

## TERMS OF REFERENCE FOR THE AUDIT AND RISK COMMITTEE

### Membership and attendance

The audit and risk committee (the “**Audit and Risk Committee**”) was constituted at a meeting of the board of directors (the “**Board**”) of 1947 Oil & Gas Plc (the “**Company**”) held on 21 September 2026 pursuant to the articles of association of the Company.

The Audit and Risk Committee is appointed by the Board from amongst the non-executive directors of the Company (the “**Non-Executive Directors**”). The Non-Executive Directors are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Audit and Risk Committee shall have at least three members and at least one member should have recent and relevant financial experience, ideally with a professional qualification from one of the professional accountancy bodies, and it should be made clear to the members of the Audit and Risk Committee which member(s) have that experience. The Audit and Risk Committee shall, where possible, include at least one member of the Remuneration Committee.

The Audit and Risk Committee comprises:

- Stephen Bullock (*as Audit and Risk Committee Chairperson*);
- Paul Richards; and
- Jeff Currie.

The key responsibilities of the Audit and Risk Committee Chairperson shall include:

- setting agendas for Audit and Risk Committee meetings, chairing those meetings and ensuring the effective operation of the Audit and Risk Committee;
- shall review the Company's arrangements for its employees 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;
- ensuring that comprehensive information is available in advance of meetings to enable informed decision making;
- ensuring that the Audit and Risk Committee addresses all the tasks delegated to it;
- engaging with shareholders and other stakeholders on significant matters relating to the Audit and Risk Committee's area of responsibility;
- communicating the work of the Audit and Risk Committee through the relevant sections of the Company's annual report and accounts; and
- answering questions on the Audit and Risk Committee's activities at shareholder meetings.

Generally, only members of the Audit and Risk Committee have the right to attend Audit and Risk Committee meetings, however, the CFO will be invited to attend meetings as well as other directors or external advisers as required.

The Audit and Risk Committee may ask a representative of the external auditors to attend the meetings of the Audit and Risk Committee on a regular basis.

Members of the Audit and Risk Committee are named in the annual report and accounts of the Company.

Appointment to the Audit and Risk Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the Audit and Risk Committee.

### Quorum

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

### **Frequency of meetings**

The Audit and Risk Committee meets at least twice a year at appropriate times in the reporting and audit cycle and at such other times as the Audit and Risk Committee requires.

Meetings are arranged to tie in with the publication of the Group's financial statements, allowing at least three business days prior to a Board meeting where accounts of financial statements are to be approved.

### **Notice of meetings**

Meetings of the Audit and Risk Committee are summoned by the Company Secretary at the request of any member thereof, a member or at the request of external or internal auditors if they consider it necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed are forwarded to each member of the Audit and Risk Committee, and any other person required to attend and all other Non-Executive Directors, no fewer than five working days prior to the date of the meeting. Supporting papers are sent to Audit and Risk Committee members and to other attendees, at the same time.

Meetings of the Audit and Risk Committee may be conducted when the members are physically present or in the form of either a video or audio conference.

Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

### **Minutes of meetings**

The Company Secretary minutes the proceedings and resolutions of all meetings of the Audit and Risk Committee, including recording the name of those present and in attendance.

Draft minutes of each meeting shall be circulated promptly to all members of the Audit and Risk Committee by the Company Secretary. Once approved, the executed minutes of each meeting shall be circulated to all members of the Audit and Risk Committee, all other members of the Board and to the external auditors of the Company, unless it would be inappropriate to do so in the opinion of the Audit and Risk Committee Chairperson.

The Company Secretary ascertains, at the beginning of each meeting, the existence of any conflicts of interest (as further detailed under "Voting arrangements" below) and minutes them accordingly.

### **Voting arrangements**

Each member of the Audit and Risk Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Audit and Risk Committee.

Each member of the Audit and Risk Committee shall disclose to the Audit and Risk Committee:

- any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; and/or
- any potential conflict of interest arising from a cross-directorship or otherwise.

If a matter that is considered by the Audit and Risk Committee is one where a member of the Audit and Risk Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting, and (if so required by the Board) shall resign from the Audit and Risk Committee or absent themselves from all or part of the meeting of the Audit and Risk Committee in question.

Save where he has a personal interest, the chair of the Audit and Risk Committee will have a casting vote.

## **Annual General Meeting**

The Audit and Risk Committee Chairperson attends each Annual General Meeting of the Company and responds to any Shareholder questions on the Audit and Risk Committee's activities.

## **Duties**

### *Internal control and risk assessment*

The Audit and Risk Committee shall consider any matters relating to the financial affairs of the Company and its subsidiaries (together, the "Group").

