

An aerial photograph of an industrial facility, likely a refinery or chemical plant, featuring numerous distillation columns, storage tanks, and processing units. The facility is surrounded by parking lots with several cars and some residential-style buildings. A tall flare stack is visible on the right side. The image is partially obscured by a large, semi-transparent yellow overlay that covers the bottom-left and bottom-center portions of the page.

AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER

VERSION: 1.0



TABLE **OF CONTENTS**

1. PURPOSE OF CHARTER	4
2. PURPOSE OF AUDIT RISK AND COMPLIANCE COMMITTEE	6
3. AUTHORIZATION	8
4. ROLES AND RESPONSIBILITIES OF THE ARCC	10
5. COMPOSITION	18
6. MEETINGS	22
7. DISCLOSURE REQUIREMENTS	26
8. MEMBERS' DUTY TO RECUSE	28
9. REPORTING TO THE SUPERVISORY BOARD	30



01

**PURPOSE
OF CHARTER**

CHARTER OBJECTIVES

The Audit, Risk and Compliance Committee (ARCC or “the Committee”) Charter outlines the operations of the Committee and is intended to assist members in the discharge of their responsibilities. It also seeks to delineate the roles and responsibilities of the Committee from that of the Executive Board in order to maintain its independence and regulate its activities in accordance with good corporate governance principles and established practices.

This Charter is not intended to supersede any applicable governing legislation or regulations.

REVIEW OF CHARTER

This Charter is to be biennially reviewed, updated and approved by the Supervisory Board and Executive Board.

However, the Charter may be updated between the assigned review dates as necessary, based on changes in regulation, legislation, business processes, the strategic direction of the Company, the outcomes of risk assessment or the identification of any other material content gaps.



02

PURPOSE OF AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee is a Committee of the Supervisory Board established to assist the Supervisory Board in the effective discharge of its independent oversight responsibilities with respect to the following:

- The quality, integrity and standards of financial statements and related note disclosures.
- Verifying the independence and qualification of the Company's external auditor as defined by International Auditing Standard (IAS- 200).
- The internal and external audit processes, specifically in relation to the existence, adequacy and testing of the accounting controls employed to support the preparation of financial statements and the audit.
- Oversight of the Company's risk management framework, inclusive of processes for monitoring and managing Staatsolie's current risk profile, risk appetite, risk limits and risk targets.
- Oversight of the monitoring, adequacy and effectiveness of the Company's internal controls framework.
- Compliance with laws, regulatory directives, guidelines and financial reporting requirements of jurisdictions applicable to the Company and its subsidiaries.
- Compliance with the Company's Code of Conduct.



