

**FL/ENTERTAINMENT**

**CHARTER OF THE AUDIT AND RISK COMMITTEE**

**OF**

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**FL ENTERTAINMENT N.V.**

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The board of directors (the "**Board**") of FL Entertainment N.V. (the "**Company**") has adopted this charter (the "**Charter**") for the audit and risk committee (the "**Committee**") on 1 July 2022 in accordance with clause 6.3 of the rules of the Board.

Capitalised terms used but not defined in this Charter shall have the meaning ascribed thereto in the articles of association of the Company ("**Articles of Association**").

The Board may amend this Charter from time to time pursuant to a resolution to that effect.

## 1. **COMPOSITION**

- 1.1. The Committee shall be comprised of at least three and a maximum of five Non-Executive Directors.
- 1.2. The members of the Committee shall be appointed and may be replaced at any time by the Board. The Board shall appoint one of the members of the Committee as the chairperson of the Committee (the "**Chairperson**"). The Chairperson shall not be the chairperson of the Board or a former Executive Director of the Company. The majority of the members of the Committee, including the Chairperson, must be independent within the meaning of the Dutch Corporate Governance Code (the "**DCGC**").
- 1.3. The composition of the Committee shall take into account the competence of the members of the Committee collectively relevant to the sector in which the Company operates. At least one member of the Committee shall have competence in accounting and/or auditing.

## 2. **MEETINGS**

### 2.1. **Time and place of Meetings**

- (a) The Committee meets at least quarterly, and more frequently as circumstances dictate. The person or persons authorised to call Committee meetings may establish the date, time and place of any such meeting, which may or may not take place prior to or after Board meetings.
- (b) The Committee meets with the Executive Directors and the external auditor (the "**External Auditor**") at least quarterly to review the Company's financial statements in a manner consistent with that outlined in Section 4 of this Charter.
- (c) The Committee holds a meeting with the External Auditor at least once per year without Executive Directors being present.
- (d) The meetings of the Committee shall be held physically at the registered office of the Company in France or in any other place in France indicated in the convocation notice (except if not authorized considering surrounding circumstances of such meeting). In addition, the members of the Committee may incidentally participate in a meeting of the Committee by means of telephone, video or electronic conference or other appropriate communications equipment, provided (i) all participants can hear each other simultaneously, (ii) members of the Committee should not participate in a meeting from the Netherlands and (iii) at least the majority of the members of the Committee participating in the meeting is physically present.

- (e) The External Auditor will in principle be physically present in France at meetings of the Committee in which it participates, but may occasionally also participate in such a meeting by means of telephone, video or electronic conference or other appropriate communications equipment, provided the External Auditor (i) can hear, and be heard by, all other participants in the meeting simultaneously, and (ii) will at least be physically present in France at the majority of the meetings in which it participates, unless this is not possible due to unforeseen exceptional circumstances.

## 2.2. **Notice of Meetings**

Notice of each Committee meeting shall be given by the Chairperson or by the company secretary of the Company (on behalf of the Chairperson) to each member of the Committee. The notice of the meeting shall state the date, time and place of the meeting and the business expected to be considered at the meeting.

Notice of regular meetings shall be given no later than five trading days, being a day on which Euronext Amsterdam (the regulated market operated by Euronext N.V.) is open for trading ("**Trading Day**") before the date of the meeting. Notice of urgent meetings shall be given at least 24 hours prior to the meeting. Any such notice period may be shortened at the discretion of the Chairperson. A meeting of the Committee may be held at any time without notice if all members of the Committee are present or represented and unanimously accept it or if those not present waive notice either before or after the meeting.

## 2.3. **Agenda for Meetings**

The Chairperson will establish the agenda for each meeting of the Committee. Each Committee member may suggest the inclusion of items of business on the agenda to the Chairperson.

## 2.4. **Meeting Materials**

Information which is material to the understanding of the items of business to be considered at a Committee meeting shall generally be distributed to the members of the Committee in advance of the meeting to allow reasonable time for review prior to the meeting. In exceptional circumstances, the distribution of such materials prior to a meeting may not be practicable or advisable.

## 2.5. **Proposals**

The Committee strives for consensus in connection with any proposal or recommendation to be given to the Board. If no consensus can be reached within the Committee, recommendations to the Board are based on a majority of votes and the dissenting opinion(s) will be mentioned in the proposal or recommendation of the Committee to the Board, it being specified that the chairperson of the Committee shall not have the deciding vote.

## 2.6. **Participants**

It is expected that the CFO, and the senior internal auditor, if applicable, will be present at regular Committee meetings. The Committee shall decide if and when the CEO, the CFO, the External Auditor, and/or the senior internal auditor of the Company shall be present at its meetings.

The Committee may invite to its meetings any Director, any manager or employee of the Company or such other persons as it deems appropriate in order to carry out its responsibilities.

