

AUDIT COMMITTEE REGULATION

AUSTRIACARD HOLDINGS AG

November 2022

1. Introduction

- 1.1. The company AUSTRIACARD HOLDINGS AG (the “**Company**”) has established an Audit Committee as Committee of the Supervisory Board by virtue of article 15.2 of the Company’s Articles of Association, Article 92 para 4a Austrian Stock Corporation Act and Article 40 of the Austrian Corporate Governance Code.
- 1.2. This regulation (the “**Regulation**”) has been proposed by the Audit Committee in its meeting held on 9 November 2022 and the Supervisory Board in its meeting held on 9 November 2022.
- 1.3. This Regulation forms integral part of the bylaws of the Company’s Supervisory Board.

2. Mission

- 2.1 The Audit Committee supports the Supervisory Board with the oversight of: (a) the financial information, (b) the Internal Control System as well as the procedures that ensure quality and risk management, (c) the performance of the Company’s internal audit function and (d) the external audit of the Company’s individual and consolidated financial statements.
- 2.2 The Supervisory Board has the final responsibility of the above, while the Audit Committee provides assistance to the Supervisory Board in order to ensure efficient oversight.

3. Role and responsibilities

The Audit Committee has the following responsibilities:

- (1) monitoring the accounting process and making recommendations or proposals to ensure its reliability;
- (2) monitoring the effectiveness of the Company’s internal control system, internal audit system (inter alia proposals concerning the staffing of the internal audit function, including its internalisation or outsourcing, as well as the resources of the internal audit function), and risk management system;
- (3) monitoring of the audit of the financial statements and the audit of the consolidated financial statements, including findings and conclusions in reports published by the Auditor supervisory authority;
- (4) reviewing and monitoring of the independence of the auditor (group auditor), in particular with regard to the additional services provided to the Company, noting that Article 5 of Regulation (EU) No. 537/2014 concerning the prohibition of the provision of non-audit services and Article 271a para 6 Austrian Commercial Code shall apply;
- (5) the submission of the report on the result of the audit to the Supervisory Board and the explanation of how the audit contributed to the reliability of the financial reporting, as well as the role of the Audit Committee in this;
- (6) the audit of the annual financial statements and the preparation of their approval, the

- audit of the proposal for the distribution of profits, the management report and, if applicable, the Corporate Governance Report, as well as the submission of the report on the audit results to the Supervisory Board;
- (7) the audit of the consolidated financial statements and the group management report, the consolidated Corporate Governance Report and the submission of the report on the audit results to the Supervisory Board; and
 - (8) conducting the procedure for the selection of the auditor (group auditor), taking into account the appropriateness of the fee, and recommending its appointment to the Supervisory Board, noting that Article 16 of Regulation (EU) No. 537/2014 concerning the appointment of statutory auditors or audit firms shall apply.

4. Membership

- 4.1 The Audit Committee is a committee of the Supervisory Board.
- 4.2 The type of the Audit Committee, as well as the term, number and capacities of the Audit Committee's members are determined by the Supervisory Board. The resolution of the Supervisory Board shall adequately justify the competences of the candidates and the fulfilment of the independence criteria set out in the Company's Suitability Policy in relation to the members of the Management and Supervisory Board (the "**Suitability Policy**") by the candidates.
- 4.3 The Audit Committee consists of at least three (3) members, which are appointed by the Supervisory Board following relevant recommendation by the Nomination and Remuneration Committee.
- 4.4 All members of the Audit Committee must have sufficient knowledge in the sector in which the Company operates. At least one independent member of the Audit Committee shall have sufficient knowledge and experience in auditing or accounting (the "**Financial Expert**").
- 4.5 The majority of the members, including the Chairman, shall fulfil the independence criteria set out in the Company's Suitability Policy. Moreover, both the Chairman of the Audit Committee and the Financial Expert shall fulfil the independence criteria set out in the Company's Suitability Policy and, in addition, shall not be a person who has served as a member of the Management Board or has discharged managerial duties or has served as auditor of the Company or has signed an auditor's opinion in the past three years (Article 92 para 4a of the Austrian Stock Corporation Act).
- 4.6 The Chairman of the Audit Committee is elected by the members of the Audit Committee.
- 4.7 In case any member of the Audit Committee ceases to hold office for any reason, the Supervisory Board shall replace such member as soon as possible.
- 4.8 Participation in the Audit Committee does not prohibit participation in other committees of the Supervisory Board.

5. Resources and fees

- 5.1 The Audit Committee has unrestricted and full access to any document or information required for the exercise of its duties.

- 5.2 The Company makes available to the Audit Committee any material and human resources as well as all adequate information and training required for the exercise of its duties. The Company may engage an external counsel in support of the Audit Committee, at the Audit Committee's reason request.
- 5.3 The remuneration of the Audit Committee's members is determined in the Remuneration Policy of the Company. Remuneration shall reflect the scope of the members' duties, the complexity, and the scope of their work, the time commitment required, the degree of their responsibility and the levels of salary of other members of the Supervisory Board and of the Management Board.

6. Term

The term of the members of the Audit Committee coincides with their term of office as members of the Supervisory Board.

