice shall include an agenda for the meeting together with supporting written material, if any, arranged by the CFO, and for the agenda also pre-approved by the Chair of the AC.

The form of meeting (physical, digital or hybrid), representation of an AC member by proxy to another AC member and the possibility for AC to make resolutions in writing via the digital board portal shall be similar to what is described in the Board's Rules of Procedure.

The AC may at its discretion request other members of the Board, the external auditor, the internal auditor (if any), members of the Executive Board or of Group management and other employees of the H+H Group as well as relevant external specialists, advisors etc. to attend an AC meeting in relation to specific agenda item(s).

The work in the AC shall be subject to the same confidentiality obligations as described in the Board's Rules of Procedure.

#### **4. Quorum**

The AC forms a quorum when (i) at least two AC members are present or (ii) a majority of members are present when the AC has more than three members.

Resolutions are passed by simple majority. In case of equality of votes, the AC Chair shall have the casting vote. However, in case of a difference in opinion where only two AC members are present, each member's opinion in the matter shall be presented to the Board prior to its decision in the matter. If the difference concerns an internal AC matter normally settled without involvement of the Board, the matter shall be jointly presented by the two AC members to the Chair of the Board, who shall then have the decisive say in the matter.

#### **5. Reporting to the Board**

The CFO shall organize recording of minutes from the AC meetings. All members of the Board shall have access via the digital board portal to the approved minutes as well as the related agenda, agenda material and presentations.

At the board meetings, the AC Chair shall provide a summary from all AC meetings held since the previous board meeting, including the AC's discussions, considerations and recommendations for decisions to the Board.

#### **6. Publication**

This AC charter shall be available on the Company's website.

Adopted by the Board of Directors  
December 2022

## Annex 1

### Audit Committee's tasks and responsibilities

The tasks and responsibilities of the AC are to assist the Board by reviewing information within the areas of oversight described below and present recommendations to the Board.

The tasks and responsibilities are further specified in the AC's annual wheel.

#### **Reporting (financial, ESG/CSR (sustainability), remuneration and corporate governance)**

- Monitor and review the reporting processes and the integrity of the reporting processes.
- Monitor and review key accounting policies and reporting standards, significant accounting estimates and judgments, fraud risks and transactions with related parties.
- Monitor uncertainties and risks as well as compliance with legislation and standards.
- Review that the internal control systems and ERM systems function efficiently with regard to the financial reporting process, including in relation to announced financial outlooks.
- Review the interim and annual financial reports, including monitoring of the correctness of the data and other information provided in the reports, the reporting practices and if the business is described and presented in a fair and balanced manner.
- Review the annual ESG/CSR report, remuneration report and corporate governance report as to the correctness of data.
- Review auditor's statement, declaration or other level of assurance (as applicable) in relation to the annual financial report, ESG/CSR report, remuneration report and corporate governance report.

#### **Internal control system**

- Review the adequacy and effectiveness of the internal control management in general (not only in respect of the financial reporting process), including policies, systems, monitoring and compliance. Part of the review can be by a management presentation on implementation and compliance measures.
- Annually consider the need for an internal audit function.

#### **Enterprise risk management (ERM)**

- Review the adequacy and effectiveness of the group ERM management in general (not only in respect of the financial reporting process), including policies, systems, monitoring and compliance. Part of the review can be by management presentations on implementation and compliance measures.
- Review evidence provided by management of the active management of risks through the implementation of mitigation activities, controls and monitoring of main risks within the key areas of finance, sustainability, production, market, IT, people and compliance.

#### **Policies**

- Annually review the tax policy, the fraud policy and other policies within the Audit Committee's scope as well as related procedures and controls to ensure policy implementation and detect non-compliance.

#### **Whistleblowing set-up**

- Monitor that there exists an effective and legally compliant whistleblowing policy, whistleblowing system and whistleblowing manual.

- Oversee the investigation of submitted whistleblowing reports, including that they are treated in confidence and anonymous, if reported as such and that appropriate actions are taken, and report to the Board at least annually about statistics, trends and issues to be addressed in light of the findings from the investigations.

#### **External auditor**

- Continuously monitor and control auditor's independence, including ensuring prior approval and internal control of auditor's delivery of non-audit services (NAS) within the applicable threshold and obtaining an annual declaration of independence from the auditor.
- Annual review of the annual public quality assurance review of the external auditor as well as consideration of the auditor's mandatory information to the AC of (i) any rulings from the Disciplinary Board on Auditors finding the auditor guilty following a complaint concerning the auditor and of (ii) any investigation by the Danish Business Authority of the audit of the Company and the outcome of such investigation.
- Annual review of the audit fee to the external auditor.
- Annually manage the procedure for selection and nomination of an external auditor at the annual general meeting, considering the legislation on rotation of audit firms and audit partners, and reviewing the audit contract.
- Annually review auditor's proposed audit plan, in particular the audit strategy and risk assessment.
- Monitor the interim and the annual audit of the different annual reports (financial, ESG/CSR, remuneration and corporate governance) and in that respect consider the auditor's interim and final report.
- Establish regular dialogue between the auditor and the Board, including that the Board and the auditor meet at least annually without the presence of the Executive Board.
- Resolving any discrepancies between the Executive Board and the auditor concerning the reporting.

#### **Miscellaneous**

- The AC shall annually review the adequacy of this AC charter and, if applicable, recommend amendments to be approved by the Board.
- The AC shall conduct an annual evaluation of the AC (performance, ways of working, members' competences and independence etc.), and report the findings to the Board.
- The AC shall perform all other tasks that the Board requests the AC to monitor or evaluate and report back on to the Board (e.g. material (re)financing projects or issues of potential significant accounting impact such as M&A transactions).