

## CHARTER OF THE AUDIT COMMITTEE OF AMBU A/S

### 1. Constitution and purpose

- 1.1 The Audit Committee is a committee of the Board of Directors established in accordance with the EU Directive on Statutory Audits of Annual Accounts and Consolidated Accounts (8th Directive), the Danish Act on Approved Auditors and Audit Firms, and Section 7 of the Rules of Procedure for the Board of Directors of Ambu A/S.
- 1.2 Audit Committee members are appointed by the Board of Directors at the first Board meeting following the annual general meeting of the Company. Members of the Audit Committee are appointed for a one-year term, however, the Board of Directors may at any time change the members of the Audit Committee if the Board of Directors finds it appropriate.
- 1.3 The Audit Committee's role is to assist the Board of Directors in fulfilling its responsibilities regarding the financial reporting process, the system of internal control, the audit process, the assessment of the need for an internal audit function and the Company's processes for monitoring compliance with laws and regulations and the code of conduct, including considering the independence of external auditor.

### 2. Composition

- 2.1 The Audit Committee shall consist of at least three members of the Board of Directors.
- 2.2 Each of the members of the Audit Committee shall in the judgment of the Board of Directors have the ability to read and understand fundamental financial statements. One member must satisfy Danish independence and financial expertise requirements.
- 2.3 At least half of the members of the Audit Committee shall qualify as independent as set out in the Danish Act on Approved Auditors and Audit Firms and in the Recommendation on Corporate Governance of the Danish Corporate Governance Committee as applicable from time to time.

### 3. Meetings

- 3.1 The Audit Committee shall meet as often as the Committee determines appropriate but at least four times a year in line with the Company's financial reporting cycle. Further, the Audit Committee shall meet upon request of a member of i) the Audit Committee, ii) the Board of Directors, iii) the Executive Management, or iv) the external auditor.
- 3.2 With the exception of agenda items reserved for the Audit Committee's internal discussion at each meeting, the Executive Management will attend all meetings. The Audit Committee may also invite other members to attend the meetings as deemed appropriate.
- 3.3 Adequate minutes of Audit Committee meetings shall be prepared and kept. The minutes shall be sent to all members of the Audit Committee for approval.

- 3.4 Copies of the minutes shall be sent to all members of the Board of Directors and thereafter, if practically possible, considered at the first meeting of the Board of Directors subsequent to the meeting of the Audit Committee. All material presented to or prepared by the Audit Committee shall be available to all members of the Board of Directors upon request.
- 3.5 Except as otherwise stated herein, the meetings of the Audit Committee shall be governed by the same rules of procedure that applies to the meetings of the Board of Directors (including the option to conduct meetings by means of conference calls and other means of communication, rules on notice, incapacity etc.).

## **4. Duties and responsibilities**

- 4.1 The Audit Committee is required to review and make recommendations to the Board, including:
- External auditors
    - Recommend to the Board of Directors the statutory external auditors to be nominated by the Board of Directors and elected by the Annual General Meeting, prepare the Board of Directors' recommendation to the Annual General Meeting regarding the election of the External Auditors and, if relevant, recommend to the Board of Directors that the Board of Directors proposed to the Annual General Meeting that an external auditor be discharged;
    - Review the annual audit plan and the work of the external auditors;
    - Review the external auditors' reports to the Board of Directors, including long-form reports, and review and discuss any reports with Executive Management and the external auditors;
    - Review the audit fee of the external auditors and recommend the audit fee to the Board of Directors for approval;
    - Establish policies and procedures for the engagement of any external auditors signing the audit report to provide audit services and permitted non-audit services. Review the engagement letter with the external auditors and recommend the terms to the Board of Directors for approval;
    - At least annually consider the competences, performance and independence of the external auditors;
    - At least annually the Audit Committee shall meet with the external auditors without participation of Executive Management;
  - Financial reporting
    - Review key accounting policies, significant accounting estimates, significant related party transactions and uncertainty and risks, including those related to expectations for the current year, and recommend changes in key accounting policies to the Board of Directors;

