

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE



KGL. HOFLEVERANDØR

Harboe

HARBOES BRYGGERI

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

Harboes Bryggeri has established an Audit Committee under the Board of Directors. The tasks and responsibilities of the Audit Committee are set out in these terms of reference, which are updated annually and approved by the company's Board of Directors.

Purpose

The Audit Committee's main tasks and responsibilities are:

- notify the findings of the statutory audit to the most senior governing body,
- oversee the financial reporting process,
- monitor and report to the Board of Directors on accounting policies in the most significant areas and significant accounting estimates,
- monitor that the company has set up effective internal control and risk management systems,
- oversee the statutory audit of the company's annual report and consolidated financial statements,
- check and monitor the independence of the auditors and the auditing firm, including processes relating to the approval of non-audit services provided by the auditor,
- manage the procedure for selecting and nominating the auditor for election,
- review the audit fee paid to the auditor appointed by the annual general meeting,
- oversee the accuracy of published financial information and compliance with relevant accounting legislation, stock exchange codes of ethics and other regulatory requirements,
- review the internal control and risk areas to ensure management of the greatest risks, including in relation to announced expectations,
- annually assess the need for an internal audit,
- oversee whistleblower reporting systems and processes,
- ensure dialogue between the auditor elected by the

annual general meeting and the Board of Directors.

Composition and competences

The members of the Audit Committee are appointed at the first ordinary Board meeting held after the annual general meeting.

The Audit Committee is composed of at least two and up to six members of the company's Board of Directors, at least one of which has special competences in accounting and financial management.

The Board of Directors shall appoint a chair of the Audit Committee who is not the chair of the Board of Directors.

Meetings

The Audit Committee holds at least three annual meetings. One prior to the examination of the half-year and full-year reports and one meeting in connection with the financial reporting process. At least one annual meeting is organised with the auditors without the participation of the Executive Board.

Activities and reporting to the Board

The Audit Committee receives all relevant material from the company's Board of Directors and fulfils its tasks in accordance with a plan agreed between the chair of the committee and the Board of Directors.

The Audit Committee's significant activities and their results are documented and reported to the Board of Directors.

Minutes of Audit Committee meetings are prepared and, following their approval, sent to all members of the Board of Directors.

Evaluation

The Audit Committee annually evaluates the performance of the committee and the effectiveness of the committee as a whole.

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