7. Meetings

- 7.1 The Audit Committee meets regularly, at least four (4) times a year (on a quarterly basis). The Chairman may convene additional meetings as are deemed necessary.
- 7.2 The Chairman sets the items of the agenda, the frequency, and the duration of the meetings and has the overall responsibility to ensure that the Audit Committee exercises its duties effectively. In case of absence or inability to attend the meeting, the Chairman's duties are assumed by the longest serving member of the Audit Committee.
- 7.3 Each member shall be timely informed as to the time, date and place of each meeting. The items of the agenda of each meeting as well as the relevant documents shall be made available to each member [at least three (3) business days prior to the meeting.] If the items of the agenda and the relevant accompanying documents are sent in less than three (3) business days prior to the date of the meeting, the relevant items will be discussed in the meeting only if all members of the Audit Committee agree. The accompanying documents may be sent via email.
- 7.4 The Audit Committee may also meet via phone or video conference by decision of the Chairman, whereas the participation of the members via phone or video conference is considered acceptable for the purposes of calculating the quorum, provided that meetings via phone only (or meetings merely having a quorum due to members participating via phone) shall not count towards the minimum number of meetings to be held under statutory law.
- 7.5 The Audit Committee will be provided with secretarial functions by the Secretary of the Supervisory Board or any other person appointed by the Chairman of the Audit Committee to keep the minutes of the meetings.
- 7.6 The Audit Committee may ask any member of the Management Board and/or the Supervisory Board or other executive or any other person, including the Chief Executive Officer, the Chief Financial Officer and the Head of the Internal Audit Function (or the (by the Company) contracted competent institution), to assist with discussions on any

particular matter. The Audit Committee may ask any of those present to withdraw to facilitate open and frank discussion on any matter.

8. Quorum and Decision Making

- 8.1 The meetings of the Audit Committee shall be considered quorate if at least half plus one of its members are present. If the Audit Committee consists of three (3) members, quorum is achieved if three (3) members are present.
- 8.2 The Financial Expert shall be present at all meetings of the Audit Committee concerning the approval of the financial statements.
- 8.3 Decisions of the Audit Committee are adopted by majority of the present members following discussion.
- 8.4 The discussions and resolutions of the Audit Committee are recorded in minutes which are signed by the members that are present. If a member refuses to sign the minutes, relevant reference shall be made in the minutes. Official copies of the minutes shall be produced by the Audit Committee's Chairman.

9. Relationship with other persons / bodies of the Company

- 9.1 Meetings with executives/statutory auditors or audit firms
The Audit Committee shall meet with the Management Board and the competent executives during the preparation of the financial reports as well as with the statutory auditors, at the stage of statutory audit scheduling, during the statutory audits as well as during the preparation of the reports by the statutory auditors. In this context, the Audit Committee shall:
 - (1) monitor the implementation of effective financial reporting procedures and submit proposals to ensure the integrity of the financial information;
 - (2) examine the most important issues and risks that may affect the financial statements, as well as the main considerations of the management at the time of the preparation of the financial statement;
 - (3) assess the annual schedule of the statutory audits prior to its implementation in order to ensure that the annual schedule of the statutory audits will cover the most important audit areas, taking into consideration the main sectors of business and financial risks to which the Company is exposed;
 - (4) review the annual and semi-annual financial reports and financial statements of the Company (and the group) prior to their approval by the Supervisory Board, in order to evaluate their completeness and consistency with the information made available to the Audit Committee as well as the accounting principles applicable to the Company, and inform the Supervisory Board accordingly; and
 - (5) receive a confirmation of independence by the statutory auditors and discuss any threats to their independence pursuant to Article 6(2) of the Regulation (EU) 537/2014; and
 - (6) receive the additional report of the statutory auditors pursuant to Article 11 of the Regulation (EU) 537/2014 and discuss on any key matters arising from the statutory audits.

9.2 Meetings with the Head of Internal Audit Function (or the (by the Company) contracted competent institution)

The Audit Committee meets regularly with the Head of the Internal Audit Function (or the (by the Company) contracted competent institution) and:

- (1) receives quarterly reports by the Head of the Internal Audit Function (or the (by the Company) contracted competent institution) in relation to the activities of the Internal Audit Function, including any issues that may have been detected during the internal audits and relevant remedy measures;
- (2) receives, assesses and approves the Annual Audit Plan of the Internal Audit Function;
- (3) assesses and approves the Internal Audit Function's annual budget;
- (4) makes recommendations to the competent corporate bodies concerning the staffing and access of the Internal Audit Function to any required information; and
- (5) assesses at least once per year, the adequacy and efficiency of the Internal Audit Functions.

9.3 Report to the Supervisory Board: The Audit Committee submits to the Supervisory Board the quarterly reports of the Internal Audit Functions along with its opinion on the audit findings, as well as any reports the Audit Committee deems appropriate in relation to matters falling within the scope of its responsibilities, with particular focus on any significant issues in relation to the financial information and the management's response to them.

9.4 Annual Activity Report to the Annual General Meeting: The Audit Committee submits the annual activity report to the Company's Annual General Meeting. The report includes, if applicable, a description of the sustainable development policy adopted by the Company. The Chairman of the Audit Committee shall be present at the Annual General Meeting and respond to any questions concerning the activity report and/or describe the Audit Committee's works at discharge of its duties in the contexts of its responsibilities.

10. Approval – Publication -Revision

10.1 The Regulation and any amendments thereto is prepared and endorsed by the Audit Committee and further submitted to the Supervisory Board for its approval.

10.2 The Regulation and any amendment thereto is published at the Company's website.