

# PILOT ENERGY LIMITED

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## **RISK COMMITTEE CHARTER**

The Risk Committee of the board of directors of Pilot Energy Limited ( “Pilot” or “Company”) shall consist of a minimum of three directors. Members of the committee shall be appointed by the board and may be removed by the board in its discretion. All members of the committee shall be non-executive independent directors, one of whom must be elected as chair of the committee.

The purpose of the committee shall be to assist the board in its oversight of the Company’s management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks. The committee’s role includes oversight of risk management of the Company’s wholly-owned subsidiaries.

The committee shall meet at least 2 times per annum, with a quorum of 3 members.

Risk assessment and risk management are the responsibility of the Company’s management. The committee has an oversight role and in fulfilling that role, it relies on the reviews and reports described below.

The committee shall have the following authority and responsibilities:

1. To review and discuss with management the Company’s risk governance structure, risk assessment and risk management practices and the guidelines, policies and processes for risk management.
2. To review and discuss with management the Board’s risk appetite and strategy relating to key risks, including economic risk, environmental risk, social sustainability risk, credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring, managing and mitigating such risks.
3. To discuss with the Company’s executive team the Company’s risk assessment and risk management guidelines, policies and processes, as the case may be. The committee shall meet separately at least twice a year with the executive team.
4. To receive, as and when appropriate, reports from the Company’s EGM-corporate on the results of risk management reviews and assessments.
5. To review disclosure regarding risk contained in the Company’s Annual Report.
6. To review and assess the nature and level of insurance coverage.
7. To review reports on selected risk topics as the committee deems appropriate from time to time.

8. Initiating and monitoring special investigations into areas of corporate risk or breakdowns in internal controls.
9. To discharge any other duties or responsibilities delegated to the committee by the board.

The committee shall review the Company's risk management framework at least once a year to satisfy itself that it continues to be sound. The committee shall ensure that the completion of such a review on an annual basis is disclosed to the Board.

The Company is not required to have an internal audit function, however in the absence of such a function, the committee shall ensure that sufficient internal reviews of financials, operational and licence compliance procedures are carried out to minimise the risk to the Company in these areas.

The committee must have, in the absence of a formally established internal audit function, satisfactory processes in place for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The committee shall have the authority to delegate any of its responsibilities to sub-committees as the committee may deem appropriate. The committee shall have authority to retain such outside counsel, experts and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

The committee shall report its actions and any recommendations to the board and shall conduct and present to the board an annual performance evaluation of the committee. The committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the board for approval.

This charter shall be reviewed by the Committee every 3 years and a report provided to the Board, if required, recommending any necessary amendment and additional duties and responsibilities.