03

AUTHORIZATION

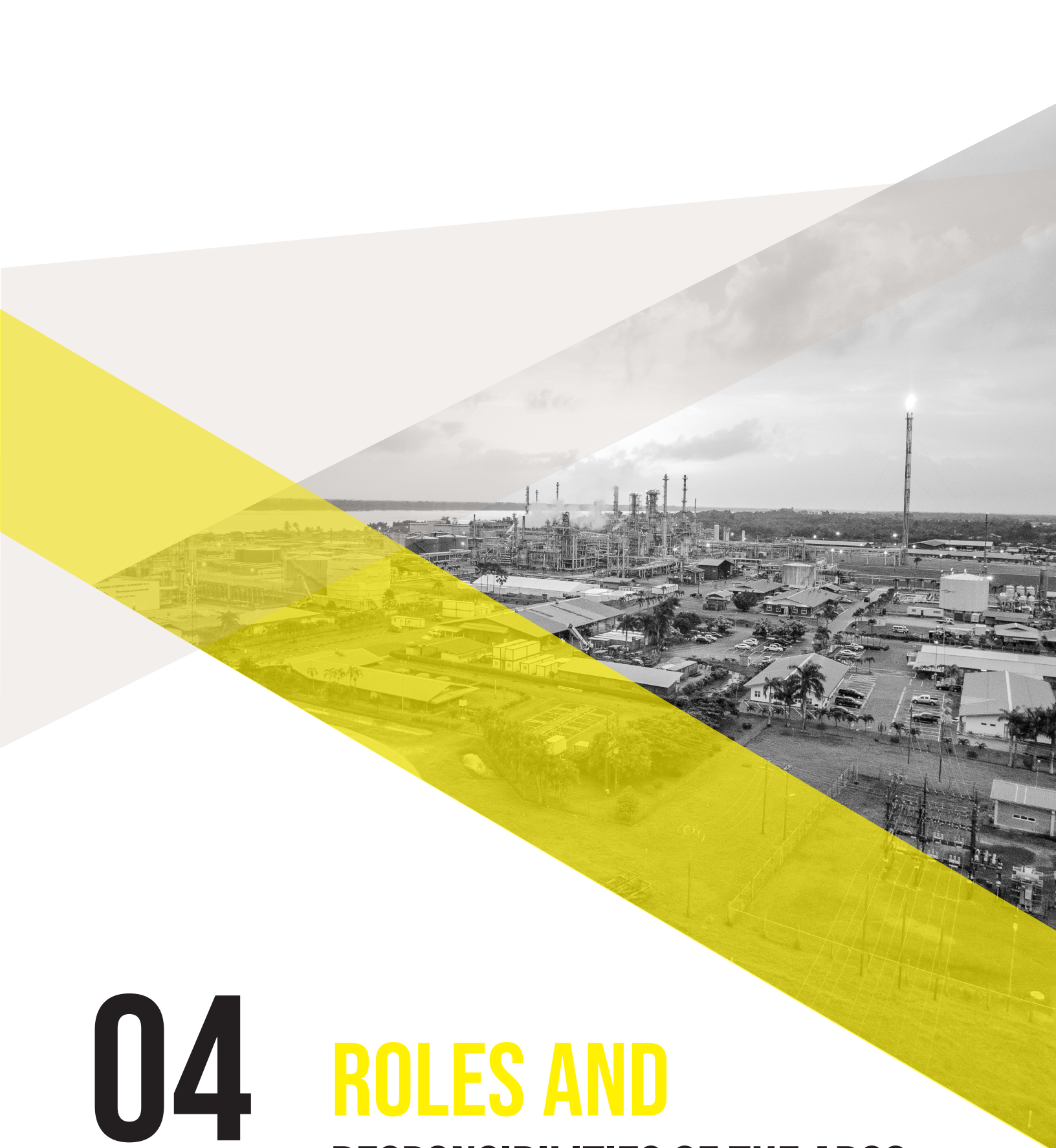
In discharging its duties, the ARCC shall operate under the delegated authority of the Supervisory Board and shall have the authority to:

GENERAL

- Conduct investigations into matters within its scope of responsibility.
- Meet and obtain any information it requires from staff, Management, Executive Management, Directors, regulators, auditors, advisors, legal counsel and consultants or service providers.
- Retain outside audit, legal counsel, accounting, information technology, management consultancy, human resources or other specialist advisors.
- Provide or endorse recommendations in relation to operational performance and management controls arising from internal and external audit reviews (the Committee shall have no executive or supervisory powers in relation to its recommendations save and except where the Supervisory Board has delegated decision-making authority to the Committee on a particular issue).

APPROVAL AUTHORITY

- To approve annual internal audit operating budgets and internal audit plans.
- To approve co-sourcing service providers, consultants or other service providers to be engaged by risk and internal audit.
- To pre-approve or adopt appropriate procedures to pre-approve all external audit and non-audit services to be provided by the external auditor.
- To recommend risk limits and accountabilities for risk remediation strategies for approval by the Supervisory Board.
- To approve protocols for escalating significant risk exposures and non-compliance issues.
- To request attendance from any employee (including Executive Directors) at any ARCC meeting.



04

ROLES AND RESPONSIBILITIES OF THE ARCC

The Committee shall have the following duties and responsibilities:

FUNCTIONAL OVERSIGHT

- The ARCC has responsibility for providing functional oversight for the Company's Internal Audit Department (IAD) in line with the IAD's respective terms of reference, professional standards and other expectations set out in their approved Charters.

FINANCIAL STATEMENTS

- Independently and objectively reviewing financial statements of Staatsolie and its subsidiaries and providing reports on such statements to the Supervisory Board Members prior to approval by the Supervisory Board.

To this end, the ARCC shall, have responsibility for inter alia:

- Having a principal role in overseeing the financial statements.
- Establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting treatments and internal accounting controls.
- Verifying that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the financial statements.
- Reviewing and validating that financial statements conform to the International Financial Reporting Standards or other applicable standards.
- Reviewing regulatory filings and annual report for completeness and accuracy.
- Receiving from Management, reports on any significant litigations in which Staatsolie and its subsidiaries may be involved, with potential material financial impact.
- Reviewing the proposed presentation of the financial statements prior to publication or distribution to external parties.

