

Charter of the Audit Committee of the Board of Directors of Novozymes A/S

1. STATUS

The Audit Committee is a committee of the Board of Directors established in accordance with the Rules of Procedure of the Board of Directors of Novozymes A/S.

2. PURPOSE

The Audit Committee shall assist the Board of Directors with the oversight of:

- a) External auditor;
- b) Complaints regarding accounting, internal accounting controls, auditing, financial reporting matters and incidents regarding IT and physical security;
- c) Financial, environmental and social reporting;
- d) Systems of internal controls including risk management for the financial reporting process and the adequacy hereof;
- e) Tax policy and compliance; and
- f) Other activities delegated from the Board of Directors.

3. MEMBERSHIP

The Audit Committee shall consist of at least two members. Members of the Audit Committee are elected for a one-year term by and among the members of the Board of Directors. Election usually takes place at the board meeting following the annual general meeting. However, any member of the Audit Committee can be removed by the Board of Directors at any time.

One of the members of the Audit Committee shall be designated by the Board of Directors as Chairman of the Audit Committee. The Chairman of the Board of Directors cannot be Chairman of the Audit Committee.

The majority of the members of the Audit Committee shall qualify as independent as defined by Danish law and as a whole have the relevant expertise within biological solutions. Further at least one member shall have the appropriate expertise within accounting for or auditing of a listed company.

4. 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 that present recommendations to the Board of Directors. All decisions will be made by the Board of Directors except as expressly stated in this charter.

The Audit Committee shall have the following responsibilities:

a) External Auditor

An External Auditor in this Charter is defined as an audit firm engaged to perform audit, review and attest services for Novozymes.

1. The Audit Committee is responsible for the selection and appointment procedure of an External Auditor in accordance with Article 16 of the EU Audit Regulation. The Audit Committee shall recommend to the Board of Directors the statutory External Auditor to be nominated by the Board of Directors for election by the Annual Shareholders' Meeting.
2. The Audit Committee shall prepare the Board of Directors' recommendation to the Annual Shareholders' Meeting regarding the election of the External Auditor and ensure that the recommendation is free from influence by a third party and that this is explicitly stated in the recommendation to the Annual Shareholders' Meeting. The recommendation must be based on the results of the monitoring of statutory audits and of the control and monitoring of the auditor's independence.
3. Monitor and discuss the statutory audit of the annual financial statements, taking into account any findings or conclusions from the most recent quality control of the External Auditor.
4. Review and discuss the strategy, plan, scope and approach of the External Auditor's annual audit, including the expected materiality level and identification of significant risks.
5. Recommend to the Board of Directors the content of the agreement with the External Auditor, including the fees related hereto.
6. Review the External Auditor's report to the Audit Committee and reports to the Executive Leadership Team and the Board of Directors and discuss such reports with the Executive Leadership Team and the External Auditor.
7. Prior to approval of the financial reporting the Audit Committee must inform the Board of Directors on the results for the statutory audit, including the results of the financial reporting process.
8. The Audit Committee must oversee that there is independence of the External Auditor and hereunder

- a) establish policies and procedures for the engagement of any External Auditor signing the audit reports
- b) establish a policy for certain permitted tax and valuation services of any External Auditor signing the audit reports
- c) approve audit services
- d) approve permitted non-audit services to be provided by the External Auditor after assessing threats to independence and the safeguards hereof carried out by the External Auditor
- e) monitor that the proportion of non-audit services versus audit services follows the established policies
- f) oversee the process from the External Auditor that ensures that only permitted services are carried out

9. The Audit Committee may delegate its authority to pre-approve services to one or more members of the Audit Committee, provided that such designees present any such approvals to the full Audit Committee at the next Audit Committee meeting.

10. At least annually consider the independence of the External Auditor, hereunder

- a) obtain and review a report from the External Auditor substantiating that the External Auditor is independent
- b) discuss with the External Auditor any threats to independence

11. Ensure and monitor a process for hiring of current and former employees of the external auditor.

12. Resolve any disagreements between the Executive Leadership Team and the External Auditor regarding financial reporting.