- Review and discuss:
  - i) The consolidated financial statement in the Annual Report, including the integrity of the financial statement
  - ii) The company's financial statement releases for the full year and interim financial reports
  - iii) Any other significant announcement related to financial reporting
- Monitor the financial reporting process and review the adequacy and effectiveness of the systems of internal controls over financial reporting and approve significant changes therein;
- Internal controls
  - Assess whether Executive Management has established the right 'control environment' through the establishment of ethical guidelines, guidelines for cooperation and communication thereof by receiving statements from the Executive Management on policies, internal control and risk management within the Company;
  - Understand that the Company has adequate internal controls for approval of transactions as well as registration and processing of financial data;
  - Ensure that the annual report is based on the underlying financial systems, complies with relevant standards and requirements, and is examined appropriately by the Executive Management;
  - Assess the overall effectiveness in the framework of internal control and risk management and consider whether the Company has implemented recommendations received from internal and external auditors;
- Procedure for handling complaints regarding accounting, internal accounting controls, auditing, financial reporting matters and business ethics matters (whistleblowing)
  - Maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing and financial reporting matters as well as business ethics matters;
  - Ensure a confidential and anonymous procedure for submissions of concerns made by employees of the Company regarding questionable accounting, internal accounting controls, auditing and financial reporting matters as well as business ethics matters;
- Procedure for the identification, evaluation, and treatment of risks in accordance with the Company's risk appetite
  - Ensure that the Company maintains adequate procedures for identification and handling of risks that threatens the Company;
  - Assess the effectiveness of the Company's risk framework to enable the Board of Directors to form a position of the overall risk environment that the Company is exposed to

- Monitor the effectiveness of the company's risk management systems in relation to financial reporting, compliance with laws and regulations and business- as well as reputational risks
- Ensure that the Company has established an adequate level of robustness with respect to handling of IT related risks including CYBER and contingency plans in case of system failure, intrusion or abuse;
- Review and discuss policies with respect to risk assessment and risk management;
- Internal audit function
  - Assess the need for an internal audit function, including recommendations in receipt of recruitment and dismissal of any internal audit function;
- Other tasks
  - Carry out such other tasks on an ad hoc basis as specifically decided by the Board.

## **5. Quorum**

- 5.1 The Committee forms a quorum when two or more of its members are present. Resolutions are passed by simple majority. In case of an equality of votes, the chairman of the Committee shall have the casting vote.

## **6. Authority**

- 6.1 The Audit Committee is authorized to make recommendations and reports to the Board of Directors but shall not make any final decisions on behalf of the Board of Directors.
- 6.2 The Audit Committee is authorized to examine all matters within the scope of its Charter.
- 6.3 To the extent the Audit Committee deems it relevant or appropriate, it is authorized to appoint external advisors to assist the Audit Committee in carrying out its assignments within the scope of this Charter. Such external advisors shall not be the same as those retained by Executive Management in this regard. The fees of the Audit Committee's external advisers shall be paid by the Company.

## **7. Operation of the Audit Committee**

- 7.1 To enable the Audit Committee to perform its duties, the Audit Committee may, if required, request separate meetings with any employee and the external auditors upon its discretion. The Audit Committee may conduct an organizational review of the finance organisation. The Audit Committee shall have available appropriate funding as determined necessary by the Audit Committee for the fulfilment of its tasks and duties.

7.2 The Audit Committee shall once a year:

- Conduct a performance evaluation of the Audit Committee and report such evaluation to the Board of Directors;
- Review applicable independence, financial expertise, and other legal requirements of each member of the Audit Committee to determine whether the Audit Committee meets the applicable legal standards. Further the Audit Committee shall present such review to the Board of Directors for approval as well as propose any required or recommended disclosure; and
- Evaluate the adequacy of this Charter and recommend any proposed changes to the Board of Directors and ensure that the Charter is approved or re-approved by the Board of Directors.

## **8. Audit Committee Member Fee**

8.1 Members of the Audit Committee shall receive an annual fee in accordance with the Company's Audit Policy, proposed by the Board of Directors and approved by the Annual General Meeting.

## **9. Publication**

9.1 This charter shall be made available on the Company's website.

## **10. Adoption**

10.1 This Charter has been approved by the Board of Directors at its meeting held on 5 October 2021.

On behalf of the Board of Directors

Jørgen Falkebo Jensen