

Audit Committee of Nordic Aviation Capital Designated Activity Company

1. Constitution

The board of directors (the “**Board**”) of Nordic Aviation Capital Designated Activity Company (the “**Company**”) resolved on 31 May 2022 to establish a standing committee of the Board, to be known as the audit committee (the “**Audit Committee**”), in accordance with these terms of reference (“**Terms of Reference**”) which were adopted.

2. Membership

2.1 The Audit Committee shall comprise at least three directors of the Company (“**Directors**”) (other than the Chief Executive Officer (the “**CEO**”)) (“**Members**” and each a “**Member**”) selected by the Board from time to time.

2.2 The initial Members of the Audit Committee shall be Dermot Mannion, Justin Bickle and Catherine Duffy and (subject to the chairperson of the Board having approved the form of his engagement letter in respect of his appointment as a Director and Vice Chairperson, whether before or after the execution of the Shareholders’ Agreement (as defined below) in accordance with its terms) Richard Laxer.

2.3 At least one Member shall be an independent non-executive director of the Company and at least one Member must have competence in auditing and accounting.

2.4 Any Member may be removed from the Audit Committee by the Board.

2.5 The Chairperson of the Audit Committee (the “**Chairperson**”):

- (a) will be appointed by the chairperson of the Board;
- (b) must be drawn from the Members; and
- (c) shall be a voting Member and (subject to he or she having any conflict of interest in the relevant matter) may vote on any matter that is before the Audit Committee.

The initial chairperson of the Audit Committee shall be Dermot Mannion.

2.6 The Company secretary or his or her nominee shall act as the secretary of the Audit Committee (the “**Secretary**”) and shall ensure that the Audit Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Meetings

3.1 Frequency

Meetings of the Audit Committee (“**Meetings**”) must be held not less than two (2) times in each financial year (“**Year**”) of the Company and such Meetings should be organised so that, insofar as practicable, they coincide with meetings of the Board. Meetings must be held, at least, at appropriate times in the reporting and audit cycle, and otherwise as required.

3.2 Summoning, Location, Notice and Agendas

- (a) Meetings shall be summoned by the Secretary at the request of any Member or at the request of the external auditor.

- (b) Members may attend Meetings remotely or in person (including by alternate).
- (c) Where practicable, reasonable notice of each Meeting (which, insofar as practicable, should coincide with meetings of the Board) – confirming the venue, time and date, together with an agenda of items to be discussed – shall be forwarded to each Member and to any other person who is required to attend before the date of the Meeting. Where practicable, supporting papers should accompany the notice of the meeting.
- (d) Notices, agendas and supporting papers may be sent in electronic form.

3.3 Quorum and Attendance

- (a) The quorum necessary for the transaction of business is at least two (2) voting members of the Audit Committee. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions that are vested in or are exercisable by the Audit Committee.
- (b) Any decision taken by the Audit Committee shall be decided by a majority of the votes cast, with each voting member having one vote.
- (c) A Member may attend a Meeting of the Audit Committee by telephone, video-conference or other means of electronic communication, in accordance with section 161(6) of the Companies Act 2014 (the “Act”) and the Company’s articles of association.
- (d) Only Members have the right to attend and vote at Meetings, save that the CFO shall be entitled to attend, observe and speak at (but not vote at) Meetings. The Chairperson may invite other persons to attend all or part of any Meeting as and when appropriate. Non-Members, including management (other than the CFO), may only attend Meetings if specifically invited by the Chairperson. This is without prejudice to the Audit Committee’s powers under paragraph 4 of these Terms of Reference.
- (e) At the discretion of the Chairperson, outside professional advisers may attend a Meeting for certain agenda items.

3.4 Involvement of Auditors

- (a) At least once a Year the Audit Committee will have the ability to meet with the external auditor, with only Members and the external auditor in attendance.
- (b) The Audit Committee must meet with the external auditor as soon as possible after any request for such a meeting is received; if the external auditor states that the need for a meeting is not urgent, then that meeting with the external auditor shall be held within a reasonable time agreed to by the external auditor.

3.5 Procedure at Meetings

- (a) In the absence of the Chairperson and of his or her appointed deputy (if any), the Members that are in attendance at a Meeting shall elect one of their number to chair the Meeting.
- (b) The Secretary shall, at the beginning of every Meeting, ascertain whether there exists any conflict of interest and (if any) the Secretary shall minute that conflict accordingly.

3.6 Minutes

- (a) The Secretary shall minute the proceedings and resolutions of every Meeting, including recording the names of those present and in attendance.
- (b) Draft minutes of Meetings shall be circulated to all Members. Once approved by the Chairperson, minutes of the Meetings shall be circulated promptly by the Secretary to all other Members and shall be available to the Board.

4. **Authority and Powers**

The Audit Committee is authorised and empowered by the Board:

- (a) to seek any information it requires from any employee or officer of the Company, the external auditors or any financier of the Company or any of its subsidiaries in order to perform its duties;
- (b) to investigate any matter that is within these Terms of Reference;
- (c) to obtain, at the Company's expense (with prior approval from the CEO), outside legal or other professional advice on any matter that is within these Terms of Reference, and secure the attendance (at any Meeting of the Audit Committee) of outsiders with relevant experience and expertise if the Audit Committee considers that to do so is necessary in order that the Audit Committee can perform its functions properly (either generally or in respect of a specific issue or set of issues); and
- (d) to call any employee or officer of the Company or any of its subsidiaries to be questioned at a Meeting as and when required.

