

**SPRING VALLEY ACQUISITION CORP. II**  
**AUDIT COMMITTEE CHARTER**

**(Adopted on October 12, 2022)**

**General**

1. The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Spring Valley Acquisition Corp. II (the “Company”).

**Membership**

2. The Committee shall be appointed by, and may be replaced by, the Board and shall be comprised of three or more independent Directors (as determined from time to time by the Board, and subject to any phase-in rules for newly listed companies). At least one member should have recent and relevant financial experience.
3. The chairman of the Committee shall be appointed by the Board.
4. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

**Meetings**

5. **Right to attend:** Only members of the Committee have the right to attend Committee meetings. However, the external auditor will be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.
6. **Quorum:** A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.
7. **Frequency:** The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than once every fiscal quarter.
8. **Notice:** Meetings of the Committee shall be convened by the chairman of the Committee at the request of any of its members. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required or invited to attend and all other non-executive directors, no later than one business day before the date of the meeting. Supporting papers shall be sent to Committee members at the same time or otherwise as soon as reasonably practicable.
9. **Minutes:** The Committee shall maintain written minutes of its meetings and records relating to those meetings secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance. Draft minutes of Committee meetings shall be circulated promptly to all members of the

Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee chairman.

### **Annual General Meeting**

10. The Committee chairman should be available at each annual meeting of the Company to answer shareholder questions on the Committee's activities.

### **Duties**

11. The Committee should carry out the duties below for the Company. In carrying out these duties, members of the Committee should also consider the applicable law and rules and regulations promulgated by the Securities and Exchange Commission ("SEC"), The Nasdaq Stock Market ("Nasdaq"), or any other applicable regulatory authority.

### **12. Financial reporting**

12.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and quarterly-yearly reports (as necessary), and formal announcements relating to the Company's financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor.

12.2 In particular, the Committee shall review and assess where necessary:

12.2.1 the consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company;

12.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;

12.2.3 whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

12.2.4 the clarity of disclosure in the Company's financial reports and the context in which statements are made; and

12.2.5 all material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and to risk management.

12.2.6 Tax positions taken by the company and their potential impact on financial reporting.

12.3 Where requested by the Board, the Committee should review the content of the annual report and accounts and provide advice on whether it is, taken as a whole,

fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

### 13. **Compliance, whistleblowing and fraud**

The Committee shall:

- 13.1 review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall assess whether these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action and recommend changes as necessary;
- 13.2 review the Company's procedures for detecting fraud;
- 13.3 review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance; and
- 13.4 establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

### 14. **Internal controls, risk management systems and internal audit**

The Committee shall:

- 14.1 keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems;
- 14.2 review and approve the statements to be included in the annual report concerning internal controls and risk management; and
- 14.3 consider annually whether there is a need for an internal audit function and to make a recommendation to the Board accordingly or to explain the reasons for the presence or absence of such a function in the Company's annual report.

### 15. **External audit**

The Committee shall:

- 15.1 consider and make recommendations to the Board, to be put to shareholders for approval at each annual meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- 15.2 ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in

- respect of such tender oversee the selection process and provide (or oversee the provision of) such access as is necessary to information and individuals during the duration of the tendering process to such tendering firms;
- 15.3 oversee the selection process for new external auditors and, if an auditor resigns, investigate the issues leading to this and recommend to the full Board whether any action is required;
  - 15.4 oversee the relationship with the external auditor including (but not limited to):
    - 15.4.1 approval of their remuneration, including both fees for audit and non-audit services and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
    - 15.4.2 approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
    - 15.4.3 assessing annually their independence and objectivity taking into account relevant appropriate professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
    - 15.4.4 satisfying itself that there are no disabling relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
    - 15.4.5 monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
    - 15.4.6 assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on its own internal quality procedures; and
    - 15.4.7 evaluating the risks to the quality and effectiveness of the financial reporting process;
  - 15.5 meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit;
  - 15.6 review and approve the annual audit plan to assess whether it is consistent with the scope of the audit engagement;

- 15.7 review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
  - 15.7.1 a discussion of any major issues which arose during the audit;
  - 15.7.2 key accounting and audit judgements;
  - 15.7.3 levels of errors identified during the audit; and
  - 15.7.4 the effectiveness of the audit process;
- 15.8 review any representation letter(s) requested by the external auditor before they are signed;
- 15.9 review the management letter and management's response to the auditor's findings and recommendations; and
- 15.10 develop and implement policy on the supply of non-audit services by the external auditor.

## **Reporting**

- 16. The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also report to the Board on how the Committee has discharged its responsibilities.
- 17. The Committee shall compile a report on its activities to be included in the Company's annual report. This report shall include:
  - 17.1.1 the significant issues that it considered in relation to the financial statements (required under paragraph 12.1) and how these were addressed;
  - 17.1.2 its assessment of the effectiveness of the external audit process (required under paragraph 15.4.6) and its recommendation on the appointment or reappointment of the external auditor; and
  - 17.1.3 any other issues on which the Board has requested the Committee's opinion.
- 18. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 19. In compiling the reports referred to above, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern. The report to shareholders need

not repeat information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.

### **Other Matters**

The Committee shall:

20. have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
21. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
22. oversee any investigation of activities which are within its terms of reference; and
23. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference in an effort to operate at maximum effectiveness and recommend any changes it considers necessary to the Board.

### **Authority**

The Committee is authorised to:

24. investigate and undertake any activity within these terms of reference;
25. seek any information it requires from any director, the board or any member of management of the Company in order to perform its duties;
26. obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference when the Committee reasonably believes it necessary to do so;
27. call any director, member of management of the Company or employee of the Company to be questioned at a meeting of the Committee as and when the Committee deems appropriate; and
28. have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.