



Audit Committee
Terms of Reference



1 Establishment and Purpose

The Audit Committee is a committee under the Board of Directors of RTX A/S (the “Company”). The Audit Committee is a preparatory committee for the Board of Directors and prepares recommendations for decisions of the entire Board of Directors on selected issues. Thus, the statutory responsibility remains with the Board of Directors and is not assumed by the Audit Committee.

As such, the primary role of the Audit Committee is to assist the Board of Directors in fulfilling the Board’s responsibilities in its supervision of:

- the Company’s financial reporting processes;
- the Company’s internal control and risk management systems;
- the external audit and external auditors, including nomination hereof.

The main tasks of the Audit Committee are further outlined in section 3 below.

2 Organization and Members

The Audit Committee consists of at least two members, who are appointed by and among the Board of Directors. The members of the Audit Committee are appointed at the first meeting of the Board of Directors after the annual general meeting for a one-year term. The Board of Directors shall also appoint the Chairman of the Audit Committee.

When appointing members of the Audit Committee, the Board of Directors shall consider the requirements stipulated in terms of experience and expertise in the matters of the Audit Committee so that the committee as a whole possesses the necessary competence.

At least one of the members of the Audit Committee shall be both independent, as defined in the Danish recommendations on good corporate governance, and have the necessary competences regarding financial, accounting and audit aspects of comparable companies. The Board of Directors will make this evaluation.

All members of the Audit Committee shall receive a fee approved by the annual general meeting.

To the extent requested by the Audit Committee members, the committee shall be assisted by the Company’s organization regarding facilities, preparation of material etc.

3 Tasks and Responsibilities

The tasks and responsibilities of the Audit Committee are to support the Board of Directors in the Board’s supervision of:

- the preparation and presentation of annual reports and interim reports;
- the Company’s compliance with statutory requirements in respect of the Company’s annual report and presentation of financial statements;
- the nomination of the external auditors;
- the agreement with external auditors;

- the approval of the overall audit planning including risk assessment and audit strategy;
- the control of the independence of the external auditors including provision of non-audit services;
- the application of material accounting policies and material accounting estimates;
- the Company's internal control processes;
- the Company's risk management practices related to financial, non-financial, commercial, IT and insurable risks;
- the Company's whistleblowing procedures;
- the evaluation of need for internal audit.

Further, the Board of Directors can ask the Audit Committee to handle other tasks which the Board of Directors deem relevant, and which are related to the audit or risk matters handled by the committee.

The Audit Committee manages its tasks through an annual plan/wheel specifying the expected agenda items on coming meetings.

4 Meetings

The Audit Committee will meet at least four times annually in advance of interim and annual reports and related board meetings. Additional meetings may be scheduled at the request of a member of the committee or of the Chief Financial Officer.

The Chief Financial Officer attends Audit Committee meetings; however, the Chairman of the Audit Committee may decide that a meeting, or a part of a meeting, is to be held without the attendance of the Chief Financial Officer if deemed appropriate. Further, the Audit Committee decides which other representatives from the Company, if any, shall participate in meetings.

The Company's external auditors will participate in at least one Audit Committee meeting annually and shall always participate in meetings regarding the external audit, audit planning and annual report. Further, the external auditors shall participate in committee meetings when deemed relevant by the Audit Committee.

The Audit Committee constitutes a quorum when at least half of its members are present.

Approved by the Board of Directors of RTX A/S on 26 November 2019.