



GUIDELINES FOR THE AUDIT COMMITTEE

BW LPG LIMITED

Adopted by the Board of Directors on 16 February 2021

1 PURPOSE

These guidelines for the audit committee (the "**Audit Committee**") of the board of directors of BW LPG Limited (the "**Company**") shall apply to the Company and its subsidiaries (collectively, the "**Group**"). These guidelines establish the authorities, rights and obligations of the Audit Committee. These guidelines shall not modify or amend the authorities, rights and obligations of the board of directors of the Company (the "**Board of Directors**") pursuant to the Bermuda Companies Act 1981, as amended (the "**Bermuda Companies Act**") or the bye-laws of the Company (the "**Bye-laws**"), and, for the avoidance of doubt, in the event of a conflict or inconsistency between these guidelines and the Bermuda Companies Act or the Bye-laws, the Bermuda Companies Act or the Bye-laws, as the case may be, shall prevail.

2 COMPOSITION

The Audit Committee shall consist of at least two members of the Board of Directors, and the Audit Committee members shall be appointed to the committee by the Board of Directors. The entire Board of Directors shall not act as the Audit Committee.

Members of the Board of Directors who are also a part of the Company's executive management may not serve on the Audit Committee.

A majority of the members of the Audit Committee shall be independent of the Company and the Group. At least one of the independent members of the Audit Committee shall have competence in accounting or auditing. The Audit Committee members as a whole shall have competence relevant to the sectors in which the Company is operating.

The Board of Directors shall appoint one member of the Audit Committee as chairperson of the Audit Committee. The chairperson shall be independent of the executive management of the Company.

3 GENERAL FUNCTIONS, AUTHORITY AND ROLE

The Audit Committee has been appointed by the Board of Directors to assist the Board of Directors in fulfilling its responsibilities concerning the Company and the Group in respect of:

- (i) understanding, assessing, and monitoring business risks and financial risks;
- (ii) monitoring annual and interim financial reporting;
- (iii) overseeing internal control, risk management, internal audit and external audit activities;
- (iv) overseeing legal and regulatory compliance;
- (v) overseeing compliance with the Company's governance policies;
- (vi) assessing the performance of the Company's and the Group's internal control
- (vii) assessing and monitoring the Company's Environmental, Social and Governance ("ESG") strategy as set by the Board and initiatives flowing therefrom; and
- (viii) assessing the performance and independence of the external auditor (the "**Auditor**").

In discharging its responsibilities, the Audit Committee shall have full access to all books, records and personnel of the Group, as well as the Auditor. The Audit Committee may also retain independent counsel, accountants or others to advise the Audit Committee or assist in the conduct of its duties.

It shall not be the duty of the Audit Committee to plan or conduct audits or to determine whether the Company's or the Group's financial statements are complete, accurate, or in accordance with IFRS.

4 RESPONSIBILITIES

4.1 Monitoring the financial reporting process

The Audit Committee's primary responsibilities regarding the financial reporting process include:

- (i) Monitoring the financial reporting process, and preparing the Board of Directors' review of the financial reporting process. The Audit Committee may submit recommendations or proposals to ensure the integrity of the financial reporting process.
- (ii) With due consideration to the Audit Committee's independence, monitoring the effectiveness of the Company's and the Group's internal quality control, risk management systems and internal audit regarding the Company's and the Group's financial reporting.
- (iii) Reviewing the annual financial statements of the Company and the Group and discussing them with the relevant members of the management of the Company before they are presented to the Board of Directors for approval (and subsequently to the Company's shareholders).
- (iv) To the extent the Audit Committee in its sole discretion determines, reviewing the interim financial statements of the Company and the Group and discussing them with the relevant members of the management of the Company before they are presented to the Board of Directors for approval.
- (v) Reviewing and discussing with the relevant members of the management of the Company and the Auditor the financial statements produced by the various companies in the Group, with focus upon accounting and consolidation principles used in the Group.

