

REGULATION OF THE AUDIT COMMITTEE OF AROBS TRANSILVANIA SOFTWARE S.A.

This Regulation has been established and approved by the Board of Directors (the "**Board of Directors**") of Arobs Transilvania Software S.A. (the "**Company**") and is intended to define and detail the principles, rules and practices of corporate governance applied by the Audit Committee of the Company (the "Committee") with regard to its role, organization and operation. The terms of reference are intended to promote transparency, continuity, consistency and efficiency in the functioning of the Committee. The terms of reference shall be supplemented by: (i) the applicable statutory provisions, (ii) the provisions of the Articles of Incorporation of the Company, (iii) the provisions of the Corporate Governance Code of the Bucharest Stock Exchange ("BSE Code"), as well as (iv) the provisions of other internal regulations approved by the corporate bodies of the Company.

1. PURPOSE OF THE COMMITTEE

The Committee has the role of assisting the Board of Directors in carrying out its duties in the field of internal audit, and to provide advice on the Company's strategy and policy on the internal control system, internal audit and external audit.

The purpose of the Audit Committee is:

- To supervise all aspects of audit and risks in the Company;
- To verify and control the adequacy, independence and effectiveness of the Internal Audit Department;
- To review and verify the accuracy of the Company's Financial Statements and other key reports;
- To monitor and verify the independence, objectivity and effectiveness of the External Auditor;

2. COMPOSITION, EXPERIENCE AND INDEPENDENCE

2.1. The members of the Committee shall normally be appointed and removed by the Board from among the non-executive directors of the Company.

2.2. The Committee shall consist of at least three members. The majority of the members shall be independent members as defined in the BSE Code.

2.3. The Board of Directors shall appoint a Chairman of the Committee from among the independent members of the Committee (as defined in the BSE Code). The Chairman of the Committee shall have the necessary skills and experience to oversee the audit matters considered by the Committee. In the absence of the Chairman of the Committee and/or an appointed deputy, the other members present shall elect one person from among them to chair the meeting.

2.4. The Chairman of the Board of Directors shall be different from the Chairman of the Committee.

2.5. The Committee shall be constituted so that its members collectively possess the experience and financial knowledge necessary and relevant to the field in which the Company operates. At least one member of the Committee shall have the necessary knowledge and experience in financial management and accounting or auditing.

This member shall possess the following particularities:

- Understanding generally accepted accounting principles and Financial Statements;
- The ability to assess the overall application of these principles in relation to accounting estimates and provisions;

- Experience in preparing, auditing, analyzing and evaluating Financial Statements involving complex and important accounting matters;
- Understanding internal controls and financial reporting procedures; and
- Understanding the functions of the Committee.

2.6. During their term of office, the members of the Committee shall not hold any office or position or engage in any transaction that could be considered incompatible with the Committee's mission.

2.7. In the event that a member of the Committee becomes aware of any circumstance that may reasonably prejudice or affect his/her independence or the perception of his/her independence, he/she shall promptly inform the Chairman of the Committee or, in the case of the Chairman, he/she shall inform the Board of Directors of such circumstance. In such cases, the Board of Directors shall consult with the Committee to determine whether there are sufficient reasons for giving up the quality of member / Chairman of the Committee or ceasing to be a member / Chairman of the Committee.

2.8. The head of the Company's Financial Department (insofar as he/she is not a member of the Committee), the internal auditor and the external auditor may attend the meetings of the Committee, unless the Committee decides otherwise. The Committee shall decide whether and, if so, when the Chairman of the Board of Directors (to the extent that he/she is not a member of the Committee), and the Chief Executive Officer (to the extent that he/she is not a member of the Committee) shall attend its meetings.

2.9. The Committee may invite other individuals such as directors, officers of the Company or any other person (employees, consultants, etc.) to attend all or part of the meetings, as it deems necessary or appropriate.

3. DUTIES OF THE COMMITTEE

The Committee shall be responsible for preparing the decision-making activity of the Board of Directors with regard to overseeing the integrity and quality of the Company's financial reporting, the effectiveness of the Company's internal control system and the assessment of any conflict of interest.

3.1. Financial Reporting

3.1.1. The Committee shall verify and monitor the accuracy of the Company's Annual and Interim Financial Statements, the Interim Management Reports, the announcements on the preliminary financial results and any other formal reports on the Company's financial performance, reviewing the significant financial reporting aspects and decisions contained therein prior to submission to the Board of Directors.

3.1.2. In reviewing the fairness, integrity and quality of the Company's financial reporting, the Committee shall aim to pursue, in particular, the following matters:

- a) Compliance with the accounting standards and the requirements laid down by the laws and any other applicable regulations;
- b) The extent to which the Financial Statements are affected by any significant or unusual transactions carried out during the year and the manner in which such transactions are reported;
- c) The methods used to account for significant or unusual transactions, where more than one approach is possible;
- d) The clarity, completeness and appropriateness of the reports;
- e) Any material adjustments proposed by the external auditor;
- f) The consistency of the accounting policies and any changes thereto;
- g) Any material information submitted with the Financial Statements, such as the operational and financial review and the corporate governance statement (to the extent relevant to the audit).

