

Audit Committee Report 2018/19

The Audit Committee works according to an annual wheel with fixed agenda items following key events of the annual financial reporting cycle.

In 2018/19 the Audit Committee held four meetings. All four members attended all meetings within the member's term in 2018/19. The committee dealt with the following key matters:

Review of internal and external audit matters

- Evaluated the performance and the independence of the external auditor, incl. auditor's performance of non-audit services
- Recommended the election of the external auditor to the Board of Directors and Annual General Meeting
- Reviewed the external auditor's Group Audit Plan 2018/19, including audit fee
- The external auditor presented its annual long form report
- Reviewed the internal Financial Compliance Plan 2018/19, as well as quarterly reports from the Financial Compliance Officer
- Assessed the need to establish an internal audit function

Financial and sustainability reporting

- Discussed with the CFO, the Financial Compliance Officer, the General Counsel and the external auditors:
 - changes to accounting policies
 - material accounting , business ethics, fraud, whistleblower, GDPR and internal control issues
 - significant accounting estimates
 - significant related party transactions
 - significant risks and uncertainties
- The Audit Committee performed a review of:
 - the financial statement releases for the full year and interim financial reports
 - the model for the annual report, incl. financial statements and sustainability report
 - the Annual Report, including the Sustainability Report and the Corporate Governance Statement
 - the enterprise risk management process and governance, as well as a new Enterprise Risk Management position

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Other

- The Audit Committee performed a review of:
 - the tax strategy and quarterly tax updates
 - the insurance strategy and insurance renewal
 - the capital structure and excess cash distribution in FY19
 - the overall compliance with corporate governance
 - the internal policies and positions in relation to finance, treasury, investor relations, tax and IT
 - introduction program for new Audit Committee members

Audit Committee matters and governance

- Reviewed and approved the Annual Wheel for 2018/19
- Conducted a self-assessment, including a review of the Audit Committee Charter
- Conducted private meetings without the Executive Board being present
- Conducted private meetings with PwC
- Approved a report on the committee's key activities in 2018/19