

Rules of Procedure for the Audit Committee



This edition of the Rules of Procedure prepared for the convenience of English-speaking readers, is a translation of the German original. In the event of any conflict the German version shall prevail.

**Rules of Procedure
for the Audit Committee
of the Administrative Board of GFT Technologies SE
(as of: 7 December 2022)**

**§ 1
General**

- (1) The Administrative Board shall appoint an Audit Committee from among its members.
- (2) The Audit Committee shall conduct its activities in accordance with the law, the Articles of Association of the Company, the decisions and Rules of Procedure for the Administrative Board and the Rules of Procedure set out below. Its members are committed to act in the interests of the Company, have equal rights and duties and are not bound by instructions.

**§ 2
Composition and Chairman**

- (1) The Audit Committee comprises three members.
- (2) The Administrative Board shall appoint a member of the Audit Committee as Chairman of the Audit Committee (Chairman of the Committee). The Chairman of the Administrative Board shall not simultaneously hold the position of Chairman of the Audit Committee.
- (3) Without prejudice to the statutory legal provisions, the Administrative Board shall ensure that the members of the Audit Committee in their entirety have the necessary knowledge, skills and professional experience to properly perform the tasks of the Committee.
- (4) The Chairman of the Committee shall have special knowledge and experience in the application of accounting principles and internal control procedures, as well as being familiar with auditing, and shall be independent from the Company and the Managing Directors as well as from a controlling shareholder.
- (5) One member of the Audit Committee shall have special knowledge and experience in sustainability reporting and its audit and assurance.

§ 3

Tasks of the Audit Committee

(1) Accounting and accounting process

The Audit Committee

- a) shall monitor accounting and the accounting process, as well as the auditing;
- b) shall conduct a preliminary review of the annual financial statements and consolidated financial statements and management reports of GFT Technologies SE and the GFT Group (including sustainability reporting), as well as the proposal on the appropriation of profit, and prepares decisions of the Administrative Board on the adoption of the annual financial statements, the approval of the consolidated financial statements and the proposed resolution on the appropriation of profit;
- c) shall discuss the audit reports of the auditor and the audit findings;
- d) shall discuss the half-yearly financial reports and the auditor's reports on their review;
- e) shall discuss the quarterly statements.

(2) Internal control system, risk management system, internal audit system and compliance

The Audit Committee shall monitor and discuss the principles of risk identification and risk management, as well as the effectiveness and functionality of the internal control system, the risk management system, the internal audit system and the compliance management system. This shall include processes and systems for collecting and processing sustainability-related data.

(3) Independent auditors

The Audit Committee

- a) shall prepare the Administrative Board's proposal to the Annual General Meeting on the appointment of independent auditors for the annual financial statements and for the review of half-yearly financial reports and, when the audit is put out to tender, it shall independently conduct the tendering process in accordance with the statutory provisions;
- b) shall mandate the independent auditors appointed by the Annual General Meeting to audit the annual and consolidated financial statements and the management reports of the Company and the Group as well as to review the half-yearly financial reports and shall determine the focal points of the audit as well as the fee with the independent auditors;

- c) shall review and assess the independence of the independent auditors and related persons as well as legal grounds for their disqualification from the audit;
 - d) shall give approvals for the provision of non-audit services by the independent auditors that are not prohibited by law, where appropriate by means of an annual service catalogue, and shall monitor the scope of such non-audit services;
 - e) shall discuss with the auditor the audit risk assessment, the audit strategy and audit planning, as well as the audit results;
 - f) shall regularly assess the quality of the audit.
- (4) Report of the Administrative Board

The Audit Committee shall prepare the Report of the Administrative Board to the Annual General Meeting on the results of the audit of the annual financial statements, the consolidated financial statements, the management reports of the Company and the Group, as well as the nature and extent of the audit of the management of the Company during the financial year.

- (5) Transactions with related parties

In accordance with section 111a (2) of the German Stock Corporation Act (AktG), the Audit Committee shall regularly evaluate the internal procedure for related party transactions in the ordinary course of business and on normal market terms.

§ 4

Meetings and participation in meetings

- (1) The Audit Committee shall meet at least four times per financial year at the invitation of the Chairman of the Committee. Meetings of the Audit Committee shall be convened by the Chairman of the Committee.
- (2) The independent auditors shall attend the meetings of the Audit Committee, in particular in connection with the monitoring, discussion and review of the accounting and the accounting process, unless the Audit Committee determines otherwise in a particular case.
- (3) The Managing Directors shall participate in the discussions of the Audit Committee, unless otherwise determined by the Audit Committee.
- (4) The Audit Committee may call in advisors and experts commissioned by the Audit Committee. The Audit Committee may also call in employees of the Company, in which case the Managing Directors shall be informed thereof without undue delay.
- (5) The Audit Committee shall meet regularly without the Managing Directors, in particular also with the external auditors.