3.1.3. The Committee shall review the effectiveness of the Company's financial reporting procedures, so that all material financial information is disclosed to the Board of Directors, in order to ensure the timeliness, completeness and accuracy of external financial reporting.

3.1.4. The Committee shall monitor the Board's compliance with the applicable internal procedures, which are necessary for the preparation and publication of the annual report, the Financial Statements, the half-yearly financial reports and the current financial reports.

3.2. Compliance, conduct and conflict of interest

3.2.1. The Committee shall review the mechanisms of the Company and its subsidiaries that enable its employees to raise concerns about potential financial reporting irregularities or other matters. The aims is to ensure that mechanisms are in place to conduct a balanced and independent investigation of these matters and to take appropriate follow-up action.

3.2.2. The Committee shall ensure that the Company's policies and practices comply with local and international laws and regulations, the recommendations of regulatory authorities and best practices.

3.2.3. The Committee shall consider any situation that may give rise to a conflict of interests in the transactions involving the Company, its subsidiaries or their affiliates respectively. The Committee shall review the implementation of the conflict of interest policy (or equivalent provisions).

3.2.4. The Committee shall give a binding opinion on any transaction of the Company with any of the companies with which it has affiliate relationships (related parties) whose value equals or exceeds 5% of the Company's net assets (according to the last published financial report), prior to the approval of the transaction by the Board of Directors.

3.3. Internal Audit

3.3.1. The Committee shall:

- a. Monitor the application of statutory and generally accepted internal auditing standards;
- b. Monitor and review the role, functioning and effectiveness of the Company's internal audit function in the context of the Company's overall risk management system, ensuring that it is effective, independent of the Company's management and that its members perform their duties impartially, competently and with due diligence;
- c. Review and approve the mission of the internal auditing function, ensure that it has the appropriate resources and adequate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards, and that the function is properly vested and is not restricted by management or otherwise;
- d. Meet at least annually with a representative of the internal audit function to discuss its mission and any issues arising from the internal audit reviews performed and provide the head of the internal audit function with direct access to the Committee;
- e. Keep records of how the internal auditor informs the Committee;
- f. Review and evaluate the internal audit function on an annual basis;
- g. Receive a report from the internal auditor containing prior to each meeting of the Committee, including any recent findings and recommendations and their status of implementation;
- h. Promptly review all reports of internal auditors relating to the Company;
- i. Review and monitor Management's responsiveness and compliance with the internal auditor's findings and recommendations;
- j. Coordinate the external and internal auditors; and
- k. Make recommendations in connection with the appointment and removal of the internal auditor.

3.3.2. The Committee shall be involved in the preparation of the internal audit plan. The internal auditor shall have access to the external auditor and the Committee.

3.3.3. The internal auditors shall report from a functional perspective to the Board of Directors through the Committee. For administrative purposes and as part of the Management's obligations to monitor and mitigate risks, they shall report to the Chief Executive Officer.

3.4. External Audit

3.4.1. The Committee shall:

- a) Review, oversee and make appropriate recommendations to the Board of Directors, which shall be submitted to the General Meeting of Shareholders, in connection with the appointment, remuneration or removal from office of the Company's external auditors, including the presentation of matters leading to such removals and the decisions to be taken in relation thereto.

- b) Act as the main point of contact for the external auditor if the latter discovers irregularities in the preparation and content of the financial reports.
- c) Oversee the external auditor and report to the Board of Directors annually, and earlier, if necessary, on the functioning and development of the relationship with the external auditor.
- d) Oversee the relationship with the external auditor, including (but not limited to):
 - i. Making a proposal regarding the undertaking of the external auditor to audit the Financial Statements. The scope of the audit, the materiality threshold to be applied and the fees for the auditor shall be taken into account in the wording of the terms of the undertaking;
 - ii. The annual assessment, review and monitoring of the independence and objectivity of the external auditor, taking into account the relevant professional and regulatory requirements and the relationship with the external auditor as a whole;
 - iii. Annual assessment of the qualifications, knowledge, resources and effectiveness of the audit process; and
 - iv. Review the risk of withdrawing the Company's current external auditor from the market.
- e) Meet regularly with the external auditor, including once at the pre-audit planning stage and once at the post-audit reporting stage. The Committee shall meet with the external auditors at least once a year, without the presence of members of the management, to discuss their mandate and any issues arising from the audit;
- f) Discuss with the external auditor the audit plan and the conclusions of the external auditor, based on the external auditor's activity, including but not limited to:
 - The scope and materiality threshold of the audit plan and the main risks of the annual reporting identified by the external auditor in the audit plan; and
 - Taking into account the documents on the basis of which the audit plan was drawn up, the findings and results of the audit of the Financial Statements and the letter to the Management;
- g) Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit task;
- h) Review the audit findings with the external auditor, including but not limited to:
 - i. A discussion of any significant issues that arose during the audit;
 - ii. Any accounting and audit decisions;
 - iii. The level of errors identified during the audit;
 - iv. Their compliance with appropriate financial reporting standards and appropriate financial reporting and governance requirements.
- i) Review any letter(s) of representation requested by the external auditors before they are signed by the management and the letter to the Management and the Management's response to the findings and recommendations of the external auditor.