In order to assist the Board in discharging its duty to ensure that the financial statements presented by the Company to its Shareholders, confirm with all legal requirements and that the Company and its subsidiaries' financial reporting and internal control policies and procedures for the identification, assessment and reporting of risks are adequate, the Audit and Risk Committee shall keep such matters under review and shall from time-to-time make appropriate recommendations to the Board. The Audit and Risk Committee also considers the major findings or internal investigations and response of service providers and the Administrator thereto.

### *Risk identification and assessment*

The Audit and Risk Committee is also responsible for:

- advising the Board on the Group's risk strategy, risk policies and current risk exposures;
- overseeing the implementation and maintenance of the overall risk management framework and systems;
- reviewing the Group's risk assessment processes and capability to identify and manage new risks; and
- reviewing the effectiveness of the Company's IT systems and procedures.

### *Internal audit and review of third party service providers*

The Group does not currently have an internal audit function. The decision of whether or not to set up an internal audit function shall be made by the Board, on the recommendation of the Audit and Risk Committee (which shall consider annually whether there is a need for an internal audit function), based on the growth of the Group, the scale, diversity and complexity of the Group's activities and the number of employees, as well as cost/benefit considerations. If the Board recommends the appointment of an internal audit function:

- the Audit and Risk Committee shall monitor and assess the role and the effectiveness of the Group's internal audit function in the context of the Group's overall risk management system and the work of compliance, finance and the external auditor;
- the Audit and Risk Committee shall consider applications for the post or and approve the appointment of the head of the internal audit function; any dismissal of the post holder should be considered by the Audit and Risk Committee;
- the Audit and Risk Committee shall consider and approve the terms of reference of the internal audit function, and shall be advised of the planned programme of audits and the reason for any change or delay in the programme;
- the Audit and Risk Committee shall ensure the internal audit function has unrestricted scope, the necessary resources and appropriate access to information to enable it to perform its function effectively, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan and

ensure that the internal audit function is equipped to perform in accordance with the relevant professional standards for internal auditors;

- the Audit and Risk Committee shall review promptly all reports on the Group from the internal auditors;
- the Audit and Risk Committee shall determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business;
- the Audit and Risk Committee shall consider whether an independent, third-party review of processes is appropriate;
- the Audit and Risk Committee shall review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;
- the Audit and Risk Committee shall ensure the internal auditor has direct access to the chairperson of the Board and the Chairperson of the Audit and Risk Committee and is accountable to the Audit and Risk Committee; and
- the Audit and Risk Committee shall also monitor and review the effectiveness of the Group's third-party service providers.

#### *External audit*

The Audit and Risk Committee considers and makes recommendations to the Board, to be put to Shareholders for approval at each annual general meeting of the Company, as regards the appointment and re-appointment of the Company's external Auditor, as well as any questions relating to their resignation or removal, and shall ensure that key partners within the appointed firm are rotated from time-to-time. The Audit and Risk Committee oversees the selection process for a new Auditor and if an Auditor resigns, the Audit and Risk Committee investigates the issues leading to this and decides whether any action is required.

The Audit and Risk Committee oversees the relationship with the external Auditor including (but not limited to):

- approval of 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;
- approval of the terms of engagement, including any engagement letter issued at the start of each audit, the nature and scope of each audit, and, where more than one firm of auditor is used, ensuring co-ordination between them;
- assessing annually the Auditor's 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, taking into account relevant ethical guidance regarding the provision by the Auditor of the same;
- satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the Auditor and a Group Company (other than in the ordinary course of business) which could adversely affect the Auditor's independence and objectivity;
- agreeing with the Board a policy on the employment of former employees of a Group Company's Auditor, taking into account any relevant ethical standard and legal requirements, and monitoring the implementation of this policy;
- monitoring the Auditor's compliance with relevant ethical, legal, regulatory and professional guidance on the rotation of audit partners, the level of fees paid by a Group Company compared to the overall fee income of the firm, office and partner and other related requirements; and

- assessing annually the Auditor's qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external Auditor on their own internal quality procedures;
- seeking to ensure co-ordination with the activities of the internal audit function (where such function has been established); and
- evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their Auditor from the market on that evaluation.

The Audit and Risk Committee meets the external Auditor at least twice a year and reviews the findings of the audit and/or review with the external Auditor. This includes, but is not limited to, discussing any major issues resulting from the audit and/or review, accounting and audit judgement and levels of errors identified during the audit.

### *Financial statements*

The Audit and Risk Committee monitors the integrity of the financial statements of the Group, including its annual and half yearly reports, interim management statements, preliminary results announcements (if any) and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor.

The Audit and Risk Committee keeps under review the consistency of accounting policies and practices both on a year-to-year basis and across the Group.

