

AUDIT COMMITTEE MANDATE

The primary function of the Audit Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") of Vermilion Energy Inc. (the "**Corporation**") in its oversight role with respect to matters including :

- i. the Corporation's accounting and financing reporting processes and the audit of the Corporation's financial statements;
- ii. the quality and integrity of financial information;
- iii. the Corporations' compliance with legal and regulatory requirements;
- iv. the effectiveness of the Corporation's systems of disclosure controls and internal controls regarding finance, accounting, legal, regulatory compliance and ethics;
- v. the effectiveness or risk management and compliance practices;
- vi. recommend the independent external auditors' appointment (the "**auditor**") performance, qualifications and independence;
- vii. related party transactions; and
- viii. the preparation of a report of the Committee to be included in the annual management proxy circular of the Corporation,

with management of the Corporation responsible for the Corporation's financial reporting, information systems, risk management, disclosure controls, internal controls and compliance.

1. Committee Structure and Operations

- 1.1 The Committee shall consist of not less than three directors and not more than five directors.
- 1.2 Each member of the Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation and the applicable rules of any stock exchange on which the Corporation's securities are listed.
- 1.3 All Committee members shall be "financially literate", and at least one member shall have "accounting or related financial expertise" as such terms are interpreted by the Board in its business judgment in light of, and in accordance with, the requirements or guidelines for audit committee service under applicable securities laws and rules of any stock exchange on which the Corporation's securities are listed.
- 1.4 No Committee member shall serve on the audit committees of more than two other public issuers without prior determination by the Board that such simultaneous service would not impair the member's independence or the ability of such member to serve effectively on the Committee.
- 1.5 The Committee shall meet at least four times each year.
- 1.6 The Committee shall meet in-camera without management present with: (i) the external auditor, (ii) the internal auditor; and (iii) the members of the Committee.

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2. Financial Information and Reporting

2.1 The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes the responsibility to:

- i) Review and recommend approval of the Corporation's annual financial statements and related MD&A and earnings press releases.
- ii) Review and recommend approval of the Corporation's quarterly financial statements and related MD&A and earnings press releases.
- iii) Ensure adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the Corporation's filed financial reporting, other than the public disclosure referred to in items (i) and (ii) above, and periodically assess the adequacy of those procedures.
- iv) Review and recommend approval by the Board of the Corporation's Annual Information Form and any financing disclosure documents (as required).

2.2 Review and consider:

- i) The critical accounting policies and financial reporting practices used by the Corporation (including the appropriateness thereof).
- ii) Issues regarding accounting principles and financial statement presentations, including any significant proposed changes in financial reporting and accounting principles, policies and practices to be adopted by the Corporation.
- iii) Financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative International Financial Reporting Standards ("**IFRS Accounting Standards**") methods on the financial statements of the Corporation and any other opinions sought by management from an independent or other audit firm or advisor with respect to the accounting treatment of a particular item.
- iv) Any management letter or schedule of unadjusted differences provided by the auditor and the Corporation's response to that letter and other material written communication between auditor and management.
- v) Any problems, difficulties or differences encountered in the course of the audit work including any disagreements with management or restrictions on the scope of the auditor's activities or on access to requested information and management's response thereto.
- vi) Any new or pending developments in accounting and reporting standards that may affect the Corporation.

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- vii) The effect of regulatory and accounting initiatives, as well as any off-balance sheet structures on the financial statements of the Corporation and other financial disclosures.
- viii) Any reserves, accruals, provisions or estimates that may have a material effect upon the financial statements of the Corporation.
- ix) The use of special purpose entities and the business purpose and economic effect of off-balance sheet transactions, arrangements, obligations, guarantees and other relationships of Corporation and their impact on the reported financial results of the Corporation.
- x) The use of any “pro forma” or “adjusted” information not in accordance with generally accepted accounting principles.
- xi) Any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements; and
- xii) Any other accounting, tax and financial aspects of the operations of the Corporation as the Committee considers appropriate.

