

Royal Unibrew Group

AUDIT COMMITTEE



(August) 2018

The board has decided these terms of reference for the committee.

1 Constitution

- 1.1 The members of the Committee are appointed at the first ordinary meeting of the Board each year following the annual general meeting of the Company.

2 Members

- 2.1 The Board shall appoint the chairman of the Committee. The chairman of the Board shall not be the chairman of the Committee.
- 2.2 The Committee shall consist of two members. At least one member of the Committee shall have qualifications within accounting or audit experience.
- 2.3 At least half of the members shall meet the independency requirements set out in the recommendation of the Danish Corporate Governance Committee.

3 Meetings

- 3.1 The Committee shall meet no less than three (3) times a year.
- 3.2 The Committee agrees annually a schedule of meetings and expected topics.
- 3.3 Only members of the Committee shall attend the meetings, however, the CFO has a standing invitation. The Committee may, however, invite specific directors, employees, auditors or other external consultants to attend all or part of any meetings at the invitation of the Committee.
- 3.4 There should be at least one meeting a year, where the Committee meets the external auditors.

4 Tasks of the Committee

- 4.1 The principal duties and responsibilities of the Committee are:
 - The Committee shall monitor the Company's reporting processes and its compliance with relevant accounting legislation, stock exchange and other legal requirements, and other topics, as defined by the Board.
 - At least once a year, the Committee shall discuss the accounting policies and guidelines for the most important areas as well as key accounting estimates.
 - Review the external auditors reports to the Board, including management letters and long-form reports, and discuss such reports with the Executive Board and the Board of Directors.
 - Monitoring the financial reporting process and review the adequacy and effectiveness of Company's internal control over financial and non-financial reporting, including information technology, security and control (with reference to the management letter from the auditors).

- Monitoring the effectiveness of the Company’s risk management systems in relation to financial and non-financial reporting and reviewing and discussing policies with respect to risk assessment and risk management.
- Review the internal “audit” progress and ensure that the internal audit function has sufficient resources.
- Monitor and check the independence of the auditors.
- Ensure the terms of engagement and the remuneration to be paid to the external auditor in respect of audit services provided, and that the services reflects all requirements - including scope and quality, and to monitor that the remuneration is appropriate to ensure a robust and effective audit.

5 Reporting

- 5.1 Adequate minutes shall be kept of all the Committee’s meetings, with a view to documenting the fulfilment of the Committee’s responsibilities.
- 5.2 The Committee shall report on its actions and activities at the next board meeting.

6 Evaluation

- 6.1 The Committee shall on an annual basis evaluate its performance.
- 6.2 Based on the report, the Committee shall present any suggestion to the Board regarding improvements of the work of the Committee.