- Reviewing significant accounting and reporting issues, including any major estimates or judgements used, the treatment of complex or unusual transactions and any recent professional or regulatory pronouncements and understanding their impact on financial reporting.
- Reviewing the process adopted by the Director of Finance leading to their written confirmation to the Supervisory Board that:
 - a. The consolidated financial report presents a true and fair view, in all material respects, of the financial condition and operational result of the company and its subsidiaries and are in accordance with International Financial Reporting Standards.
 - b. The confirmation is founded on a sound system of risk management, internal compliance and control and that this system is operating efficiently and effectively in all material respects.
 - c. The information is clear and consistent with the Committee's knowledge about the Company and its subsidiaries and their operations.

EXTERNAL AUDIT

- Recommending the proposed external auditor (including the recommend compensation) to the Supervisory Board for approval and ratification by the Company's shareholders.
- Reviewing the external auditor's qualifications and independence.
- Directly monitoring, appraising and overseeing the performance of the external auditor.
- Setting clear policies with respect to the periodic rotation of external audit leaders/partners.
- Reviewing in conjunction with the external auditors the accounting policies and practices and make such recommendations to the SOBD for improvement as it sees fit.
- Reviewing and agreeing the external audit plan in accordance with the audit engagement objectives and overseeing the management of any ongoing external audit issues.
- Reviewing the external auditor's management letter and discussing the issues directly with the external auditor.
- Reviewing with the external auditor any audit problems or difficulties and Management's responses thereto.
- Reviewing significant disagreements with Management and, where possible, resolving any disagreements between Management and the external auditor.
- Pre-approving all non-audit services to be provided by the external auditor.
- Requiring the external auditor to confirm in its engagement letter annually that it is accountable to the Supervisory Board and the ARCC and will be available to attend the annual general meeting.
- Meeting with the external auditor outside the presence of the Executive Board and Management periodically.

INTERNAL AUDIT

- Reviewing and recommending the proposed internal audit charter and policies that govern the internal audit function to the Supervisory Board for approval.
- Recommending proposals regarding the appointment (including the recommended compensation), replacement, or dismissal of the Corporate Audit Manager to the Supervisory Board for approval.
- Verifying that no unjustified restrictions or limitations are placed upon the actions and scope of activities of the internal audit function.
- Reviewing and approving the internal audit budget, resource plan, activities, and organizational structure.
- Approving the annual internal audit plan and all major changes to the plan.
- Reviewing the independence, objectivity, proficiency, quality and overall performance of the internal audit function in accordance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.
- Reviewing the performance of the Corporate Audit Manager and approving any salary adjustments in accordance with the Company's agreed performance management systems.
- Reviewing internal audit reports together with management responses, including the follow-up of issues and recommendations included within these reports.
- On a regular basis, meeting separately with the Corporate Audit Manager to discuss ongoing activities and any other matters that the committee or internal audit deem appropriate.

RISK MANAGEMENT

- Overseeing the establishment and implementation by the Executive Board of a system to effectively identify, assess, monitor and manage risks.
- Reviewing and recommending risk management policies to the Supervisory Board for approval.
- Recommending proposed risk limits and the ownership for risk remediation strategies to business units/divisions to the Supervisory Board for approval.
- Approving proposed resource allocations based on prioritization of risk monitoring and control activities in relation to business operations.
- Approving protocols for escalating significant risk exposures and non-compliance issues and escalating risk issues that are not being addressed in a timely manner, based on escalation protocols.
- Reviewing proposed risk appetite statements and recommending to the Supervisory Board for approval on an annual basis, or subsequent to changes in strategic objectives or the internal/external environment.
- Reviewing and validating the Company's risk profile on a quarterly basis and updating if necessary to proactively highlight emerging risks.
- Reviewing the effectiveness of the system for oversight and management of material business risks and monitoring Management actions in addressing unacceptable levels of risks.
- Reviewing quarterly reports from the Corporate Risk Lead in relation to significant risks, critical risk trends and the related risk mitigating strategies.
- Meeting with the Corporate Risk Lead on a quarterly basis, to discuss ongoing risk management activities, the implementation status of risk related items and any other issues or concerns that the committee or Corporate Risk Lead deem appropriate.

COMPLIANCE

- Reviewing the effectiveness of the Company's systems for monitoring compliance with its statutory/regulatory obligations and the results of any investigations in relation to instances of non-compliance.
- Reviewing the effectiveness of processes for employee communication and attestation of Company's Code of Conduct.
- The Committee shall review with senior management the Company's overall anti-fraud programs and controls.
- Monitoring and reviewing compliance with the Company's Code of Conduct and key corporate governance policies (conflict of interest, whistleblower etc.) and verifying that appropriate supporting procedures have been established for the receipt, retention and treatment of confidential submissions.
- Receiving quarterly updates from the Integrity Committee on all areas of non-compliance with the Code of Conduct and the results of any ongoing investigations, or follow-up actions (including disciplinary action) in relation to breaches of the Company's Code of Conduct.