2.7. **Minutes**

The Committee maintains minutes or other records of meetings and activities of the Committee. Minutes of all Committee meetings will be circulated to the Directors.

3. **RESPONSIBILITIES AND DUTIES**

3.1. The Committee is responsible for:

Nomination and Selection of External Auditor

- (a) Establishing a procedure for the selection of the External Auditor and recommending to the Board an External Auditor's for nomination for appointment or dismissal by the General Meeting, giving due consideration to any Board observations and the detailed criteria prescribed by EU- Regulation 537/2014 (the "**Audit Regulation**");
- (b) Assisting the Board in making recommendations to the General Meeting for the retention and termination of the External Auditor;

Assessment, Contact, and Monitoring of External Auditor

- (c) Monitoring the auditing work of the External Auditor, and discussing the audit with the External Auditor at least annually and whenever the Committee deems this appropriate.
- (d) Making a proposal for the terms of engagement of the Auditor, with the assistance of the Board.
- (e) Reviewing the additional report to the Committee which will be prepared by the Auditor in accordance with article 11 of the Audit Regulation and will confirm the independence of the External Auditor.
- (f) Assessing and monitoring the independence of the Auditor, in particular the provision of any non-audit services, and any threats to the Auditor's independence and the safeguards applied to mitigate such threats.
- (g) Approving non-audit services provided by the Auditor.
- (h) Discussing the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the Auditor in the audit plan, the audit procedures to be utilised, and any subsequent changes to such scope or procedures with the External Auditor at least annually.

Review financial statements

- (i) Reviewing and discussing the annual audited financial statements and interim

financial statements, including related press releases with the Board and Auditor, paying particular attention to:

- (i) all critical accounting policies and practices of the Company and any changes thereto;
- (ii) adjustments resulting from the internal and external audit, and any difficulties encountered during encountered in performing the audit, if any, and management's response;
- (iii) disagreements between management and the External Auditor, if any, and management's response to such disagreements;
- (iv) the findings and the outcome of the audit work on the financial statements and the management letter;
- (v) compliance with applicable accounting standards, statutory and legal requirements;
- (vi) major issues and risks, if any, regarding accounting principles and financial statement presentation, including any analysis prepared by the Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
- (vii) whether and if so how the Auditor should be involved in the content and publication of press releases on financial related topics.

## Monitoring of the Board and other Company management

- (j) Monitoring the Board with regard to:
  - (i) relations with, and compliance with the recommendations and following up of comments by, the internal auditor and External Auditor;
  - (ii) the funding of the Company;
  - (iii) the application of information and communication technology by the Company, including risks relating to cyber security; and
  - (iv) the Company's tax policy;
  - (v) guidelines and policies with respect to risk assessment and risk management, including major financial risk exposure, and the steps taken to monitor and control such risks;
  - (vi) the adequacy and effectiveness of the Company's internal control over financial reporting, financial reporting procedures and disclosure controls and procedures.
- (k) Monitoring the adequacy and effectiveness of the Company's internal control over financial reporting, financial reporting procedures and disclosure controls and

procedures.

Monitoring of Internal Audit and Internal Audit Function

- (l) Monitoring the effectiveness of the internal audit function, if applicable, the internal control systems, and the internal risk management system with respect to the financial reporting of the Company.
- (m) Reviewing the Company's internal audit plan and discussing this with the internal audit function, if applicable;
- (n) In the absence of an internal audit function, considering the need for such internal audit.
- (o) If applicable, assessing any proposal from the Board regarding the appointment or dismissal of the head of the Company's internal audit function and preparing a recommendation in respect thereof for submission to the Board; and

Miscellaneous

- (p) Setting materiality thresholds and guidelines for and overseeing all material related-party transactions.

**4. REPORTING**

4.1. The Committee reports regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The Chairperson reports to the Board on the activities, findings and recommendations of the Committee. Such regular reports can be verbal or written.

4.2. The Committee reports annually to the Board regarding:

- (a) the execution of the Committee's duties and responsibilities;
- (b) the result of the audit of the annual accounts, highlighting in which manner the audit has attributed to the integrity of the financial reporting and the role of the Committee;
- (c) material considerations regarding financial reporting;
- (d) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems;
- (e) the methods used to assess the effectiveness of the internal and external audit process;
- (f) the manner in which material risks and uncertainties relevant to the expectation of the Company's continuity for the period of twelve months after preparation of the Board Report have been analysed and discussed, along with a description of the Committee's most important findings;

- (g) the functioning of, and developments in, the relationship with the External Auditor;  
and
- (h) if there is no separate department for the internal audit function, recommend whether adequate alternative measures have been taken.

**5. GOVERNING LAW AND JURISDICTION**

- 5.1. This Charter shall be governed by and construed in accordance with the laws of the Netherlands.
- 5.2. The courts of Amsterdam, the Netherlands, shall have exclusive jurisdiction over any disputes arising from or in connection with this Charter, including any dispute regarding the existence, validity or termination of this Charter.