

**RULES OF PROCEDURE FOR THE AUDIT COMMITTEE OF DSV  
A/S**

(Central Business Register No.: 58 23 35 28)

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## **1. Purpose and objects**

- 1.1 The Supervisory Board of DSV A/S has established an Audit Committee in accordance with the Recommendations on Corporate Governance and the Danish Act on Approved Auditors and Audit Firms.
- 1.2 The Audit Committee is a Board committee established for the sole purpose of preparing decisions to be made by all members of the Board of Directors in order for the Board to work more efficiently and increase the quality of its work. The existence of the Audit Committee does not alter the role of the Board of Directors as the ultimate decision-making body.
- 1.3 It is the Audit Committee's responsibility to review, analyse and monitor any issues within the scope of these Rules of Procedure. To perform these duties, the Audit Committee is authorised to obtain any necessary information from the Executive Board and staff, who are obliged to cooperate with the Audit Committee and answer all questions from the Committee of relevance to the Committee's work.
- 1.4 The Audit Committee will not assume any duties or responsibilities that rest with the Executive Board or the Board of Directors pursuant to the Danish Companies Act, Danish Financial Statements Act and other relevant legislation. Accordingly, in its role as a monitoring body the Audit Committee must therefore primarily focus on the safeguarding of well-functioning financial processes and procedures in relation to financial reporting and financial risk management, internal control systems, etc.
- 1.5 The Audit Committee may also obtain advice, guidance and support from external advisors/specialists when deemed necessary or appropriate in the performance of its duties.

## **2. Duties**

- 2.1 In accordance with paragraph 4.3 of the Rules of Procedure for the Board of Directors of DSV A/S, the principal duties of the Audit Committee are:
  - to inform the Board of Directors of the outcome of the statutory audit and financial reporting process;

- to monitor the financial reporting process, including the compliance with applicable legislation, standards and other regulations for listed companies on financial reporting and publication of financial reports;
- to monitor the effectiveness of the Company's internal controls, internal audits (if relevant), and audit and risk management systems without breaching its independence;
- to monitor the statutory audit of the annual financial statements with due consideration of the latest quality inspection of the audit company;
- to monitor and verify the independence of the auditor(s), including the provision of non-audit services; and
- to be responsible for the procedure for the selection of auditor(s) and the recommendations for the Board of Directors on the election of auditor(s).

2.2 In order to perform these duties, the Audit Committee must establish an open dialogue between the Company's Board of Directors, Executive Board and external auditors and continuously assess the need for communication with and provision of information about its work to the Company's staff.

### **3. Composition**

3.1 The Board of Directors must appoint a chairman and two members for the Audit Committee among the Board's own members. The Chairman of the Board cannot be appointed chairman of the Audit Committee.

3.2 At least one member must possess adequate knowledge of auditing and accounting, and the members of the Audit Committee must as a whole have competencies relevant to the Company's industry.

3.3 The majority of the members of the Audit Committee must be independent. Independent members are members who qualify as independent as defined in the Recommendations on Corporate Governance applicable at any time.

- 3.4 Other guidelines stated in the Rules of Procedure for the Board of Directors of DSV A/S also apply to the Audit Committee as concerns time and place of meetings, etc.
- 3.5 The Company's Executive Board must ensure that a secretariat function is established to assist the Audit Committee as required.

#### **4. Meetings**

- 4.1 Only members of the Audit Committee are entitled and required to attend Committee meetings.
- 4.2 To safeguard the independence and objectivity of the Audit Committee, other members of the Company's Board of Directors and the Company CEO, CFO, Group Compliance Director, Group Finance Director and external auditor(s) may only attend Audit Committee meetings if summoned by the Committee. When summoned, the relevant persons are obliged to attend.
- 4.3 The Company's Group Compliance Director, Group Finance Director and external auditor(s) may meet at least once a year with the chairman of the Audit Committee without the Company's Executive Board in attendance, if deemed relevant by the Committee chairman.
- 4.4 The Audit Committee must prepare a plan stating the frequency and outline agenda programme for its meetings for the coming year to be incorporated into the annual cycle.
- 4.5 The Audit Committee must meet at least three times a year according to the general audit cycle:
- Planning of the audit in spring
  - Reporting on the continuous audit in autumn
  - Status audit reporting in connection with the presentation of the annual report
- 4.6 In addition, the chairman must convene additional meetings when (s)he deems it necessary or when so requested by a member of the Audit Committee, a member of the Board of Directors or a member of the Executive Board.