The Audit and Risk Committee reviews and challenges, where necessary, the Group's financial statements before submission to the Board taking into account:

- decisions requiring a major element of judgement;
- the extent to which the financial statements are affected by any unusual transaction and the methods used to account for significant or unusual transactions where different approaches are possible;
- the clarity and completeness of disclosures and the context in which statements are made;
- significant adjustments resulting from the audit;
- the going concern assumption;
- whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- compliance with stock exchange and other legal requirements;
- reviewing the Company's statement on internal control systems prior to endorsement by the Board, reviewing and approving the statements to be included in the annual report concerning internal controls and risk management, and reviewing the policies and process for identifying and assessing business risks and the management of those risks by the Board;
- integrity of financial statements;
- integrity, scope and effectiveness of internal financial controls; and
- all material information presented with the financial statements, such as the strategic report and any corporate governance statement (insofar as it relates to the audit and risk management).

If the Audit and Risk Committee is not satisfied with any aspect of the proposed financial reporting by the Group, it shall report its views to the Board.

Where requested by the Board, the Audit and Risk Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, and the Audit and Risk Committee should also advise the Board on whether the annual report and accounts informs the Board's statement in the annual report on these matters.

#### *Whistleblowing investigation responsibilities*

The Audit and Risk Committee Chairperson acts as investigator to whistleblowing reports in accordance with the Group's "*Whistleblowing Policy*". The Audit and Risk Committee Chairperson handles all whistleblowing matters referred to them with high professionalism, confidentially and promptly. The Audit and Risk Committee Chairperson is independent, unbiased in carrying out the investigation and has the responsibility of acknowledging all concern(s) reported. The Audit and Risk Committee Chairperson reports on the progress of investigation to the whistleblower. The Audit and Risk Committee Chairperson refrains from discussing or disclosing matters under investigation. The CEO handles the investigation that relates to the Group's employees in line with the laid down disciplinary procedure. The Audit and Risk Committee Chairperson treats all whistleblowing concern(s) brought to his/her attention with speed.

#### *Reporting responsibilities*

The Audit and Risk Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. The report shall include: (a) the significant issues that it had considered in relation to the financial statements and how these were addressed; (b) the assessment of the effectiveness of the external audit process and its recommendations on the appointment or reappointment of the external Auditor; and (c) any other issues on which the Board has requested the Audit and Risk Committee's opinion.

In the light of its other duties, the Audit and Risk Committee makes whatever recommendations to the Board it deems appropriate and compiles a report to Shareholders for inclusion in the Group's annual report and accounts.

In compiling the reports referred to above, the Audit and Risk Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern. The report to Shareholders need not repeat information disclosed elsewhere in the annual report and accounts but could provide cross-references to that information.

#### *Other matters*

The Audit and Risk Committee has access to sufficient resources in order to carry out its duties, including access to the Company Secretary, for assistance as required.

The Audit and Risk Committee shall 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, and including training (where necessary) so that they can effectively challenge the finance team on financial reporting matters.

The Audit and Risk Committee shall give due consideration to applicable laws and regulations, the provisions of the QCA Corporate Governance Code and the requirements of the London Stock Exchange's Rules for AIM Companies as appropriate and make use of other relevant guidance available from the Financial Reporting Council and Institute of Chartered Accountants of England & Wales.

The Audit and Risk Committee is responsible for co-ordination of the internal (where such function has been established) and external Auditors.

The Audit and Risk Committee oversees any investigation of activities which are within its terms of reference and serves as the final point of escalation within the committee governance structure for such matters.

The Audit and Risk Committee makes a statement in the annual report about its composition and activities, including the number of meetings held, its members' attendance and the process used for the appointments (explaining if external advice or open advertising has not been used);

The Audit and Risk Committee considers such other matters as the Board may from time-to-time refer to it.

### **General matters**

The recommendations of the Audit and Risk Committee minutes must be approved by the Board before they can be implemented.

The Audit and Risk Committee shall work and liaise as necessary with all other Board committees, taking particular account of the impact of risk management and internal controls being delegated to different committees.

The Audit and Risk Committee shall make available these terms of reference to shareholders and include the information on the Company's website.

### **Authority**

The Audit and Risk Committee is authorised to:

- seek any information it requires from any officer or employee of the Group in order to perform its duties;
- call any member of staff to be questioned at a meeting of the Audit and Risk Committee as and when required; and
- sanction the following, subject to prior Board approval, at the Company's expense:
  - the obtaining of outside legal or other professional advice on any matters within its terms of reference and, where necessary, the attendance at its meetings of outsiders with relevant experience and expertise; and
  - the obtaining of independent legal or other professional advice by any Director, or director of any of the Company's subsidiaries, who indicates to the Audit and Risk Committee that he/she requires, or has obtained, independent legal or other professional advice in relation to their duties.

In seeking the approval of the Board under the paragraph above, the Audit and Risk Committee shall provide to the Board full details of any expense which is to be incurred in the making of such appointments.

### **Procedure**

Subject to the articles of association of the Company, the Audit and Risk Committee determines its own procedures.

### **Terms of reference**

The above Terms of Reference of the Audit and Risk Committee shall only be changed with the approval of the Board.