13. At least annually meet with the External Auditor without the presence of Management.

b) Complaints regarding accounting, internal accounting controls, auditing, financial reporting matters and incidents regarding security of IT and physical security

Establish and maintain procedures for (i) the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, auditing and financial reporting matters; and (ii) the confidential, anonymous submission of concerns regarding questionable accounting, auditing or financial reporting matters. Review received complaints and incidents regarding IT and physical security.

c) Financial, environmental and social reporting

1. Review the annual report, the annual and interim financial statement releases.
2. Monitor key accounting policies, significant accounting estimates and judgments, transactions with related parties, uncertainties and risks and prior to the financial reporting report on this to the Board of Directors.

3. Monitor the financial reporting process and submit recommendations to ensure its integrity.

d) Systems of internal controls

Monitor the effectiveness of the systems of internal controls including risk management for the financial, environmental and social reporting.

e) Tax policy and compliance:

The Audit Committee shall as a minimum every other year review the company's tax policy to ensure that it is in line with the company's position on tax, review significant tax strategies and handling of tax risks. If the Audit Committee evaluates that changes to the tax policy is required, they shall make recommendation hereof to the Board of Directors. Tax compliance must be reviewed on an annual basis.

f) Other activities delegated from the Board of Directors

1. The Audit Committee shall approve financial counterparties and certain exceptions regarding hedging according to internal policies.
2. The Audit Committee shall assist the Board of Directors in reviewing selected business risks and related actions as well as monitoring and reviewing the adequacy of the risk management system.
3. The Audit Committee shall further oversee other activities delegated from the Board of Directors.

g) 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 available appropriate funding as determined necessary by the Audit Committee for the fulfilment of its tasks and duties.

The Audit Committee shall once a year:

1. conduct a performance evaluation of the Audit Committee and report such evaluation to the Board of Directors
2. 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
3. evaluate the adequacy of this Charter and recommend any proposed changes to the Board of Directors
4. evaluate the need for an internal audit function in Novozymes and make a recommendation hereof to the Board of Directors

5. MEETINGS

The Audit Committee shall meet as often as it determines appropriate, but at least four times each year. Further, the Audit Committee shall meet upon request of a member of the Audit Committee, the Chief Financial Officer or the External Auditor.

Meetings shall normally be convened prior to the weekend prior to the scheduled meeting to all members of the Audit Committee, and such notice shall include an agenda for the meeting in question. Any written material relating to the individual agenda items shall, to the extent possible, be forwarded to the members together with the notice convening the meeting.

The Audit Committee shall maintain, through its Secretary, minutes of the Audit Committee meetings.

Under special circumstances, a committee resolution may be passed over the phone or in writing. In such cases, the proposed resolution shall be forwarded to the members and the Chairman shall subsequently seek to obtain a written, oral or electronically transferred statement from all members of the Audit Committee and arrange for the recording of the resolution in the minutes of the coming meeting.

6. QUORUM

The Audit Committee forms a quorum when two or more of its members are present. Resolutions are passed by simple majority.

7. AUDIT COMMITTEE MEMBER FEE

Each member of the Audit Committee shall receive an annual fee to be fixed – together with the fixing of the fee to the members of the Board of Directors – at the annual general meeting in connection with the adoption of the audited annual report.

8. REPORTING TO THE BOARD OF DIRECTORS

In addition to the previous mentioned reporting, the Audit Committee shall regularly inform the Board of Directors of discussions and present recommendations to the Board of Directors. Further, the Board of Directors shall receive the minutes of meetings of the Audit Committee, while all material presented to or prepared by the Audit Committee shall be available to all members of the Board of Directors upon request.

Date: January 23, 2019

The Board of Directors of Novozymes A/S:

Jørgen Buhl Rasmussen

Agnete Raaschou-Nielsen

Lars Green

Kasim Kutay

Patricia Malarkey

Kim Stratton

Mathias Uhlén

Lena Bech Holskov

Anders Hentze Knudsen

Lars Bo Køppler