5. **Duties and Functions**

5.1 The Audit Committee shall carry out the duties and functions that are set out in these Terms of Reference for the Company and its subsidiaries (the "**Group**").

5.2 The Audit Committee shall review the Group's annual financial statements before submission to the Board for approval, and shall have responsibility for the review and monitoring of the Group's financial reporting, internal controls and external audit function and, in particular, shall review and keep under review:

- (i) the accounting policies, practices and procedures of the Group;
- (ii) the adequacy and effectiveness of the Group's financial reporting, internal financial control systems and procedures for the identification and assessment of financial risks and its co-ordination with the Group's external audit process;
- (iii) the Group's compliance with legal requirements and accounting standards in connection with financial reporting and the consistency of accounting policies on a Year on Year basis;
- (iv) the scope and results of the Group's annual external audit and the appointment of the Auditors (focusing on their independence and objectivity, audit fees and fees payable in respect of non-audit activities); and
- (v) any matters raised by the Group's auditors from time to time.

5.3 Financial Reporting

The Audit Committee shall monitor the financial reporting process and, in particular:

- (a) monitor the integrity of the Group's financial statements and review significant financial reporting issues and judgments which they contain;
- (b) review, and, where necessary, challenge:
 - (i) the consistency of, and any changes to, accounting policies, both on a Year-on-Year basis and across the Company and the Group;
 - (ii) the methods used to account for significant or unusual transactions where different approaches are possible;
 - (iii) whether the Company has followed appropriate accounting standards and has made appropriate estimates and judgements, taking into account the views of the statutory auditor on the financial statements;
 - (iv) the nature and application of significant accounting policies and practices, and any changes to them;
 - (v) decisions requiring a significant element of judgment;
 - (vi) the clarity and completeness of disclosure in the Company's financial statements and the context in which such statements are made;
 - (vii) all material information that is presented with the financial statements, such as the operating and financial review, the directors' report (insofar as it relates to the audit and risk management);
 - (viii) significant adjustments resulting from the audit;
 - (ix) compliance with legal requirements in respect of the compilation and presentation of financial statements; and
 - (x) where the Audit Committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the Board

5.4 External Audit

The Audit Committee shall monitor the statutory audit of the Group's statutory financial statements and, in particular shall:

- (a) consider and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor. The Audit Committee shall oversee the selection process for each new external auditor in accordance with the applicable regulatory requirements, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;
- (b) if the external auditor resigns, shall investigate the issues leading to that resignation and decide whether any action is required;

- (c) oversee the relationship with the external auditor including (but not limited to):
 - (i) each Year, consideration of and the making of recommendations to the Board on the approval of the nature and scope of the external audit, before it commences;
 - (ii) approval of the remuneration of the external auditor (whether that remuneration be fees for audit or for non-audit services) and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
 - (iii) approval of the terms of engagement of the external auditor, including any engagement letter that is issued at the start of each audit and the scope of each audit;
 - (iv) developing and implementing a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter and including prior approval of non-audit services by the Audit Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements;
 - (v) reviewing and monitoring the independence of the external auditor and in particular the provision of any additional non-audit services by the external auditor to the Company;
 - (vi) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company or the Group (other than in the ordinary course of business);
 - (vii) agreeing with the Board a policy on the employment of former employees of the external auditor, and then monitoring the implementation of that policy;
 - (viii) monitoring the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner, and other related requirements; and
 - (ix) assessing each Year the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process (which must include a report from the statutory auditor on its own internal quality procedures.
- (d) meet regularly with the external auditor;
- (e) review the findings of the audit with the external auditor. This shall include (but is not limited to) the following:
 - (i) a discussion of any major issues that arose during the audit;
 - (ii) any accounting and audit judgments; and
 - (iii) levels of errors identified during the audit.

- (f) review any report of the external auditor on key matters arising from the statutory audit and, in particular, on material weaknesses in internal control in relation to the financial reporting process;
- (g) review any representation letter(s) requested by the external auditor before they are signed by the Company's management; and
- (h) review the management letter and management's response to the external auditor's findings and recommendations.

5.5 Additional Duties and Functions

The Audit Committee shall:

- (a) perform any additional functions that are prescribed by law;
- (b) perform any other functions relating to the Group's audit and financial management that the Board may delegate to the Audit Committee (subject to the terms of the shareholders' agreement dated 1 June 2022 between NAC Holdings Limited, the Company and the Shareholders (as defined therein) (the "Shareholders' Agreement")); and
- (c) oversee any investigation of activities which are within these Terms of Reference.

6. Reporting Responsibilities

- 6.1 The Chairperson shall regularly update the Board on the proceedings of the Audit Committee and report to the Board on how it has discharged its responsibilities.
- 6.2 The Audit Committee shall make to the Board whatever recommendations the Audit Committee deems appropriate on any matter that is within the Audit Committee's remit, where the Audit Committee determines that action or improvement is required.

7. Audit Committee Governance and On-Going Review

7.1 Governance

The Audit Committee shall:

- (a) have access to sufficient resources in order to carry out its duties (including access to the Company secretariat for assistance (if required));
- (b) work and liaise as necessary with all other Board committees ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of risk management being delegated to another committee; and
- (c) give due consideration to all relevant laws.

- 7.2 Any change to these Terms of Reference must be approved by the Board. Any change to these Terms of Reference may not be inconsistent with the terms of the Shareholders' Agreement.