4.2 Monitoring the statutory audit process and informing the Board of directors of the outcome

The Audit Committee's primary responsibilities regarding the statutory audit process include:

- (i) Monitoring the statutory audit of the Company's and the Group's annual and consolidated financial statement through regular dialogue with the Auditor. In particular, the Audit Committee should take into account any findings by the competent authority (in Norway: Finanstilsynet) regarding article 26 (6) of Regulation (EU) No 537/2014.
- (ii) Reviewing the Auditor's audit report and additional report to the Audit Committee and, where required, discussing the reports with the Auditor including responses from the management related thereto.

- (iii) Informing the Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process.
- (iv) Overseeing and assessing the independence of the Auditor and its personnel from the Company and the Group. The Audit Committee shall discuss with the Auditor any threats to such independence and the safeguards being applied by the Auditor to mitigate such threats, and receive annually the Auditor's written confirmation of their independence from the Company and the Group.
- (v) Ensure that the Auditor does not provide services that are prohibited under any rules of law relevant to the Company and the Group.
- (vi) Approving the provision of permissible non-audit services to be provided by the Auditor after carefully assessing the effects such services may have on the independence of the Auditor, and monitoring the proportionate level of audit and non-audit services fees of the Auditor.
- (vii) Providing the Auditor full access to the Audit Committee, with or without the management of the Company present, to report on any and all appropriate matters.

4.3 Make recommendations regarding the Company's appointment of Auditor

The Audit Committee's primary responsibilities regarding the Company's appointment of Auditor include:

- (i) Being responsible for the procedure for the selection of the Company's Auditor and making a recommendation for the appointment of the Company's Auditor in accordance with and as set out in Regulation (EU) No 537/2014 Article 16.
- (ii) Making recommendations on whether to extend the Company's current Auditor's tenure in accordance with Regulation (EU) No 537/2014 Article 17.

4.4 Other responsibilities of the Audit Committee

The Audit Committee's other responsibilities include:

- (i) With due consideration to the Audit Committee's independence, discussing with the relevant members of the management of the Company and the Auditor the quality and adequacy of the Company's and the Group's systems for internal control and for managing business, financial and regulatory risks, including computerised information system controls and security. This would also include a review of the Company and the Group's insurance coverage.
- (ii) Discussing with the relevant members of the management of the Company the status of pending litigation, taxation matters and other areas of oversight to the legal and compliance area as may be appropriate related to financial issues.
- (iii) Arranging annually a review of the integrity of the Company's ESG reporting.
- (iv) Arranging annually a review to check that the proper authorisation process has been observed in the Company and the Group.

- (v) If such authority is delegated to the Audit Committee by the Company's general meeting or the Board of Directors, fixing the Auditor's remuneration.
- (vi) Reporting the Audit Committee's activities and actions to the Board of Directors (ref section 5).
- (vii) Reviewing and reassessing the adequacy of these guidelines annually and recommending any proposed changes to the Board of Directors for approval.

5 REPORTING

The Audit Committee shall regularly report to the Board of Directors about the Audit Committee's activities and any issues that may arise with respect to the quality or integrity of the Company's or the Group's financial statements, the Company's and the Group's compliance with legal or regulatory requirements, and the performance and independence of the Company's Auditor. Reporting may be in the form of written minutes of meetings, memoranda and ad hoc presentations at meetings of the Board of Directors.

The Audit Committee shall provide an open avenue of communication between internal audit, the Auditor and the Board of Directors.

6 MEETINGS

The Audit Committee shall endeavour to fix in advance at least two meetings to be held each year in the fourth quarter and the first quarter each calendar year, depending on the level of activity of the Company. Interim meetings may be called if a member of the Audit Committee requires it.

The Audit Committee shall invite members of management, the Auditor or others to attend meetings and provide pertinent information, as necessary. The Audit Committee shall meet separately and periodically, with management, with internal controllers and with the Auditor. Meeting agendas shall be prepared and provided in advance to members, along with appropriate briefing materials. Minutes of all Audit Committee meetings shall be prepared.

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