

Audit and Risk Committee Terms of Reference

Adopted 18 November 2021

Review Frequency:	Annually
Responsible for Review:	Committee Chair
Responsible for Approval:	Corre Energy B.V. Board

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1. Constitution

- 1.1 The Audit and Risk committee (**Committee**) was constituted as an advisory committee of the Board of directors (**Board**) of Corre Energy B.V. (**Company**) at a full meeting of the Board held on 18 November 2021, in accordance with the articles of association of the Company.
- 1.2 A meeting of members of the Committee on 15 November 2021, reviewed the Terms of Reference and recommended certain changes to the Board, which are incorporated here.

2. Membership

- 2.1 The Committee shall comprise a minimum of two members, including the Chair, and the Committee shall have competence relevant to the sector in which the Company operates.
- 2.2 At least two Committee members shall be independent non-executive directors as determined by the Board (in accordance with the principles of the QCA Corporate Governance Code), at least one of whom shall have recent and relevant experience working with financial and accounting matters.
- 2.3 The Board may appoint an independent member to the Committee, from outside the Board.
- 2.4 The Board shall appoint the Chair of the Committee and shall determine the period for which he or she will hold office. In the absence of the Committee chair and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting. The chair of the Board shall not chair the Committee.
- 2.5 The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 2.6 Committee members will be issued with a Letter of Appointment, setting out their responsibilities and terms of appointment.

3. Attendance at meetings

- 3.1 The Committee will meet around four times a year and at appropriate times in the Company's financial reporting and audit cycle.
- 3.2 Outside of the formal meeting programme, the Committee Chair shall maintain a dialogue with key individuals involved in the Company's governance, including the Board chair, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the external audit lead partner.
- 3.3 The CFO will generally be invited to attend Committee meetings. The external auditor may be invited to attend certain meetings and the Committee will meet in private session with the external auditor once a year. The Committee shall have the discretion to decide who, other than the Committee members, shall attend and address Committee meetings.

- 3.4 The Company Secretary shall attend meetings of the Committee, minute the proceedings, including the names of those present and in attendance, and provide administrative support as required by the Chair of the Committee.

4. Role

The role of the Committee is to advise the Board on matters relating to financial control, risk management and compliance. The Committee will consider and advise the Board on the following:

- 4.1 Accounting policies and preparation of financial statements and other financial information provided to shareholders.
- 4.2 The Company's system of internal controls, including prevention of fraud and cyber-security.
- 4.3 External audit processes and relationship with auditors.
- 4.4 Compliance with laws, regulations and ethical codes of practice.
- 4.5 Risk management framework, including review of risk appetite statements, review of the corporate risk register and proposed treatment of risks that affect the Company as a whole.

5. Duties and terms of reference

The Committee shall (unless required otherwise by regulation) carry out the following duties for the Company and its subsidiaries (**Group**) as appropriate:

5.1 Financial reporting

The Committee shall:

- (a) Review draft financial statements of the Group, including:
 - (i) the annual reports; and
 - (ii) any other formal statements relating to its financial performance;
- (b) review and report to the Board on significant financial reporting issues, accounting policies, and judgements which the financial statements, interim reports and related formal statements contain, having regard to matters communicated to it by the CFO and the external auditor; and
- (c) monitor compliance with financial reporting standards and governance reporting requirements that the Company has committed to, including Dutch Company Law, Euronext Rules and QCA Corporate Governance Code.

5.2 Risk management systems and internal controls

The Committee shall advise the Board on the following matters:

- (a) Risk management framework

- (i) Review risk management processes to ensure that project and corporate risks are assessed in keeping with Board-approved strategy and risk appetite.
 - (ii) Assess proposed treatment of principal risks to ensure that they are appropriate and sufficient to bring risks to tolerable levels.
 - (iii) Set triggers for reporting principal risks to the Board.
- (b) Internal controls
- Review the Company's internal financial controls and internal control systems and, at least annually, carry out a review of their effectiveness.
- (c) Disclosures in Financial Statements
- (i) Review and propose to the Board the statements to be included in the annual report concerning internal controls and risk management; and
 - (ii) Review the reporting of key risks in the annual report and accounts, ensuring consistency with the internal reporting of key risks.

5.3 Internal audit

The Committee shall consider annually the need for an internal audit function. It shall also consider if ad hoc internal audit reports may be required on specific issues and decide how these reviews should be carried out.

5.4 External audit

Taking into account any applicable law and legislation and other professional requirements, the Committee shall:

- (a) Appointment, reappointment and resignation
 - (i) consider and make recommendations to the Board, to be put to shareholders for approval at the Company's Annual General Meeting (AGM), on the appointment, reappointment or removal of the Company's external auditors;
 - (ii) oversee any tender for the audit services contract, when that becomes due; and
 - (iii) if any external auditor resigns, investigate the issues leading to this and consider whether any action is required and make recommendations to the Board on this matter.
- (b) Terms of engagement

Oversee the relationship with the external auditor and negotiate and agree their terms of engagement, including any engagement letter issued at the start of each audit, the scope of the audit and, in consultation with the CFO, agree and approve their remuneration (including fees for both the audit and non-audit services).
- (c) Independence and expertise
 - (i) review and assess on an annual basis the external auditor's independence and objectivity.

5.5 Protected Disclosures

The Committee shall review the effectiveness, adequacy and security of the Company's arrangements for its employees, (including contractors' employees), to raise concerns, in confidence, about possible wrongdoing in financial reporting, compliance or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

5.6 Fraud

The Committee shall annually review the Company's procedures for reducing the risk of fraud, including cybersecurity. It shall report to the Board if any fraud or material breach of cybersecurity has been detected.

5.7 Compliance

The Committee shall annually review the Company's systems and controls for ethical behaviour and the prevention of bribery and receive reports on non-compliance.

5.8 General matters

- a) Give due consideration to all applicable laws and regulations, in particular the provisions of Dutch Company Law, the QCA Corporate Governance Code and the requirements of the Dublin Euronext Growth Stock Exchange's rules and any other applicable rules, as appropriate.
- b) Arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

6. Reporting responsibilities

The Committee shall:

- 6.1 Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be included in the Board papers for a subsequent Board meeting.
- 6.2 Prepare a formal report on its activities and how the Committee has discharged its responsibilities, to be included in the Company's annual report.
- 6.3 In compiling the report referred to in Paragraph 6.2, exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant but include at least those matters that have informed the Board's assessment of whether the Company is a going concern.
- 6.4 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 6.5 Make available to shareholders these terms of reference by placing them on the Company's website.
- 6.6 The Committee chair shall attend the annual general meeting to answer any shareholder questions on the Committee's activities and areas of responsibility and shall make a statement on the Committee's activities over the year.

Adopted on the Board meeting of the Company on 18 November 2021.