SPECIAL INVESTIGATIONS

- To request the initiation of special investigations or assessments on behalf of the Supervisory Board into any aspect of the operations of Staatsolie and its subsidiaries (such as investigating conflicts of interest, financial statement investigations, other irregularities etc.). These may be instigated by the ARCC at its own discretion or as sanctioned by the Supervisory Board.
- To identify, and recommend to the Supervisory Board for approval, the appropriate fit and proper resources for the investigation, including the extent to which internal resources can be utilized and the expanded need for independent external resources/subject matter experts to also be engaged.

OTHER RESPONSIBILITIES

- Perform other activities related to this charter as requested by the Supervisory Board.
- Review and assess the adequacy of the ARCC Charter at least biennially, requesting Supervisory Board approval for proposed changes, and appropriate disclosure as may be required by law or regulation.
- Confirm biennially that all responsibilities outlined in this Charter have been carried out.
- Openly participate in the annual evaluation the ARCC's performance on an individual and collective basis.



05

COMPOSITION

MEMBERSHIP

The ARCC will comprise of non-executive independent members of the Supervisory Board and shall not include:

- a) The Chairman of the Supervisory Board.
- b) The Chairman of other Supervisory Board Committees.

The ARCC shall be comprised of at least three (3) but no more than five (5) Supervisory Members.

ARCC MEMBER CRITERIA

In addition to the criterial detailed in the Supervisory Board profiles appended to the Supervisory Board Charter, ARCC members must possess the following qualities:

- At least one ARCC member shall be a Chartered Accountant in good standing with the Suriname Institute of Chartered Accountants or an internationally recognized professional accounting body with a proficiency in International Financial Reporting Standards, financial statement auditing and financial reporting.
- At least one ARCC member shall have at least 5 years combined experience in areas such as internal control evaluation, risk management and financial statement audit.
- The Chairman and all members of the ARCC must be financially literate with a working knowledge of the oil and gas industry and the related inherent risks and mitigation activities common to the industry.
- Members shall not serve on the audit committees of more than three separate Companies simultaneously unless the Supervisory Board determines that such simultaneous service would not impair the member's ability to serve effectively on the ARCC.
- ARCC members are expected to attend at all meetings during the year.

TENURE

- The ARCC Chairman and its members shall be appointed or reappointed at a meeting of the Supervisory Board where the agenda includes the review and approval of nominations to the approved Supervisory Board Committees and where nominations are supported by a nomination note on the recommended member's qualifications, experience, skills and independence to serve.
- The term of appointments to the ARCC, including that of the Chairman, shall be for a period of two years or until the members' death, resignation, removal or disqualification. Reappointments shall be for a term of a further two years.
- In order to support good governance practices and to adhere to leading international standards, a person appointed as ARCC Chairman or ARCC member may not serve as a member of the ARCC in any capacity for a period of more than two consecutive terms.
- The appointment and removal of ARCC members shall be the responsibility of the Supervisory Board

INDUCTION AND TRAINING

- ARCC members should receive at the start of their appointment, an orientation providing guidance on:
 - Their terms of reference, authority, independence and the standards expected to be applied in practice by the ARCC.
 - Financial statement preparation, review, audit and approval process and the underlying systems that relate to the Company and its subsidiaries, including a tutorial on key risks inherent to such processes.
 - The Company's current approach to risk management, including an overview of the Company's current risk appetite and risk profile.
- Annual training must also be provided so that ARCC members are kept abreast of significant developments in the Company's financial reporting requirements and its legislative/regulatory obligations.

EVALUATION

- The ARCC must undertake an annual performance evaluation. This evaluation shall examine the performance of the Committee and individual members in relation to the expectations and responsibilities specified in this Charter.
- The Supervisory Board shall set the specific terms of reference and specify the manner in which the annual performance evaluation shall be conducted.

COMPENSATION

- In addition to normal Supervisory Board remuneration, members of the ARCC shall be paid such fees or other compensation as the Supervisory Board, after consultation with the Company's shareholders, may determine.

SUCCESSION PLANNING

- It is essential for the ARCC to remain active and in operation without any disruption or circumstances that can give rise to not having an appointed ARCC.
- To facilitate adequate succession planning, the Nomination and Remuneration Committee shall inform the Supervisory Board of the pending expiration of any ARCC member's term at the Supervisory Board Meeting at least six (6) months prior thereto.