3. Oversight of Independent External Auditor

- 3.1 Recommend to the Board for approval the auditor to be appointed auditor of the Corporation or successor auditor of the Corporation in the event of the termination, resignation or removal of the auditor.
- 3.2 Recommend to the Board the remuneration of the auditor.
- 3.3 Review and approve the scope and terms of all audit engagements.
- 3.4 Satisfy itself that the audit plan proposed by the auditor is risk-based and addresses all the relevant activities.
- 3.5 Pre-approve all audit services and permitted non-audit services (including fees terms and conditions for the performance of such services) to be provided by the auditor.
- 3.6 Oversee the performance by the auditor of its engagement and report to the Board on relevant matters, including but not limited to:
 - i) The Corporation’s quarterly and annual financial statements and the auditor’s reporting in respect thereof including the appropriateness of policies and underlying estimates.
 - ii) Any significant accounting or financial reporting issues.
 - iii) Any material issues or potentially material issues, either specific to the Corporation or to the financial reporting environment in general, identified by the auditor.
 - iv) The resolution of any disagreements between management and the auditor regarding financial reporting.

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- 3.7 Evaluate the qualifications, performance and independence of the auditor, including:
- i) Review and evaluate the proposed lead audit partner.
 - ii) Ensure the rotation of the lead audit partner occurs in accordance with applicable requirements.
 - iii) Receive on periodic basis a written statement from the auditors confirming its independence, including a list of relationships between the auditor and the Corporation that may reasonably be expected to impact the independence of the auditor.
 - iv) Discuss with the auditor any relationships or services that the auditor reasonably believes may affect the objectivity and independence of the auditors, and recommend to the Board appropriate action in response thereto.
 - v) Annually request and review a report from the auditor regarding:
 - a) the auditor's quality-control procedures;
 - b) any material issues raised by the most recent quality-control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; and
 - c) any steps taken in respect of any such issues.
- 3.8 Ensure the auditor receives, during its term of office, notice of every meeting of the Committee and, if so requested by the Chair of the Committee, attends such meetings.
- 3.9 Meet with auditor *in camera* without management present.

4. Risk Management Oversight

- 4.1 The Committee is responsible for the oversight of management's identification, and evaluation, of the Corporation's principal risks, and the implementation of appropriate policies, processes and systems to manage or mitigate the risks within the Corporation's risk framework.
- 4.2 The Committee shall:
- i) Oversee, and ensure management reports annually to Board in respect of:
 - a) the Corporation's principal risks and overall risk profile;
 - b) the Corporation's strategies in addressing its risk profile;
 - c) the processes, policies, procedures and controls in place to manage or mitigate the Corporation's principal risks; and
 - d) the overall effectiveness of the enterprise risk management process and program.

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- ii) Oversee the Corporation's credit and counterparty, market and financial, political and strategic, and repatriation risks.
- iii) Receive and review managements' annual risk register update including an update on residual risks.
- iv) Review the Corporation's annual insurance program, including the risk retention philosophy, potential exposure and corporate liability protection programs and ensure management reports to the Board in respect thereof.

5. Internal Controls

5.1 Oversee, and review and approve as required:

- i) Processes adopted by management for establishing effective internal control over financial reporting (the "ICFR") and disclosure controls and procedures (the "DC&P").
- ii) The adequacy and effectiveness of the Corporation's accounting, ICFR and DC&P policies and procedures and management information systems.
- iii) Changes to the Corporation's ICFR, DC&P and management information systems.
- iv) Oversee management's certification of ICFR and DC&P.
- v) Spending authority and approval limits.

6. Information Technology – Cyber Security

- 6.1 Receive annually (or more frequently as the Committee may request) a system status update with respect to the Corporation's core IT operating systems.
- 6.2 Review annually (or more frequently as the Committee may request) the Corporation's cyber security programs and their effectiveness.
- 6.3 Receive as frequently as the Committee may request an update on the Corporation's compliance program for cyber threats and security.
- 6.4 Ensure significant breaches are reported in accordance with best governance practices.

7. Environment, Social and Governance ("ESG")

- 7.1 In collaboration with the Sustainability Committee, review and assess ESG-related risks to the Corporation.
- 7.2 Regularly review the Corporations' risk management policies and processes for, and approach to, addressing ESG-related risks.
- 7.3 Review ESG disclosure.

