

**OPERATING REGULATIONS
OF THE AUDIT COMMITTEE**

Chapter 1 - General provisions

The legal references concerning the Audit Committee are found in the following legal acts:

- Company Law No. 31/1990, as subsequently amended and supplemented;
- Law No. 162/2017 on the statutory audit of annual financial statements and consolidated financial statements, as subsequently amended and supplemented;
- The Articles of Incorporation of AEROSTAR S.A.

The following documents are also relevant to the activities of the Audit Committee:

- Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council, and repealing Council Directives 78/660/EEC and 83/349/EEC;
- Regulation (EU) No. 537/2014 on specific requirements regarding the statutory audit of public-interest entities;
- The Corporate Governance Code of the Bucharest Stock Exchange.

The establishment of an Audit Committee is a mandatory requirement for all public-interest entities, in accordance with the provisions of Law No. 162/2017 on the statutory audit of the annual financial statements and consolidated financial statements.

The Audit Committee performs the legal duties set out in Article 65 of Law No. 162/2017 on the statutory audit of the annual financial statements and consolidated financial statements, namely:

a) informs the entity's administrator or the members of the board of directors/supervisory board of the audited entity about the results of the statutory audit and, where applicable, about the results of the assurance on sustainability reporting, and explains how the statutory audit and the assurance on sustainability reporting contributed to the integrity of financial reporting and sustainability reporting, respectively, and what role the audit committee played in this process;

b) monitors the financial reporting process and, where applicable, the sustainability reporting process, including the electronic reporting process as referred to in the applicable accounting regulations, and the process carried out by the company to identify the information reported in accordance with the sustainability reporting standards adopted by the European Commission pursuant to Article 29b of Directive 2013/34/EU, and makes recommendations or proposals to ensure the integrity of the audited entity;

c) monitors the effectiveness of the systems used by the entity for internal quality control and risk management and, where applicable, the effectiveness of internal audit, in relation to financial reporting and, where applicable, to the enterprise's sustainability reporting, including its electronic reporting process, as referred to in the applicable accounting regulations, without compromising the independence of the audited entity;

d) monitors the statutory audit of the annual and consolidated financial statements and, where applicable, the assurance of the annual and consolidated sustainability reporting, in particular its conduct, taking into account the findings and conclusions of the competent authority, in accordance with Article 26(6) of Regulation (EU) No. 537/2014;

e) assesses and monitors the independence of the financial auditors or audit firms in accordance with Articles 21–25, 28, 29, 311, 312, and 313 of Law No. 162/2017 on the statutory audit of annual financial statements and consolidated financial statements, and with Article 6 of Regulation (EU) No. 537/2014, and in particular the appropriateness of providing non-audit services to the audited entity in accordance with Article 5 of that Regulation;

f) is responsible for the procedure of selecting the financial auditor or audit firm and recommends to the general meeting of shareholders/members of the administrative or supervisory body the financial auditor or audit firm(s) to be appointed, in accordance with Article 16 of Regulation (EU) No. 537/2014, unless Article 16(8) of that Regulation applies.

Chapter 2 - Mission and objectives of the Audit Committee

The Audit Committee assists the Board of Directors in performing its duties related to the financial reporting process, the effectiveness of the internal quality control system, and the risk management and internal audit systems concerning financial reporting.

The Audit Committee aims to:

- Monitor the financial reporting and sustainability reporting process;
- Monitor the statutory audit of the financial statements and the assurance of sustainability reporting;
- Monitor and assess the independence of the statutory auditor;
- Monitor the effectiveness of risk management;
- Monitor the internal audit activity related to financial reporting and sustainability reporting.

Chapter 3 - Authority of the Audit Committee

The Audit Committee has the authority to conduct or to authorize any investigations deemed necessary in matters falling within its scope of responsibilities.

The Audit Committee is authorized to:

- Request opinions or assistance from external consultants, the financial auditor, internal auditors, or other individuals/specialists/experts for the purpose of conducting an investigation;
- Request any information necessary from employees or third parties concerned.
- Request that meetings be held with the employees and hold meetings with the financial auditor, internal auditors, or consultants, as appropriate.

Chapter 4 - Composition of the Audit Committee

The Audit Committee of AEROSTAR S.A. is composed of members appointed by the General Meeting of Shareholders.

At least one member of the Audit Committee must have expertise in accounting and statutory auditing.

The members of the Audit Committee are independent of the audited entity.

During their term of office, the members of the Audit Committee shall not hold any positions or capacities, nor shall they engage in any transactions that could be considered incompatible with the mission of the Audit Committee.

The membership of the Audit Committee shall cease upon dismissal, resignation, or expiry of the term of office.

In the event of termination of membership, the Board of Directors shall propose, at the time of convening the next General Meeting of Shareholders, the appointment of another member to fill the vacant position.

Chapter 5 – Responsibilities of the Audit Committee

The Audit Committee has the following main duties:

- ✓ Advises on the Internal Audit Charter;
- ✓ Advises on the annual and multi-annual internal audit plans;
- ✓ Advises on the internal audit reports and the recommendations made by the internal auditors;
- ✓ Analyses and submits recommendations to the Board of Directors regarding the appointment, reappointment, and dismissal of external auditors, subject to shareholders' approval;
- ✓ Periodically evaluates the efficiency, independence, and objectivity of the external auditors;
- ✓ Monitors the relationship with the statutory auditor;
- ✓ Holds regular meetings with the statutory auditor, particularly during the planning, execution, and reporting phases of the audit;
- ✓ Reviews the audit findings with the statutory auditor and discusses any significant issues identified;
- ✓ Monitors the financial reporting process and the sustainability reporting process;
- ✓ Oversees the statutory audit of the annual financial statements and the assurance related to sustainability reporting;
- ✓ Monitors the effectiveness of the internal control and risk management systems;
- ✓ Annually reviews its own performance and terms of reference to ensure it operates effectively. Following this assessment, the Audit Committee proposes any changes it deems necessary to the Board of Directors for approval.

Chapter 6 - Functioning of the Audit Committee

The Audit Committee shall meet regularly, at least four times a year, and exceptionally, when necessary.

The meetings of the Audit Committee shall be convened by mutual agreement of the Committee members, who shall also set the agenda.

In carrying out its duties and improving the activities it analyses, endorses, and monitors, the Committee shall cooperate with:

- a) The management, including representatives of the functional departments within AEROSTAR S.A.;
- b) The Financial-Accounting Department, including its subordinate services;
- c) The Internal Audit Department.

For decisions of the Audit Committee to be valid, the following cumulative conditions must be met:

- the decision must be taken in the presence of all members of the Audit Committee;
- the decision must be approved by the vote of majority of the members of the Audit Committee. (If the Audit Committee consists of two members, the decision must be approved unanimously by the vote of both members.)

At each meeting of the Audit Committee, a report shall be prepared summarising all the proposals made during that meeting.

The Audit Committee's report shall be submitted to the Board of Directors.

Chapter 7 - Confidentiality and professional secrecy

Members of the Audit Committee shall be responsible for maintaining confidentiality regarding any data, facts, circumstances or documents of which they become aware in the course of their committee duties.

Chapter 8 - Final provisions

The provisions of these Regulations shall be reviewed and supplemented in line with all regulations relating to the activities of the Audit Committee, upon proposal by the Audit Committee and with the approval of the Board of Directors.

The Audit Committee,

Daniel BOTEZ

Florin RADU