

Charter for the Audit Committee of VKR Holding A/S

Approved by the Board of Directors
of VKR Holding A/S on 03.10.2024

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Charter for the Audit Committee of VKR Holding A/S

1. Purpose

The Audit Committee will assist the Board of Directors of VKR Holding A/S in supervising the Company's risk management processes, including the Company's internal control systems, financial and sustainability reporting and external audits. The Committee will also assist the Board in evaluating the VKR Group's aggregate risk profile.

2. Mandate

The Committee works as a preparatory body for the Board, which is the decision-making body. The Board may request the Committee to perform other tasks than described in this Charter. The Committee regularly informs the members of the Board of its activities. The Board has access to minutes from the Committee meetings. Once a year, the Committee shall review its Charter which is subsequently presented to the Board for approval.

3. Organisation

The Committee is appointed by the Board and consists of two to three board members. Among these, the Board shall elect a Committee Chair. At least one member must be independent and at least one member should have qualifications within accounting or auditing. The Company's CEO participates in all Committee meetings. Representatives of the Company's finance function, the Group General Counsel and external auditors participate as needed. The Committee shall meet as often as necessary, normally twice a year, but at least once.

4. Activities

External audit:

1. The Committee shall review the overall audit strategy for the entire VKR Group and may select special focus areas with the auditors.
2. The Committee shall evaluate and recommend to the Board the appointment of external auditors of VKR Holding A/S and of the parent companies in the business areas.

3. The Committee shall monitor the performance of the audit and other services provided by the external auditors and assess audit fees.
4. The Committee shall regularly assess the competences and independence of the external auditors, e.g. by monitoring reports from the auditors, describing internal quality control procedures non-audit services performed by the auditor, as well as any results and observations from internal quality reviews or from relevant authorities (the Danish Business Authority).
5. The Committee shall review long-form audit reports, including significant observations and recommendations from the auditors, prior to the presentation to the Board.

Financial and sustainability reporting

1. The Committee shall monitor the financial year-end reporting process. Further, the Committee shall review the Company's annual report, including Environmental, Social, Governance (ESG) reporting, to ensure compliance with both the Danish Financial Statements Act, Articles of Association, and the requirements set forth by the Corporate Sustainability Reporting Directive (CSRD). In particular, this includes review of the accounting policies and accounting estimates used, as well as any changes made compared to prior years.
2. The Committee shall evaluate whether the financial reporting to the Board is relevant and sufficient.

Risk management processes and internal control systems:

1. The Committee shall evaluate the VKR Group's aggregate risk profile and monitor the relevance of applied risk management processes.
2. The Committee shall on an aggregate level assess whether the control environments in the business areas, including cyber security, are satisfactory and efficient for VKR Holding A/S as shareholder.
3. The Committee shall assist in ensuring that the VKR Group Policies are complied with both in VKR Holding A/S and in the business areas.
4. The Committee shall monitor that the Company's accounting and asset management practices are controlled satisfactorily.
5. The Committee shall ensure that the Company's internal control systems are adequate and effective.
6. Annually, the Committee shall evaluate the Company's finance function, including the level of competences and its organisation.
7. The Committee shall review cases in the VKR Group concerning fraud or any suspected fraud reported to the Committee.
8. The Committee shall monitor and review fraud cases received under the companies' whistleblower program, where such is established. Further, the Committee shall ensure that processes relating to the whistleblower program are adequate and correct.