

**ÉTABLISSEMENTS MAUREL & PROM**  
**Public Limited Company with a Board of**  
**Directors and a capital of € 154,971,408.90**  
**Registered office: 51, rue d'Anjou – 75008 Paris,**  
**France 457 202 331 Paris Trade and Companies**  
**Register**

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**CHARTER OF**  
**AUDIT COMMITTEE**

**Updated by the Audit Committee**  
**dated 8<sup>th</sup> of December 2020**

## **BACKGROUND**

At its meeting of 8<sup>th</sup> of December 2020, the Audit Committee of the company Etablissements Maurel & Prom (the "Company") decided to adopt a charter relating to Approval of services provided by statutory auditors

### **1. Approval of services provided by statutory auditors**

Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (the "**Regulation**") and French ordinance no. 2016-315 of 17 March 2016 on statutory audit entered into force on 17 June 2016. They set forth a list of services that statutory auditors and their networks are not permitted to provide.

In accordance with the Regulation, for the statutory auditor to provide services other than auditing the accounts, it must first:

- be approved by the Audit Committee, and
- confirm its independence,

depending on the requirements set forth in the French Commercial Code.

The approval of the Audit Committee is required whenever the statutory auditors (or members of their network in France or abroad) provide services other than audit services to the Company, to entities controlled by the Company or to entities controlling the Company, within the meaning of parts I and II of article L. 233-3 of the French Commercial Code.

To make its decision, the Audit Committee reviews the type and scope of the services in the light of the laws and regulations governing the independence of statutory auditors.

Lastly, the Regulation introduced an upper limit on fees payable for non-audit services. This limit of 70% is due to enter into force from financial year 2020.

As the lawmakers did not specify the applicable procedure, the Audit Committee has developed a procedure that allows it to meet its obligations by drawing up a list of prohibited services and non-audit services that may be provided by statutory auditors or members of their network, with the corresponding authorisation procedures.

### **2. Services prohibited by the Regulation and the French Code of Ethics for Statutory Auditors in the European Union**

#### **2.1. Prohibited services**

Pursuant to article 5.1 of the Regulation and to the French Code of Ethics for Statutory Auditors (*Code de déontologie des Commissaires aux comptes*, the "**Code of Ethics**"), the following services may not be entrusted to statutory auditors or their networks for the Company (a public-interest entity), companies controlling the Company or the subsidiaries controlled by the Company, within the meaning of article L.233-3, parts I and II, of the French Commercial Code, where situated in the European Union:

- tax services relating to:
  - preparation of tax forms;
  - payroll tax;
  - customs duties;
  - identification of public subsidies and tax incentives unless support from the statutory auditor or the audit firm in respect of such services is required by law;
  - support regarding tax inspections by tax authorities unless support from the statutory auditor or the audit firm in respect of such inspections is required by law;
  - calculation of direct and indirect tax and deferred tax;
  - provision of tax advice;
- services that involve playing any part in the management or decision-making of the audited entity;
- bookkeeping and preparing accounting records and financial statements;
- payroll services;
- designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;
- valuation services, including valuations performed in connection with actuarial services or litigation support services;
- legal services, with respect to:
  - the provision of general counsel;
  - negotiating on behalf of the audited entity; and
  - acting in an advocacy role in the resolution of litigation;
- services related to the audited entity's internal audit function;
- services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity;
- promoting, dealing in, or underwriting shares in the audited entity;

- human resources services, with respect to:
  - management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the statutory audit, where such services involve:
  - searching for or seeking out candidates for such position; or
  - undertaking reference checks of candidates for such positions;
  - structuring the organisation design; and
  - cost control.
- fund management or escrow services;
- drafting legal instruments and providing legal secretary services;
- audit services in the event of a contribution of assets or merger;
- outsourcing (even partial) services.

***2.2. Exception concerning certain tax and valuation services for certain EU Member States but not France***

As an exception to the prohibited services listed above, article 5.3 of the Regulation provides that certain EU Member States may authorise auditors to provide the following services:

- preparation of tax forms;
- identification of public subsidies and tax incentives unless support from the statutory auditor or the audit firm in respect of such services is required by law;
- support regarding tax inspections by tax authorities unless support from the statutory auditor or the audit firm in respect of such inspections is required by law;
- calculation of direct and indirect tax and deferred tax;
- provision of tax advice;
- valuation services, including valuations performed in connection with actuarial services or litigation support services;

if the following requirements are met:

- they have no direct or have immaterial effect, separately or in the aggregate on the audited financial statements;
- the estimation of the effect on the audited financial statements is comprehensively documented and explained in the additional report to the audit committee referred to in Article 11; and

- the principles of independence laid down in Directive 2006/43/EC are complied with by the statutory auditor or the audit firm.

France did not opt for this exception, as a result of which the above services may not be provided by statutory auditors under any circumstances or by their network where the relevant Group entity is incorporated in France.

Whether or not it is possible for the network of the statutory auditor to provide these services under the exception for a Group entity located in the European Union but outside France is unclear due to the ambiguity over how the exception is to be applied. Where this is the case, the statutory auditor will need to demonstrate that the exception applies in the country in question and that the requirements for its application are met, depending on any further detail that may be provided on how exceptions are to be applied.

