



Audit Committee Charter

Charter for the Audit Committee of PGS ASA ("PGS" or the "Company").

Established by: The Board of Directors of PGS ASA

Effective from: 8 June 2005

Last revised: 6 December 2023

Purpose

The Audit Committee shall act as preparatory body in connection with the Board's supervisory role, with respect to controls over financial and sustainability reporting, and external audit, to prepare matters for which the Board of Directors maintain responsibility and decision making.

The Audit Committee supports the Board in the administration and exercise of the Board's responsibilities in accordance with the Norwegian Public Limited Companies Act and Norwegian securities legislation; and applicable listing standards of the securities exchanges on which the Company's securities are listed.

Composition and structure

The members of the Audit Committee shall meet the independence, expertise and experience requirements of Norwegian law. The Audit Committee shall consist of minimum three members, each of whom shall serve at the discretion of the Board of Directors. The majority of members must be independent from the Company. At least one member shall have professional background in accounting and/or auditing and the members as a group shall have the qualifications or experience necessary to attend the duties of the Committee.

The Audit Committee and its Chairperson is appointed by the Board. The chairperson of the Audit Committee shall attend the Annual General Meeting.

Responsibilities (Duties and powers)

The primary function of the Audit Committee is to assist the Board in connection with the Board's monitoring of:

- I. The integrity of the Company's financial reporting processes, including adequate books, records and internal controls and selection and consistent application of appropriate accounting policies
- II. The independent auditor's qualifications, independence, and performance
- III. The performance of the Company's internal audit function

- IV. The integrity of the Company's sustainability reporting processes, including, measuring and reporting on relevant Key Performance Indicators in accordance with generally accepted reporting frameworks
- V. The Company's compliance with applicable legal and regulatory requirements and procedures for risk assessment and management and handling of complaints

I. Integrity of the financial reporting process

With respect to the Company's external **financial statements**, the Audit Committee shall:

- Review and discuss with management and the independent auditor the Company's quarterly and half-year interim financial statements, including the Company's disclosures, management's discussion and analysis of financial condition and results of operations, prior to the announcement of the Company's quarterly results
- Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in the annual report to shareholders under applicable laws or Oslo Stock Exchange requirements

The Audit Committee's review of the financial statements shall include in particular:

- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls
- Discussions with management and the independent auditor regarding significant financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments
- Consideration of the effect of regulatory accounting initiatives, as well as off-balance sheet structures on the financial statements
- Consideration of management's judgment about the quality, not just the acceptability, of accounting principles
- The clarity of the disclosures in the financial statements

The Audit Committee shall also discuss the results of the **annual audit** and other matters required to be communicated to the Audit Committee and the Board of Directors by the independent auditor according to professional standards:

- Receive and review the report from the independent auditor, prior to publishing the Annual Report or filing such report with regulators or the Oslo Stock Exchange, in particular:
 - all critical accounting policies and practices of the Company

- all alternative treatments of financial information that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent auditor
- other material written communications between the independent auditor and management
- Review any accounting adjustments that were noted or proposed by the independent auditor but were “passed” (as immaterial or otherwise)
- Discuss with the independent auditor any communications between the audit team and the independent auditor’s national/international office technical departments regarding auditing or accounting issues encountered during the engagement and any “management” or “internal control” letter issued, or proposed to be issued, by the independent auditor to the Company
- Review disclosures made to the Audit Committee by the Company’s CEO and CFO about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company’s internal controls

II. Oversight of the Company’s Relationship with the Independent Auditor

The Audit Committee shall consider and propose to the Board of Directors, for presentation and election by the Annual Shareholders’ meeting, the independent auditor of the Company. The Audit Committee shall also consider and propose the independent auditor’s remuneration to be determined by the Annual Shareholders’ meeting.

The Audit Committee shall support the Board in the administration and exercise of the Board’s responsibility for supervisory oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting), which shall keep the Audit Committee informed of all aspects of its work for the Company.