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8. General Compliance

8.1 Oversee, and periodically review, procedures for:

- i) The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters or other matters that could negatively affect the Corporation, such as violations of the Code of Business Conduct and Ethics.
- ii) Treatment of complaints regarding accounting, internal accounting controls, or auditing matters.
- iii) The review and approval of the President and Chairman's expenses and perquisites.
- iv) The review of any transactions involving the Corporation in which directors or officers of the Corporation have a material interest.

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Duties and Responsibilities	Meeting			
	Q1	Q2	Q3	Q4
2. Financial Information and Reporting				
2.1 Responsibilities include:				
i. Review and recommend approval of the Corporation's annual financial statements, and related MD&A and earnings press releases.	✓			
ii. Review and recommend Board approval of quarterly financial statements, MD&A and press release.		✓	✓	✓
iii. Ensure adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the Corporation's filed financial reporting, other than the public disclosure referred to in items (i) and (ii) above, and periodically assess the adequacy of those procedures.	✓	✓	✓	✓
iv. Review Annual Information Form	✓			
2.2 Review and consider:				
i. The critical accounting policies and financial reporting practices used by the Corporation, including the appropriateness thereof.	<i>As needed.</i>			
ii. Issues regarding accounting principles and financial statement presentations, including any significant proposed changes in financial reporting and accounting principles, policies and practices to be adopted by the Corporation.	<i>As needed.</i>			
iii. Financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS Accounting Standards methods on the financial statements of the Corporation and any other opinions sought by management from an independent or other audit firm or advisor with respect to the accounting treatment of a particular transaction.	<i>As needed.</i>			
iv. Any management letter or schedule of unadjusted differences provided by the external auditor and the Corporation's response to that letter and other material written communication between the external auditor and management.	<i>As needed.</i>			

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Duties and Responsibilities	Meeting			
	Q1	Q2	Q3	Q4
v. Any problems, difficulties or differences encountered in the course of the audit work including any disagreements with management or restrictions on the scope of the external auditor's activities or on access to requested information and management's response thereto.	<i>As needed.</i>			
vi. Any new or pending developments in accounting and reporting standards that may affect the Corporation.	<i>As needed.</i>			
vii. The effect of regulatory and accounting initiatives, as well as any off-balance sheet structures on the financial statements of the Corporation and other financial disclosures.	<i>As needed.</i>			
viii. Any reserves, accruals, provisions or estimates that may have a material effect upon the financial statements of the Corporation.	<i>As needed.</i>			
ix. The use of special purpose entities and the business purpose and economic effect of off balance sheet transactions, arrangements, obligations, guarantees and other relationships of Corporation and their impact on the reported financial results of the Corporation.	<i>As needed.</i>			
x. The use of any "pro forma" or "adjusted" information not in accordance with generally accepted accounting principles.	<i>As needed.</i>			
xi. Any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements.	<i>As needed.</i>			
xii. Any other accounting, tax and financial aspects of the operations of the Corporation as the Committee considers appropriate.	<i>As needed.</i>			
3. Independent External Auditor				
3.1 Recommend to the Board for approval the independent auditor to be appointed as auditor of the Corporation or successor auditor of the Corporation in the event of the termination, resignation or removal of the auditor.	✓			
3.2 Recommend to the Board the remuneration of the independent auditor.	✓			

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Duties and Responsibilities	Meeting			
	Q1	Q2	Q3	Q4
3.3 Review and approve the scope and terms of all audit engagements.	✓			
3.4 Satisfy itself that the audit plan proposed by the auditor is risk-based and addresses all the relevant activities.	<i>As needed.</i>			
3.5 Pre-approve all audit services and permitted non-audit services (including fees terms and conditions for the performance of such services) to be provided by the independent auditor.	<i>As needed.</i>			
3.6 Oversee the performance of independent external auditor and report to the Board on the relevant items.	✓	✓	✓	✓
i. The Corporation's quarterly and annual financial statements and the auditor's reporting in respect thereof including the appropriateness of policies and underlying estimates.	✓	✓	✓	✓
ii. Any significant accounting or financial reporting issues.	✓	✓	✓	✓
iii. Any material issues or potentially material issues, either specific to the Corporation or to the financial reporting environment in general identified by the auditor.	✓	✓	✓	✓
iv. The resolution of any disagreements between management and external auditor regarding financial reporting.	✓	✓	✓	✓
3.7 Evaluate the qualifications, performance and independence of the auditor	✓	✓	✓	✓
i. Review and evaluate the proposed lead audit partner.				
ii. Ensure the rotation of the lead audit partner occurs in accordance with applicable requirements.	✓	✓	✓	✓
iii. Receive on periodic basis a written statement from the external auditors confirming its independence, including a list of relationships between the external auditor and the Corporation that may reasonably be expected to impact the independence of the external auditor.	✓	✓	✓	✓
iv. Discuss with the external auditor any relationships or services that the external auditor reasonably believes may affect the objectivity	✓	✓	✓	✓