3.5. Other duties

3.5.1. The Committee shall review other information and documents as directed by the Board of Directors.

3.5.2. The Committee shall, at the end of each calendar year, prepare an annual activity program for the following year and submit it to the Board of Directors for approval.

3.6. In the performance of its duties, the Committee shall have access to sufficient resources to carry out its duties and shall receive appropriate and timely training.

4. FUNCTIONING OF THE COMMITTEE

4.1. Meetings of the Committee

4.1.1. The Committee shall meet as often as it deems necessary, but in any event, at least four times a year, prior to the financial reporting and audit dates, at such times and places as the Chairman of the Committee may determine.

4.1.2. The meetings of the Committee shall be held prior to the meeting Board of Directors scheduled for that month in order to allow the timely preparation of reports to the Board of Directors.

4.1.3. The meetings of the Committee shall be convened by the Chairman of the Committee at the request of any of its members or at the request of external or internal auditors, if they deem it necessary.

4.1.4. The Chairman of the Committee shall determine the agenda and the duration of the meetings and shall ensure that the Committee carries out its duties effectively.

4.1.5. The Committee may meet by videoconference or teleconference, if the Chairman of the Committee so decides. The Chairman of the Committee may also ask the Committee to take decisions on certain documents through an exchange of emails or letters.

4.1.6. Unless otherwise agreed by the members of the Committee, the convening notice confirming the place, time and date of the meeting, any details regarding the telephone conferences and the agenda shall be sent to each member of the Committee by the Chairman of the Committee, including any other person who is required to attend, and to all other non-executive Directors, as soon as practicable, but in any event no later than five working days before the date of the meeting.

4.1.7. When necessary, the External Auditor may ask the Chairman of the Committee for permission to attend a meeting of the Committee. The external auditor shall receive the financial information underlying the adoption of the half-yearly reports and other interim financial reports and shall be given the opportunity to have any questions answered.

4.1.8. The Internal Auditor shall attend all meetings to which he/she has been invited, without the right to vote.

4.1.9. The Committee may invite other persons, such as other directors, officers of the Company or any other persons (employees, consultants, etc.) to attend its meetings as it deems necessary or appropriate.

4.2. Quorum and majority

4.2.1. There shall be a quorum and a valid meeting of the Committee if at least two members (including the Chairman of the Committee) are present. For the purpose of determining a quorum, the participation of a member in a meeting by video or audio means shall be deemed valid.

4.2.2. The Committee shall take decisions by mutual agreement. In the absence of agreement, decisions shall be taken by a simple majority of the votes of the members present. In the event of a tie, the Chairman of the Audit Committee will have a casting vote.

4.2.3. A written resolution that is signed or approved by letter, email, telegram or fax by all members of the Committee shall be valid and shall have the same effect as a resolution passed at a meeting of the Committee.

4.3. Minutes

The Committee shall appoint a Secretary from among the employees of the Company who shall draw up the minutes of the meetings of the Committee and the resolutions passed. The minutes shall state the time and place of the meeting, shall list the persons attending the meeting, shall mention the existence of any conflict of interest and shall summarize the matters discussed at the meeting. The minutes of the meetings of the Committee shall be circulated promptly to all members of the Committee for approval at the next meeting and, once approved, to all members of the Board of Directors, unless there is a conflict of interest.

5. REPORTING RESPONSIBILITIES

5.1. The Chairman of the Committee shall formally report to the Board of Directors after each meeting on the deliberations, findings and proceedings of the Committee on all matters within the scope of his/her duties and responsibilities. This report shall contain at least the following information:

- a. The methods used to assess the effectiveness of the design and operation of risk management and internal control systems;
- b. The methods used to assess the effectiveness of internal and external audit processes;
- c. Significant financial reporting considerations; and

d. The manner in which significant risks and uncertainties have been analyzed and discussed, together with a description of the Committee's most important findings.

5.2. The Committee shall make recommendations to the Board of Directors, as it deems necessary, in any area within its competence and where actions or improvements are recommended.

This Regulation shall enter into force upon its approval by the Board of Directors and may be amended whenever necessary by resolution of the Board of Directors.

Approved by the Board of Directors on 10.01.2024