

**VÅR ENERGI ASA**  
**INSTRUCTIONS FOR THE AUDIT COMMITTEE**  
**15.02.2022**

**1 OBJECTIVE**

The Audit Committee (the "Committee") is a sub-committee of the Board of Directors (the "Board") and its objective is to act as a preparatory body in connection with the Board's supervisory roles with respect to audit, financial reporting and the effectiveness of the Company's internal control and risk management system, as well as other tasks assigned to the Committee in accordance with the provisions set forth in these Instructions.

The Committee supports the Board in the administration and exercise of its responsibility for supervision in accordance with applicable provisions of the Companies Act and other relevant legislation.

**2 ORGANISATION**

The Board determines the instructions for, and composition of, the Committee.

The members of the Committee shall be elected among the members of the Board. No members of the executive management team may be members of the Committee.

The Committee shall collectively have such qualifications which based on the Company's organisation and business are necessary to perform its tasks. At least one member of the Audit Committee shall be independent of the business and have qualifications within accounting or auditing.

The chair and members of the Committee are appointed by the Board and may be appointed for specified terms. Membership of the Committee will be reviewed annually by the Board

The Company shall provide the Committee with the financial resources required to perform its duties. The Committee shall have full access to all books, records, and personnel of the Company, as well as the external auditor of the Company. The Committee may also retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of its duties.

It is not the responsibility of the Committee to plan or conduct audits or to determine whether the Company's financial statements are complete, accurate, or in accordance with IFRS, US GAAP, NGAAP, or similar (pending what accounting legislation the Company follows).

**3 MEETINGS**

The Committee shall meet as often as it deems necessary to perform its duties, but normally at least 3 times every year. The Committee shall as a minimum meet prior to the release of the Company's annual report and half-yearly interim financial report. The Committee shall draw up an annual meeting plan. Interim meetings may be called

for if a member of the Committee so requires.

The Company's chief financial officer (CFO) will be the executive management's main representative in relation to the Committee and will participate in the Committee meetings, unless otherwise instructed by the Committee. Members of the Board of directors are entitled to participate in the Committee meetings as well as the Company's CEO unless otherwise instructed by the Committee.

The external auditor and the internal auditor will participate in meetings when matters falling within the scope of the auditor's responsibilities are considered.

Meeting agendas shall be prepared and provided in advance to members, along with appropriate briefing materials. The Company's CFO shall have the responsibility to prepare, finalise and submit such materials, in addition to act as a secretary, to the Committee. Minutes of all Committee meetings shall be prepared.

#### **4 RESPONSIBILITIES**

The Committee's primary responsibilities include:

- review, monitor and advice on internal audit organisation, the annual audit plan and its results, including management responsiveness to audit recommendations;
- review and monitor the independent auditor's qualifications, independence, and performance.;
- overseeing head of internal audit appointment and performance;
- overseeing the external and internal auditor's relationship by discussing with the auditors the nature and rigor of the audit process, receiving, and reviewing the audit plans and other reports including responses from the management related thereto, and provide the auditors full access to the Committee, with or without the management of the Company present, to report on any and all appropriate matters;
- assessing whether non-audit services provided by the external auditor may affect the independence of the external auditor;
- make a statement on the recommendation by the Board to the general meeting on the election of the auditor, when a new auditor is being proposed elected;
- assess and submit recommendations to the Board relating to the financial limits for and nature of the assignment in connection with planned and expected services to be supplied by the external auditor. The Board may delegate to the audit committee the authority to decide individual assignments;
- review and assess the Company's annual and quarterly financial statements, focusing on:
  - a) changes in accounting principles and accounting practice;
  - b) material discretionary estimates and forward-looking statements, as well as risk relating to financial reporting;
  - c) material adjustments because of demands and recommendations by the external auditor, and
  - d) compliance with laws, regulations, and accounting standards.

- review any letters from the external auditor to the CEO and consider the management's reply;
- examining the periodic reports from the external auditor relating to: (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; (c) other material written communication between the external auditor and management;
- hold annual meetings with the external auditor at which the administration is not present;
- review with the relevant members of the management of the Company, the internal auditor, and the external auditor the quality and adequacy of the Company's systems for internal control and for managing business, regulatory and financial risks;
- monitor the Company's compliance with applicable legal and regulatory requirements, its code of ethics and management system;
- review with the relevant members of the Company's management the status of pending litigations and taxation matters and other related areas;
- reporting the Committee's activities and actions to the Board, see clause 5 below; and
- reviewing and reassessing the adequacy of these instructions annually and recommending any proposed changes to the Board for approval.

## **5 REPORTING TO THE BOARD**

The Committee shall report to the Board as deemed appropriate but at least once a year about the Committee's activities and any issues that may arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and the performance and independence of the Company's external auditor. The reporting may be in the form of written minutes of meetings, memoranda, or ad hoc presentations at meetings of the Board. Significant issues should be reported at the very next BOD meeting.