- 4.7 The chairman of the Audit Committee chairs the meetings.
- 4.8 The members of the Audit Committee are subject to the same confidentiality rules as apply to the other members of the Board of Directors.

## **5. Agenda**

5.1 The agenda for the meetings must contain the following items as a minimum, with the annual cycle of the Audit Committee containing a specific and detailed agenda for each meeting:

- Minutes of the previous meeting
- Announcements from the chairman
- Announcements from the Executive Board
- Any cases of misconduct
- Unresolved audit issues
- Approval of the provision of non-audit services

5.2 Motions for separate resolutions in addition thereto must, as far as possible, be included as an item on the agenda.

## **6. Quorum in respect of recommendations to the Board of Directors**

6.1 Meetings are chaired by the Committee chairman. The Committee is quorate when at least half of its members are present. The resolutions of the Committee are passed by a majority vote by the members present at the meeting. In the event of equality of votes, the chairman has the casting vote. Unless the Committee deems a matter to be of the utmost urgency, a resolution shall not be made without all members having been able to participate in the discussion of the matter.

## **7. Reporting to the Audit Committee**

7.1 To enable the Audit Committee to effectively perform its duties, matters of relevance to such duties must be reported to the Committee on a continuous basis.

7.2 Such information includes, but is not limited to:

1. Material from the auditors, including:
  - a. Audit reports
  - b. Management letter
  - c. Audit plan
  - d. Audit fee
  - e. Letter of engagement
  - f. Auditor's statement of procedures for maintaining independence
2. Drafts of relevant external material, including:
  - a. Annual report
  - b. Company announcements
3. Annual updates as regards the Company's risk management procedures, including IT risks and IT security, internal controls and significant accounting estimates and policies; and
4. Other reporting as stated in the Rules of Procedure for the Board of Directors and the Executive Board of DSV A/S.

7.3 All material information submitted to the Audit Committee must also be submitted to the Board of Directors.

## **8. Reporting to the Board of Directors**

- 8.1 Meeting minutes must be prepared as soon as possible after all meetings and approved by the Audit Committee members and a copy thereof sent to all members of the Board of Directors of DSV A/S. The contents of the minutes must be of an adequate scope to provide a suitable and fair basis for decision-making by all members of the Board of Directors.
- 8.2 If a Board meeting is held without the Board members having received the minutes of the last Audit Committee meeting, an oral preliminary report must be given by the Audit Committee chairman or, in the chairman's absence, by another member of the Committee to provide a basis for any decisions to be made by the Board.

## **9. Self-evaluation**

- 9.1 Once a year, the Audit Committee must conduct an evaluation of its general performance, resources and materials as well as the quality of the Committee's reporting to the Board of Directors. The annual evaluation must also include an assessment of the Committee's composition, independence and competencies of relevance to the Company as well as any need for updating the members' competencies.
- 9.2 The chairman of the Audit Committee is in charge of the self-evaluation. The results of the self-evaluation process and any recommendations are discussed by the Audit Committee.

## **10. Publication**

- 10.1 The Audit Committee must contribute information about the Committee on the Company's website and in the Company's annual report, if such information is to be included in the report. Accordingly, the Audit Committee must provide the below information for publication on the Company's website and, if relevant, in the annual report. The Audit Committee must also check that the information about the Committee on the Company's website and, if relevant, in the annual report are correct and adequate.
- 10.2 The Company's website and annual report, if relevant, must state:
- that the Company has established an Audit Committee



- the rules of procedure of the Audit Committee
- the material activities of the Audit Committee for the year
- the names of the Audit Committee members
- the names of the independent Audit Committee members
- the names of the members with special qualifications
- the name of the chairman of the Audit Committee
- the number of meetings during the year

## **11. Revision of the Rules of Procedure**

- 11.1 The Rules of Procedure for the Audit Committee of DSV A/S must be reviewed and revised on an annual basis with a view to ensuring that they are adequate and modified according to the Company's business and needs.

Adopted at the meeting of the Board of Directors on 9 February 2017

Board of Directors:

Kurt K. Larsen

Thomas Plenborg

Robert Steen Kledal

Annette Sadolin

Birgit W. Nørgaard

Jørgen Møller

Executive Board:

Jens Bjørn Andersen

Jens H. Lund

**Appendix 1:** Audit Committee annual cycle