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Duties and Responsibilities	Meeting			
	Q1	Q2	Q3	Q4
and independence of the external auditors, and recommend to the Board appropriate action in response thereto.				
v. Annually request and review a report from the external auditor regarding: <ul style="list-style-type: none"> - Auditor's quality control procedures. - Any material issues raised by the most recent quality-control review. - Steps taken in respect of any such issues. 	✓			
3.8 Ensure the external independent auditor receives, during its term of office, notice of every meeting of the Committee and, if so requested by the Chair of the Committee, attends such meetings.				✓
3.9 Meet with auditor <i>in camera</i> without management present.	✓	✓	✓	✓
4. Risk Management				
4.2 The Committee shall: <ul style="list-style-type: none"> i. Oversee, and ensure management reports and reviews annually to the Board in respect of: <ul style="list-style-type: none"> - the Corporation's principal risks and overall risk profile; - the Corporation's strategies in addressing its risk profile; - the processes, policies, procedures and controls in place to manage or mitigate the Corporation's principal risks; and - the overall effectiveness of the enterprise risk management process and program. 	✓	✓	✓	✓
ii. Oversee the Corporation's credit and counterparty, market and financial, political and strategic, and repatriation risks.	✓	✓	✓	✓
iii. Receive and review managements' annual risk register update including an update on residual risks.			✓	
iv. Review the Corporation's annual insurance program, including the risk retention philosophy, potential exposure and corporate liability protection programs and ensure management reports to the Board in respect thereof.				

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5. Internal Controls				
5.1 The Committee shall review and approve as required:	✓	✓	✓	✓
i. Processes adopted by management for establishing effective internal control over financial reporting ICFR and DC&P.				
ii. The adequacy and effectiveness of the Corporation’s accounting, ICFR and DC&P policies and procedures and management information systems.	✓	✓	✓	✓
iii. Changes to the Corporation's ICFR, DC&P and management information systems.	✓	✓	✓	✓
iv. Oversee management's certification of ICFR and DC&P.	✓	✓	✓	✓
v. Spending authority and approval of limits.	✓	✓	✓	✓
6. Information Technology – Cyber Security				
6.1 Receive annually (or more frequently as the Committee may request) a system status update with respect to the Corporation's core IT operating systems.				✓
6.2 Review annually (or more frequently as the Committee may request) the Corporation's cyber security programs and their effectiveness.				✓
6.3 Receive as frequently as the Committee may request an update on the Corporation's compliance program for cyber threats and security.	As needed.			
6.4 Ensure significant breaches are reported in accordance with best governance practices.	As needed.			
7. Environment, Social and Governance (“ESG”)				
7.1 In collaboration with the Sustainability Committee, review and assess ESG-related risks to the Corporation.	✓	✓	✓	✓
7.2 Regularly review the Corporations’ risk management policies and processes for, and approach to, addressing ESG-related risks.	✓	✓	✓	✓
7.3 Review ESG disclosure.	✓	✓	✓	✓

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8. General Compliance				
<p>8.1 Oversee, and periodically review procedures for:</p> <ul style="list-style-type: none"> i. The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters or other matters that could negatively affect the Corporation, such as violations of the Code of Business Conduct and Ethics. ii. Treatment of complaints regarding accounting, internal accounting controls, or auditing matters. iii. The review and approval of the President and Chairman's expenses and perquisites. iv. The review of any transactions involving the Corporation in which directors or officers of the Corporation have a material interest. 	<i>As needed.</i>			
8.2 Review this mandate and make recommendations to the Board as appropriate.				✓