§ 5

Reports and declarations

- (1) The Chairman of the Committee shall report on the work of the Committee no later than at the next meeting of the Administrative Board following the Committee meeting.
- (2) In the event of material occurrences and findings of the Audit Committee, the Chairman of the Committee shall inform the Chairman of the Administrative Board without delay.
- (3) Insofar as declarations are to be issued or received for the implementation of resolutions of the Audit Committee, the Chairman of the Committee shall act on behalf of the Audit Committee. This applies in particular to declarations of intent in connection with the issuing of the audit mandate to the independent auditors.

§ 6

Provision of information to the Audit Committee; cooperation with the independent auditors

- (1) In order to perform its duties, the Audit Committee shall regularly (at least once per quarter) receive information from the Managing Directors on the development of business and the key figures for the Group and its segments as well as other reports.
- (2) The Managing Directors shall inform the Audit Committee as soon as possible about
 - a. material off-balance sheet transactions and other material financial measures and transactions that are not evident from regular reporting;
 - b. all significant deficiencies and material weaknesses in the design and application of the accounting process and the internal control system, including the risk management system and the internal audit system, and in particular such significant deficiencies and material weaknesses that might adversely affect the Company's ability to record, process, summarise and report financial information;
 - c. any violation of the law (in particular fraud/embezzlement/breach of trust) by employees who have an essential function with regard to the internal control and management systems, including measures initiated for this purpose, irrespective of the significance of the incident;
 - d. other unlawful events and material risks known to the Managing Directors.
- (3) The Audit Committee is entitled
 - a. to inspect all business records, accounts, business information stored on data carriers, assets and liabilities of the Company;
 - b. to request information in connection with the work of the Audit Committee from the independent auditors, the Managing Directors and those senior executives of the Company who report directly to the Managing Directors;
 - c. to seek external advice for the fulfilment of its tasks to an appropriate extent and after having informed the Chairman of the Administrative Board. The costs shall be borne by the Company.

- (4) The Audit Committee shall request the independent auditors to inform it
- a. about all findings and events of importance for the tasks of the Administrative Board which become known to them while auditing the financial statements;
 - b. about any facts ascertained while auditing the financial statements which reveal an inaccuracy in the Declaration of Compliance with the German Corporate Governance Code issued by the Administrative Board;
 - c. about all material critical accounting matters and alternatives to the accounting treatment of significant transactions that have been discussed with the Managing Directors and about material written communication between the independent auditors and the Managing Directors;
 - d. about any material matters of contention which arose between the independent auditors and the Managing Directors during the course of the audit and review of the financial statements;
 - e. about material weaknesses in the internal control and risk management system, in particular with regard to the accounting process;
 - f. about all other circumstances that are legally required to be disclosed or reported to the Audit Committee, in particular in accordance with the requirements of EU Regulation No. 537/2014 on statutory audits.
- (5) Notwithstanding paragraphs (1) to (4) above, any member of the Audit Committee may, through the Chairman of the Committee, obtain information directly from the heads of those central departments of the Company which are responsible in the Company for the tasks relating to the Audit Committee. The Chairman of the Committee shall communicate the information obtained to all members of the Audit Committee. If such information is obtained, the Managing Directors shall be informed thereof without undue delay.
- (6) The Chairman of the Committee of the Audit Committee shall regularly discuss the progress of the audit with the auditor and report thereon to the Audit Committee.

§ 7

Efficiency review

The Audit Committee shall regularly review the efficiency of its activities by means of self-evaluation. This efficiency review focuses in particular on the procedures of the Audit Committee, the quality of its discussions and content of its work, the provision of information for the Audit Committee by the Managing Directors and its cooperation with the independent auditors.

§ 8

Other provisions

In all other respects, the Rules of Procedure for the Administrative Board, in their currently valid version, shall apply accordingly, in particular the provisions on the adoption of resolutions, on confidentiality, on conflicts of interest and on the taking of minutes.

§ 9

Entry into force / validity

- (1) These Rules of Procedure shall enter into force on the day of their adoption and shall remain in force until the Administrative Board decides otherwise.
- (2) The Administrative Board may decide by simple majority that it is possible to deviate from the Rules of Procedure for the Audit Committee in individual cases.