



## **Terms of Reference for the Audit Committee of IC Group A/S**

### **1. Object**

- 1.1. Pursuant to the EU Directive on Statutory Audit of Annual Accounts and Consolidated Accounts (8th Directive), the Danish Auditors Act (section 31) and the prevailing Danish Recommendations on Corporate Governance, the Board of Directors of IC Group A/S has resolved to establish an Audit Committee.
- 1.2. The duties of the Audit Committee shall be carried out on behalf of the Board of Directors with a view to inform and to prepare resolutions to be taken by the Board of Directors collectively.

### **2. Duties**

- 2.1. The duties of the Audit Committee shall be as follows;
  - to monitor the financial reporting process, including significant accounting policies and significant accounting estimates as well as put forward recommendations and proposals to ensure integrity;
  - to inform the entire Board of Directors of the results of the statutory audit and the financial reporting process;
  - to monitor the efficiency of the Company's internal control system, including any internal audit and risk management systems in respect of the Company's financial reporting;
  - to monitor the statutory audit of the financial statements, etc., and take into consideration the results from the most recent quality control by the auditing company;
  - to control and monitor the auditor's independence in relation to scope and services, The Audit Committee shall carry out this duty by developing and implementing a non-audit service policy; and
  - to be responsible for the auditor selection process and to make recommendations to the Board of Directors concerning appointment of auditors.
- 2.2. In connection with the Board of Directors' consideration of the statutory annual corporate governance statement, the Audit Committee shall prepare an assessment of the description of IC Group's risk management and internal control systems in relation to the financial reporting process (section 107b of the Danish Financial Statement Act).
- 2.3. In order to further specify the duties of the Audit Committee, an annual plan shall be prepared for approval by the entire Company's Board of Directors.
- 2.4. The Audit Committee may be assigned any duty which the Board of Directors considers relevant and which forms a natural part of the Audit Committee's duties.



### **3. Authorization**

3.1. Within its Terms of Reference, the Audit Committee shall be authorized by the Board of Directors to;

- review, investigate and assess any matter that lies within the scope of these Terms of Reference;
- obtain information from relevant employees of the Group companies;
- obtain information from the Company's appointed external auditors;
- submit proposals to the Board of Directors concerning appointment of external auditors and the remuneration hereto; and
- decide IC Group's policies in respect of external auditors rendering other services than audit services, including preliminary approval of these services.

### **4. Members**

- 4.1. The Board of Directors shall appoint the members of the Audit Committee from the Board's own members with due account being taken of independence and accountancy or auditing qualifications.
- 4.2. At least one member of the Audit Committee shall be independent. Provided that a member of the Audit Committee is elected directly at the general meeting, then the majority of the members of the Audit Committee shall be independent.
- 4.3. At least one member of the Audit Committee shall have accounting or auditing qualifications.
- 4.4. Members of the Audit Committee shall collectively have competences of relevance to IC Group's business areas.
- 4.5. The Board of Directors shall appoint the Chairman of the Audit Committee.
- 4.6. The Audit Committee shall comprise not less than three members. Two members shall thus constitute a quorum.
- 4.7. The members shall be appointed for a term of one year.

### **5. Attendance of meetings/frequency of meetings**

- 5.1. Only members of the Audit Committee shall have the right to be present at the committee meetings. The members should participate in all meetings. Members of Management, relevant employees or specialists may participate in the committee meetings when invited by the Audit Committee.
- 5.2. The external auditors may participate in the committee meetings when deemed necessary. At least once a year, the Audit Committee shall meet with the external auditors without the Company's Management being present.
- 5.3. The Chairman of the Audit Committee shall determine the committee meeting agendas and convene meetings in accordance with the annual plan prepared for the Audit Committee or when deemed necessary. When committee meetings are convened, the meeting agenda shall be forwarded to the entire Board of Directors for its general information.

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- 5.4. The meeting frequency shall be determined in accordance with IC Group's financial calendar and the committee meetings shall be held, preferably, prior to those Board meetings where the entire Board of Directors shall consider and approve the Company's interim and annual reports.
- 5.5. A minimum of three committee meetings shall be held annually.

## 6. Reporting

- 6.1. At each Board meeting the Chairman of the Audit Committee shall report on the Audit Committee's work since last meeting.
- 6.2. Minutes of the committee meetings shall be prepared. The minutes shall be approved by the Audit Committee after which they shall be forwarded immediately to all the members of the Board of Directors. The minutes shall reflect the dialogue and opinions of the committee meetings with a view to providing a suitable and fair basis for decision-making by all members of the Board of Directors.
- 6.3. The minutes shall also be forwarded to the external auditors.
- 6.4. Description of the duties and activities of the Audit Committee during the past year shall be disclosed in the annual report of IC Group.
- 6.5. The secretary of the Audit Committee shall be IC Group's SVP Group Finance.

## 7. Evaluation

- 7.1. An evaluation of the work of the Audit Committee and its members shall be carried out annually. This evaluation shall be presented to the entire Board of Directors.
- 7.2. These Terms of Reference shall be reviewed, updated and approved annually by the Board of Directors collectively.

Adopted at the meeting of the Board of Directors of IC Group A/S on 13 November 2017.

Board of Directors:

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Peter Thorsen

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Henrik Heideby

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Jón Björnsson

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Conny Kalcher

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Niels Martinsen

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Michael Hauge Sørensen

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