The Audit Committee shall:

- Ensure
 - The Company applies an appropriate selection process when appointing new audit firm as prescribed in relevant regulations and that
 - A tender process for audit firm services is concluded no later than every 10 years, and that
 - No audit firm is appointed for longer than 20 years and that,
 - The lead audit partner is appointed no longer than seven years.
- Pre-approve all auditing services and permitted non-audit services to be provided by its independent auditor and shall to the extent it deems necessary or appropriate, retain and compensate independent legal, accounting or other advisors

- Obtain and review at least annually a report from the independent auditor, regarding the independent auditor's internal quality-control procedures, any material issues raised within the preceding five years by the independent auditor's internal quality-control reviews, by peer reviews of the firm, or by any governmental or other inquiry or investigation relating to any audit conducted by the firm. The committee will also review steps taken by the independent auditor to address any findings in any of the foregoing reviews. Also, in order to assess auditor independence, the committee will review at least annually all relationships between the independent auditor and the Company
- Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the independent auditor's independence, taking into account the opinions of management and personnel responsible for the internal audit function. Such evaluation should include the review and evaluation of the lead partner
- Confirm the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Discuss with the independent auditor matters of audit quality and consistency and any significant auditing or accounting issues presented by the audit engagement on which the audit team has consulted with their national/ international office
- Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit

III. Oversight of the Company's Internal Audit Function

The Audit Committee shall:

- Consider and approve, in consultation with management, amendments to the charter of the internal audit function
- Review, at least annually, the internal audit resources and its mission, responsibilities, independence, budget and staffing and any recommended changes in the planned scope of the internal audit
- Review the significant issues raised in reports to management prepared by the Company's internal audit function and management's responses
- Review the Company's internal system of audit and financial controls and the results of internal audit reviews

IV. Integrity of the ESG reporting

The Audit Committee shall:

- Oversee the Company's execution and internal controls over:
 - Measuring of relevant Key Performance Indicators (KPI) for the Company's defined sustainability goals
 - Compliance with the sustainability reporting regulations
 - The compilation and disclosure of the Company's sustainability reports
- Review the Company's sustainability reports and provide its recommendations to the Board of Directors before approval

V. Compliance Oversight Responsibilities

The Audit Committee shall:

- Discuss with the independent auditor whether they are aware of any illegal acts that may have an implication with any provisions under the Oslo Stock Exchange rules or Norwegian accounting standards that have come to their attention during the course of the audit or other services provided
- Obtain reports from management, the Company's internal audit function and the independent auditor concerning whether the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements
- Review reports and disclosures of related party transactions
- Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations, including the Company's Code of Conduct and Ethics and its procedures for complying with the Anti-Corruption laws and regulations
- Discuss with management the Company's risk assessment process and risk management policies and the Company's major financial and sustainability risk exposures' including regard to business interruption and the steps management has taken to monitor and control such exposures
- Review disclosures made to the Audit Committee by the Company's CEO and CFO about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters
- Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports, which raise material issues regarding the Company's financial statements or accounting policies
- Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies

Procedures

The Audit Committee shall meet as often as it deems appropriate and necessary, but not less frequently than quarterly. The Audit Committee will meet according to the pre-planned dates, when called by the Audit Committee chairperson, or by two members, or when requested by the chairperson of the Board of Directors, or the CEO. A majority of the appointed members of the Audit Committee shall constitute a quorum.

The Audit Committee shall meet periodically with management, internal audit and the independent auditors in separate executive sessions, and also in executive session with only the Audit Committee members. The Audit Committee may request any officer or employee of the Company or its outside counsel or independent auditors to attend one of its meetings, or to meet with any of its members, or consultants.

Accountability

The Audit Committee shall prepare minutes of meetings on a regular basis.

The chairperson of the Audit Committee shall provide regular reports to the Board on the work of the Audit Committee which shall contain recommendations for Board action when appropriate. The chairperson of the Audit Committee shall ensure that all matters before the Audit Committee requiring the decision of or prompt information to the Board of Directors are placed on the agenda of the Board Meeting.

At least annually, the chairperson of the Audit Committee shall inform the board of directors of the outcome of the financial audit and explain how the audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process

The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall conduct an annual performance evaluation of its activities.