### **3. Authorised services**

#### ***3.1. Mandatory services provided by the statutory auditor or audit firm under French or foreign regulations***

For example, in France, mandatory services include the audit services provided for a capital increase or reduction, the distribution of interim dividends or when a company is converted to another type of company.

The Audit Committee has pre-approved these services for France and abroad and delegated authority to the chief executive officer and secretary general to approve the corresponding budget proposed by the statutory auditor or its network.

The statutory auditor undertakes an annual review of its work and the corresponding fees. The list of services and fees is provided each year for information to the Audit Committee. These services do not count toward the calculation of the 70% upper limit mentioned above.

#### ***3.2. Services commonly provided by the statutory auditor or its network***

These services include comfort letters for market transactions, work corresponding to "services directly related" to audit services and services carried out pursuant to an international standard such as ISAE 3402 services on internal control.

The following table lists the services that have already been approved by the Audit Committee, subject to confirmation of their compatibility with the audit engagement, to be provided by the statutory auditor:

<b>Authorised services</b>	<b>France</b>	<b>EU</b>	<b>Outside EU</b>
Contractual audit	?	?	?
Limited review	?	?	?
Statements	?	?	?

Agreed procedures	?	?	?
Technical consultations on an accounting, fiscal or regulatory matter	?	?	?
Review of forecast (or pro-forma) accounts prepared by the Company that may give rise to opinions and recommendations	?	?	?
Review of the current or planned information system, together with opinions and recommendations	?	?	?
Consultations on internal control, which may give rise to opinions and recommendations	?	?	?
Due diligence on acquisitions	?	?	?
Due diligence on disposals	?	?	?
Independent third party review of environmental data	?	?	?
Review or consultation on employment, social and environmental data or indicators	?	?	?
Comfort letters for market transactions	?	?	?
Assurance reports on internal control (ISAE 3402)	?	?	?

The Audit Committee has pre-approved these services for France and abroad and delegated authority to the chief executive officer and secretary general to obtain confirmation from the statutory auditor as to the compatibility of these services with its audit engagement. The budget is to be approved by the legal representative of the entity for which the service is proposed.

The statutory auditor reviews these services and the corresponding fees on an annual basis.

Beginning in 2020, the statutory auditor will also need to monitor compliance with the 70% limit. The list of services and fees is provided each year to the Audit Committee for information and for validation of compliance with the 70% limit.

### ***3.3. Other services for which approval is required***

For those services that do not come under any of the pre-approved categories listed in 3.1 and 3.2, the chief executive officer or the secretary general must seek the opinion of the Audit Committee or, where the situation is urgent, the opinion of the chairman of the Audit Committee. The statutory auditor will also confirm whether or not the service in question is compatible with its audit engagement. The Audit Committee or its chairman will approve the service taking into account the view of the statutory auditor and the proposed engagement letter.

A list of services approved in this manner is kept by the statutory auditor and provided to the Audit Committee each year.

**3.3.1. Services proposed by the statutory auditor or its network for Group entities located outside the EU**

- Services proposed by the statutory auditor itself for Group entities located outside the EU

When working with entities of which the registered office is located outside the EU and controlled (within the meaning of parts I and II of article L. 233-3 of the French Commercial Code) by the public-interest entity for which it has entered into an audit engagement, the statutory auditor is subject to the same restrictions and approval rules as those listed in paragraphs 1, 3.1 and 3.2 above.

- Services proposed by the statutory auditor's network for Group entities located outside the EU

When working with entities of which the registered office is located outside the EU and controlled (within the meaning of parts I and II of article L. 233-3 of the French Commercial Code) by the public-interest entity for which the statutory auditor has entered into an audit engagement, the restrictions applicable to members of that statutory auditor's network are limited to the following :

- being involved in the decision-making of the audited entity;
- bookkeeping and preparing accounting records and financial statements;
- designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems.

For any other service, the statutory auditor must assess whether or not its independence would be compromised by rendering the service, taking into account the main ethical principles of independence. If its independence would be affected, the statutory auditor will apply safeguards, where applicable, in order to mitigate the threats caused by providing the service in a third country. If the auditor cannot justify that providing the service would not influence its professional judgment or the audit report, it must not provide the service.

Accordingly, the statutory auditor will submit an opinion on any potential services to be provided by its network for controlled entities located outside the EU to the chief executive officer or secretary general for approval.

**3.3.2. Services provided by the statutory auditor or its network for entities controlling the Group (within the meaning of article L. 233-3 of the French Commercial Code)**

Services provided by the statutory auditor or its network to any entity controlling the Group are deemed to be pre-approved provided that they do not contain any of the prohibitions referred to in paragraph 3.3.1 above. Otherwise, after prior consultation of the Audit Committee, a prior authorisation from the Chief Executive Officer is required on the basis of an analysis of the services contemplated with respect to the ethical and independence principles set by the statutory auditor, it being specified that the contemplated service shall not affect the professional judgement or the audit report of the statutory