

## **TERMS OF REFERENCE AUDIT COMMITTEE**

**OF**

**MOTORK PLC.**

### **1. Introduction**

- 1.1. These terms of reference have been prepared by the Board pursuant to clause 12.4 of the Board Rules and have been adopted by the Board with effect as of 5 November 2021.
- 1.2. The Audit Committee is a standing committee of the Board.
- 1.3. Certain capitalised terms used but not defined in these terms of reference have the meanings given to them in the Board Rules.

### **2. Composition**

- 2.1. The Audit Committee shall consist of no less than two (2) and no more than four (4) members. All members of the Audit Committee must be Non-Executive Directors. More than half of the members of the Audit Committee (including the chair of the Audit Committee) shall be independent within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code.
- 2.2. At least one member of the Audit Committee shall have competence in accounting or auditing. The members as a whole shall have competence relevant to the sector in which the Company is operating.
- 2.3. The members of the Audit Committee shall be appointed and may be replaced at any time by the Non-Executive Directors.
- 2.4. The Non-Executive Directors shall appoint one of the members of the Audit Committee as chair of the Audit Committee. The Audit Committee shall not be chaired by the Chair of the Board or by a former Executive Director of the Company.
- 2.5. Generally the term of office of a member of the Audit Committee will not be set in advance. It will, inter alia, depend on the composition of the Board as a whole and other committees of the Board from time to time.

### **3. Duties and responsibilities**

- 3.1. The Audit Committee is charged in particular with:

- (a) informing the Non-Executive Directors of the results of the statutory audit and explaining how the statutory audit has contributed to the integrity of the financial reporting and the role that the Audit Committee has fulfilled in this process;
- (b) the monitoring of the financial reporting process and the preparation of proposals to safeguard the integrity of said process;
- (c) the monitoring of the efficiency of the internal management system, the internal audit system (if any) and the risk management system with respect to financial reporting;
- (d) the monitoring of the statutory audit of the (consolidated) annual accounts, and in particular the process of such audit;
- (e) the review and monitoring of the independence of the External Auditor, with a special focus on other services provided to the Company; and
- (f) the adoption of a procedure for the selection of the External Auditor and the nomination for appointment of the External Auditor with respect to the statutory audit of the (consolidated) annual accounts.

3.2. The Audit Committee is furthermore charged with:

- (a) the preparatory work for the Non-Executive Directors' decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. Among other things, it shall be responsible for monitoring the Executive Directors with regard to:
  - (i) relations with, and following up of comments by, the internal audit function (if any) and the External Auditor;
  - (ii) the financing of the Company;
  - (iii) the application of information and communication technology (ICT), including risks relating to cyber security; and
  - (iv) the Company's tax policy;
- (b) the preparation of meetings of the Board where the (consolidated) annual accounts, the interim accounts and the management reports of the Company are discussed.

3.3. Each member of the Audit Committee shall have access to all relevant books, records and offices of the Company and the authority to interview officers and employees of the

Company, Directors, corporate executives and external auditors to the extent necessary or useful for the proper performance of their duties.

- 3.4. When performing its duties the Audit Committee may seek assistance or information from one or more experts appointed by it at a price agreed upon with the Audit Committee, which will be paid by the Company.
- 3.5. While the Audit Committee has the responsibilities and powers set forth in these terms of reference, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial reports are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.
- 3.6. The Audit Committee may only exercise such powers as are explicitly attributed to it by the Board and may never exercise powers beyond those exercisable by the Board as a whole.
- 3.7. The Audit Committee shall report on its deliberations and findings to the Non-Executive Directors. Any such report shall include at least the following information:
  - (a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
  - (b) the methods used to assess the effectiveness of the internal and external audit processes;
  - (c) material considerations regarding financial reporting; and
  - (d) the way material risks and uncertainties have been analysed and discussed, along with a description of the most important findings of the Audit Committee.

