

# Audit Committee Charter

## Purpose

The Audit Committee is established by and among the board of directors of BioPorto A/S (Board of Directors) for the primary purpose of assisting the board in:

- Overseeing the integrity of the company's financial reporting
- Overseeing the company's systems of internal control and risk management
- Ensuring external audit of the annual report.
- Control of auditors' independence, including oversight of non-audit services
- Other activities delegated from the Board of Directors

Other items can be added to the Audit Committee Charter if deemed necessary or required by law, regulations or other guidelines.

In the event of inconsistencies between this Committee Charter and the Board's Rules of Procedure, the latter will prevail.

## Authority

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 Auditors Act (§31 (2)), and current Corporate Governance Recommendations and the Rules of Procedure of the Board of Directors of BioPorto A/S. The Audit Committee is a committee of directors whose task is solely to prepare decisions to be taken by all members of the Board of Directors.

## Committee Members

Unless otherwise agreed, the Audit Committee shall consist of a minimum of two members, of which one shall be appointed as chair of the Committee. Members of the Audit Committee are elected for a one-year term by and among the members of the Board of Directors. The chairman of the Board of Directors cannot be chairman of the Audit Committee. Election usually takes place at the board meeting following the annual general meeting. Any member of the Audit Committee can be removed by the Board of Directors at any time.

A majority of the members of the Committee must be independent. However, at least one member of the Committee must be independent and possess such expertise and experience as to provide an updated insight into financial reporting, accounting and auditing aspects of listed companies such as the Company.

## Meetings

The Audit Committee shall meet as often as it determines appropriate, but at least prior to external financial reporting.

Meetings with the Audit committee and the external auditors shall be held at least twice a year. Further, Executive sessions should be held at least once per year between the Audit committee members and the external auditors excluding the presence of the Executive management.

The Audit Committee shall meet upon the request of a member of the Audit Committee, the CFO or the CEO.

Quorum is required to conduct business. Majority decision is required to take action on a specific matter.

Onboarding sessions for new members should occur within 60 days of the election and are led by the EVP & CFO.

## Reporting

The Audit Committee shall inform the Board of Directors of discussions and present recommendations to the Board of Directors. Minutes of meetings of the Audit Committee shall be shared at the latest 7 days after meeting – and after approval of its members – be sent to the Board of Directors.

## Main Responsibilities

The primary function of the Audit Committee is to assist the Board of Directors by reviewing information within the areas of oversight, see clause 2, and based on those, present recommendations to the Board of Directors. All decisions will be made by the Board of Directors except as explicitly stated in this charter.

The Audit Committee shall have the following responsibilities:

### Financial reporting

- Monitoring the financial reporting process and reviewing and challenging it where necessary, including accounting practices in significant areas, significant accounting estimates and related party transactions.
- Monitoring compliance with applicable legislation, standards and other regulations for listed companies in respect of financial reporting and the publication of financial reporting.
- Monitor and assess capital resources and structure deemed necessary for the fulfilment of the Company's overall strategy.

### Internal control

- Monitor the effectiveness of the systems of internal controls related to the financial reporting including in relation to the announced financial outlook, and with respect to the accounting reporting in business without infringing on its independence.
- The Committee shall annually review and assess internal controls and treasury functions including cash management procedures.

- Evaluate the need for an internal audit function annually. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters (whistleblower function).

### **External Auditor**

- Recommend nomination, and if relevant discharge, to the Board of Directors of the statutory external auditor to be elected at the annual general meeting.
- Monitor the strategy, plan, scope and approach of the external auditor's annual audit.
- Monitor and approve the terms and compensation of the external auditor.
- Monitor the external auditor's reports to the executive management and the Board of Directors, including management letters and long form reports and discuss any reports with the executive management and the external auditor.
- Be mainly responsible for resolving any disagreements between the external auditor and the executive management.
- At least annually consider the performance and independence of the external auditor and obtain and review a report from the external auditor substantiating that the external auditor is independent.
- Review of policy in relation to the provision of non-audit services by the external auditor. The audit committee chair pre-approves non-audit services delivered by the external auditor when material (> DKK 500,000) with subsequent communication to the entire Audit Committee.

### **Enterprise Risk Management**

- Monitor and review the enterprise risk management framework and process in alignment with the strategic goals at least twice a year, ensuring timely and appropriate responses to identified risks by:
  - Proactively identify internal and external risks that may impact the organization's objectives.
  - Evaluate the likelihood and impact of identified risks
  - Determine appropriate responses, key priorities and develop action plans
  - Monitor risk exposures and effectiveness of controls and ensure reporting of risks to relevant stakeholders
- The Committee shall discuss with management the Company's policies with respect to risk assessment and risk management. The Committee shall discuss with management the Company's significant financial and operational risk exposures, and the actions management has taken to limit, monitor or control such exposures.

### **Miscellaneous**

- The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties.
- The Audit Committee shall have appropriate funding available as determined necessary by the Audit Committee for the fulfillment of its tasks and duties.
- The Audit Committee shall, once a year: (i) conduct a performance evaluation of the Audit Committee including independence and financial expertise; and (ii) evaluate the adequacy of this Charter and recommend any proposed changes to the Board of Directors.

- The response timeframe for members to managements' communications such as emails is no more than three business days.

#### **Other**

- The Committee shall review on a periodic basis, or as appropriate, any investment policy of the Company and recommend to the Board any changes to the investment policy.
- The Committee shall discuss with management and the independent auditor any correspondence from or with financial authorities including regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function, if any.
- The Committee shall discuss with the Company's general counsel, if any, or outside counsel, any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
- The Committee shall request assurances from management and the Company's internal auditors, if any, that the Company's foreign subsidiaries and foreign affiliated entities, if any, are in conformity with applicable legal requirements, including disclosure of affiliated party transactions.

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