

Trinity Exploration & Production plc

Audit Committee Terms of Reference

The Audit Committee (the “Committee”) is established as a Committee of the Board of Directors (the “Board”). The role and responsibilities of the Committee shall be as detailed in these terms of reference and shall not be amended except with the approval of the Board.

1. **MEMBERSHIP**

- 1.1 The Committee shall comprise at least two members. Members of the Committee shall be appointed by the Board.
- 1.2 All members of the Committee shall be non-executive Directors, with the majority being independent non-executive Directors, and at least one of whom shall have recent and relevant financial experience. The Chair of the Board shall not be a member of the Committee.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.4 The external auditor will be invited to attend meetings of the Committee on a regular basis.
- 1.5 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to unacceptable influence.
- 1.6 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.
- 1.7 The Board shall appoint the Committee Chair who shall be a non-executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. **SECRETARY**

The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

3. **QUORUM**

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. **FREQUENCY OF MEETINGS**

The Committee shall meet at least three times a year at the appropriate times in the reporting and audit cycle and otherwise as required.

In addition to its formal meetings, the Committee shall (primarily through the chairman of the Committee) maintain an ongoing dialogue with key individuals involved in the Company's governance (including the chairman of the Board, the chief executive, the finance director, the lead partner of the external auditor and the head of any internal audit function).

At least once per year the Committee should have the opportunity to have an independent, objective discussion and debate, without the presence of management and assurance providers.

5. **NOTICE OF MEETINGS**

5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditor if they consider it necessary.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. **MINUTES OF MEETINGS**

6.1 The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

6.2 The Secretary shall ascertain at the beginning of the meeting, the existence of any conflicts of interest, and minute them accordingly.

6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

7. **ENGAGEMENT WITH SHAREHOLDERS**

The Committee Chair should attend the annual general meeting to answer shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibilities.

8. DUTIES

The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the Group as a whole, as appropriate.

8.1 Financial Reporting

- (a) The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor.
- (b) In particular, the Committee shall review and challenge where necessary:
 - (i) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company/Group;
 - (ii) the methods used to account for significant or unusual transactions where different approaches are possible;
 - (iii) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
 - (iv) the clarity of disclosure in the Company's financial reports and the context in which statements are made; and
 - (v) all material information presented with the financial statements, such as the business review/operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).
 - (vi) the Committee shall review any other statements requiring Board approval which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the AIM Rules.
 - (vii) where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

8.2 Internal Controls and Risk Management Systems

The Committee shall:

- (a) keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems; and
- (b) review and approve the statements to be included in the annual report concerning internal controls and risk management.

8.3 **Compliance, Whistleblowing and Fraud**

The Committee shall:

- (a) review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- (b) review the Company's procedures for detecting fraud; and
- (c) review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.

8.4 **External Audit**

The Committee shall:

- (a) consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor. The Committee shall oversee the selection process for a new auditor and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- (b) oversee the relationship with the external auditor including (but not limited to):
 - (i) recommendations on their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
 - (ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - (iii) assessing annually their independence and objectivity taking into account relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - (iv) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business);
 - (v) agreeing with the Board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
 - (vi) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;

- (vii) assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures; and
- (viii) seeking to ensure co-ordination with the activities of the internal audit function;
- (ix) evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee; and,
- (x) develop and recommend to the Board the Company's formal policy on the provision of non-audit services by the auditor, including prior approval of non-audit services by the Committee and specifying the types of non-audit service to be preapproved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include consideration of the following matters:
 - (A) threats to the independence and objectivity of the external auditor and any safeguards in place;
 - (B) the nature of the non-audit services;
 - (C) whether the external audit firm is the most suitable supplier of the non audit service;
 - (D) the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
 - (E) the criteria governing compensation.
- (c) meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit;
- (d) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement; and
- (e) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - (i) discussion of any major issues which arose during the audit;
 - (ii) any accounting and audit judgements;
 - (iii) levels of errors identified during the audit;
 - (iv) the effectiveness of the audit.

The Committee shall also:

- (f) review any representation letter(s) requested by the external auditor before they are signed by management;
- (g) review the management letter and management's response to the auditor's findings and recommendations; and
- (h) develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

9. **REPORTING RESPONSIBILITIES**

- 9.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall if requested produce a report on its activities to be included in the Company's annual report.

10. **OTHER MATTERS**

The Committee shall:

- (a) have access to sufficient resources and training in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) be responsible for co-ordination of the external auditors;
- (c) oversee any investigation of activities which are within its terms of reference and act as a court of last resort; and
- (d) on a regular basis, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- (e) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance where required; and,
- (f) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

11. **CONFLICTS OF INTEREST**

- 11.1 Each member of the Committee must, at or prior to the commencement of each meeting of the Committee, disclose to the Committee:
 - (a) any financial or other interest (other than as a shareholder) that such member has in any matter to be considered at the meeting; and
 - (b) any conflict of interest.

- 11.2 A member of the Committee must not participate in any discussions concerning, and is not entitled to vote in relation to, any matter to be considered at a meeting of the Committee in which he has a direct or indirect interest or a conflict of interest.

12. **AUTHORITY**

The Committee is authorised:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;
- (b) to have unrestricted access to the Company's external auditors;
- (c) to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- (d) to call any employee to be questioned at a meeting of the Committee as and when required; and,
- (e) to have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board. If the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the committee's recommendation and the reasons why the board has taken a different position.

Approved by the Board of Directors

20 July 2023