#### **4. Duties regarding the External Auditor**

- 4.1. The Audit Committee shall advise the Board with regard to the External Auditor's nomination for appointment, reappointment or dismissal and shall be responsible for the selection of the External Auditor. During the aforementioned tasks the Audit Committee shall give due consideration to the observations of the Board. Furthermore, the (preparation of the) selection of the External Auditor shall be in accordance with Section 16 of Regulation (EU) no. 537/2014, as reflected in Annex 1.
- 4.2. The Audit Committee shall submit a proposal to the Non-Executive Directors for the External Auditor's engagement to audit the (consolidated) annual accounts, taking into account the scope of the audit, the materiality to be used and the remuneration for the audit. The Non-Executive Directors shall resolve on the engagement.
- 4.3. The Audit Committee should annually discuss with the external auditor:

- (a) the scope and materiality of the audit plan for the Company and the principal risks of the annual reporting identified by the external auditor in the audit plan; and
  - (b) based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the financial statements and the management letter.
- 4.4. The Audit Committee shall determine whether, and if so, how the External Auditor should be involved in the content and publication of financial reports of the Company other than the (consolidated) annual accounts.
- 4.5. The Audit Committee shall request that the External Auditor includes in its report the matters which the External Auditor wishes to bring to the attention of the Board in relation to its audit of the (consolidated) annual accounts and the related audits.

## **5. Meetings**

- 5.1. The Audit Committee will meet as often as is required for its proper functioning, but at least four times each year to coincide with key dates in the financial reporting and audit cycle.
- 5.2. The quorum of any meeting shall be one member in case the Audit Committee is composed of two members. The quorum of any meeting shall be two members in case the Audit Committee is composed of three or four members.
- 5.3. An Audit Committee meeting is convened by the chair of the Audit Committee or, in his absence, any other Audit Committee member. The notice shall contain the meeting's agenda and shall be issued by e-mail. The chair of the Audit Committee shall make every effort to ensure that there is sufficient time between the notice and the date of the meeting.
- 5.4. The chair of the Audit Committee or, in his absence, any other Audit Committee member shall keep minutes of the meeting which shall be adopted in the same meeting or in the next meeting of the Audit Committee.
- 5.5. Each member of the Audit Committee has one vote. Resolutions will be taken by a simple majority of the votes. In case of a tie vote the vote of the chair is the decisive vote.
- 5.6. The duty of the chair is, in particular, to ensure the proper functioning of the Audit Committee. Furthermore, it is also the duty of the chairman to receive any reports from the external auditor as to misconduct or irregularities in the performance of his/her duties or any suspicions thereof.
- 5.7. The Audit Committee shall meet with the External Auditor as often as it considers necessary, but at least once a year, outside the presence of the Board.

- 5.8. The CFO, the internal auditor (if present) and the External Auditor shall attend the Audit Committee meetings, unless the Audit Committee determines otherwise. The Audit Committee shall decide whether and, if so, when the CEO shall attend its meetings.
- 5.9. The Audit Committee may invite to its meetings any Executive Director or Non-Executive Director, general management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

**6. Miscellaneous**

- 6.1. The Board may amend these terms of reference and/or revoke any powers granted by it to the Audit Committee.
- 6.2. These terms of reference together with the relevant provisions of the Board Rules, govern the organisation, decision-making and other internal matters of the Audit Committee. In performing their duties, the members of the Audit Committee shall comply with this charter and the relevant provisions of the Board Rules.

## Annex 1

### Selection procedures regarding the External Auditor

Unless it concerns the renewal of an audit engagement, the recommendation of the Audit Committee referred to in Clause 4.1 of these terms of reference shall be prepared following a selection procedure organised by the Company respecting the following criteria:

- (a) the Company shall be free to invite any audit firm to submit a proposal for the provision of the statutory audit service on the condition that the selected audit firms are included in the register with the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten, AFM*) in accordance with Section 12 Dutch Audit Firms Supervision Act (*Wet toezicht accountantsorganisaties*);
- (b) the Company shall prepare tender documents for the attention of the invited audit firms. Those tender documents shall allow them to understand the business of the Company and the type of statutory audit that is to be carried out. The tender documents shall predefine transparent and non-discriminatory selection criteria that shall be used by the Company to evaluate the proposals made by the invited audit firms;
- (c) the Company shall be free to determine the selection procedure and may conduct direct negotiations with the invited audit firms in course of the procedure;
- (d) where the AFM requires audit firms to comply with certain quality standards, the Company shall include those standards in the tender documents;
- (e) the Company shall evaluate the proposals made by the invited audit firms in accordance with the predefined selection criteria in the tender documents. The Company shall prepare a report on the conclusions of the selection procedure, which shall be validated by the Audit Committee. The Company and the Audit Committee shall take into consideration any findings or conclusions of any inspection report on the invited audit firm; and
- (f) the Company shall be able to demonstrate, upon request, to the AFM that the selection procedure was conducted in a fair manner.

The Audit Committee is responsible for the selection procedure referred to in this Annex 1.