06

MEETINGS

Meetings of the Committee shall be convened and presided over by the Chairman with the agenda for upcoming meetings being set by the Chairman.

The following individuals shall have a standing invitation to attend ARCC meetings:

- Finance Director
- External auditor
- Corporate Audit Manager
- Corporate Risk Lead

The Chairman should structure meetings to facilitate periodic ARCC discussions with the external auditor and Corporate Audit Manager outside the presence of the Executive Board and Management.

The Chairman of the ARCC may also invite or approve the invitation of any member of the Executive Board, Management Team, other staff member or external service provider to attend a meeting.

QUORUM

- The quorum for meetings of the ARCC shall be three (3) members where one of the three (3) members must include the Chairman and in the absence of its Chairman, the three or more members present shall elect one of its members to perform the duties of Chairman for that meeting.
- Decisions of the ARCC shall be taken during meetings, or in the case where the Chairman shall so direct, by circulation of papers amongst the members.
- Decisions shall be by a majority of votes during meetings, or unanimously by circulation of papers amongst members. All decisions made by circulation of papers shall be ratified in the next ARCC meeting.
- In the event of an equality of votes, the Chairman shall have the casting vote.

FREQUENCY

- The ARCC shall meet at least four (4) times per annum or more frequently as it may determine. The Chairman may convene a meeting at any time for the consideration of urgent matters.
- A meeting may be held using any means of audio or audio-visual communication.

ROLE OF ARCC SECRETARY

The ARCC shall appoint a secretary to manage the day-to-day administrative activities of the ARCC (the Supervisory Board Secretary may also act as Secretary of the Supervisory Board's Committees).

The ARCC Secretary shall work in consultation with the Corporate Secretary. The Corporate Secretary will be responsible for coordinating the ARCC Secretary's activities in relation to the following:

- Attend all meetings. In their absence, the members of the ARCC shall appoint another senior officer to act as ARCC Secretary.
- Except as determined by the Chairman, schedule ARCC meetings and circulate documents and agendas of upcoming meetings to members at least three (3) days before the time fixed for respective meeting.
- Prepare minutes of each meeting in proper form, noting time and place, attendees, matters discussed, and decisions taken. Each member's interest shall be recorded in the minutes.
- If required, advise the Chairman on the proper conduct and mandatory requirements of any meeting.
- Manage internal and external correspondence on behalf of the ARCC.
- Secure and manage access to ARCC minutes and other key documentation related to the ARCC. Minutes of Committee meetings must be included in the papers for the next full Supervisory Board meeting.



07

**DISCLOSURE
REQUIREMENTS**

- On an annual basis or upon discovery of a material personal change, each ARCC member shall disclose to the Supervisory Board any personal material changes which has potential to affect their competence, independence or availability.
- The Supervisory Board shall then consider whether changes in the circumstance of any ARCC member are likely to affect the independence or availability of the ARCC member.
- With reference to the above, the Supervisory Board shall determine whether the affected ARCC member would be fit and proper to continue on the ARCC, whether any specific recusals are required or whether the affected Supervisory Board member should be replaced by another Supervisory Board member.
- The Supervisory Board shall disclose the relevant experience and qualifications of the Committee members, the number of times the Committee met over the reporting period and the individual attendances of the members in the Annual Report.
- ARCC members must also be aware of and comply with their obligations under Staatsolie's Code of Conduct.



08

MEMBERS'

DUTY TO RECUSE

Where the Supervisory Board determines that an ARCC member's independence for matters is subject to impairment and specific recusals are to take effect, it will be the responsibility of the respective ARCC member and the Corporate Secretary to verify that recusals occur in practice.



09

**REPORTING TO
THE SUPERVISORY BOARD**

The ARCC shall:

- Provide update reports to the Supervisory Board regularly about the activities within its remit and make recommendations on the steps to be taken to address matters for which action or improvement is needed. These reports should be tabled at the next regularly scheduled meeting following the ARCC meeting.
- Bring to the Supervisory Board's attention, matters which can or have the potential to significantly impact the financial condition or affairs of the Company and its subsidiaries.
- Report the findings of the Committees' annual performance evaluation in written form and, if required, include recommendations for changes.
- Report the findings of the ARCC's biennial Charter review and, if required, include recommendations for changes.
- Provide minutes of each Committee meeting for the next meeting of the Supervisory Board.
- Provide open channels of communication between the Supervisory Board and:
 - The external auditor
 - Corporate Audit Manager
 - Corporate Risk Lead