



Turism Felix S.A. Baile Felix
417500, Baile Felix, Sânmartin commune, Bihor county, Romania
Trade Register: J05/132/1991
Tax Code: RO 108526
Subscribed and paid-up share capital: 49,614,945.60 lei



RULES OF ORGANIZATION AND FUNCTIONING OF THE AUDIT COMMITTEE OF TURISM FELIX S.A.

Art.1 - COMPOSITION OF THE COMMITTEE

The Audit Committee consists of at least 3 members of the Board of Directors, according to the Board Resolution, all members being non-executive directors.

At least one member of the Audit Committee is an independent member.

The members of the Audit Committee are elected by the Board of Directors. One of the members of the Audit Committee, with financial/accounting/auditing background and experience, will be appointed as Chairman by the Board of Directors.

Members of the Audit Committee must have a basic knowledge of finance and accounting and at least one member of the Audit Committee must have experience in the application of accounting principles or financial auditing.

Art.2 - DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Audit Committee reports, advises and assists the Board of Directors in the performance of its duties in the areas of internal control, compliance and audit, and analyses and makes proposals on specific issues in accordance with the provisions of the legislation in force, the company's Articles of Association and the BVB Corporate Governance Code, as well as at the express request of the Board of Directors.

The **main tasks** concern the analysis and formulation of proposals on the following specific issues resulting from:

- 1) Monitoring the statutory audit of the financial statements prepared by the company in accordance with the applicable legal provisions, as well as any reports prepared at the request of shareholders;
- 2) Ensuring the company's relationship with the financial auditor, the conclusion and proper execution of the contract with the auditor, according to the decision of the General Assembly;

3) Making recommendations to the Board of Directors on the selection, appointment and replacement of the financial auditor and the terms and conditions of his remuneration;

4) Selecting the internal auditor and reviews the quality of the reports prepared by the internal auditor in terms of the application of legal standards and generally accepted internal auditing standards, ensuring that the reports comply with the audit plan approved by the Board of Directors for each financial year;

5) Analysing significant issues arising from audit reports and proposals to remedy any deficiencies, in particular with regard to the management of the Company and the financial reporting process;

6) Reviewing the conformity of the accounting policies adopted by the Company with applicable accounting regulations, ensuring the Board of Directors that they result in a true and fair presentation of the transactions carried out by the Company in accordance with its business purpose;

The Committee shall be responsible for any other matters that are the responsibility of the Audit Committee under the law, the Company's Articles of Incorporation and the Corporate Governance Code or at the express request of the Board of Directors.

The Audit Committee has the following **main responsibilities**:

1) Conducting an annual assessment of the internal audit system, its efficiency and effectiveness and the comprehensiveness of the internal audit function;

2) Evaluating the internal auditor's reports in terms of compliance with the annual audit plan, the application of legal standards and generally accepted internal auditing standards, and the quality of findings and recommendations made;

3) Analysing findings of conflicts of interest in relation to the company's and its subsidiaries' transactions with related parties and monitors measures to avoid conflict of interest situations;

4) Ensuring at all times that there is coordination between the Company's internal auditor and financial auditor;

5) Reporting periodically (annually) on the work carried out in accordance with its duties, including recommendations made and addressed to the Board of Directors on internal audit and financial audit. It also prepares quarterly and, whenever necessary, reports to be submitted to the Board of Directors for approval/information;

6) Making recommendations to the Board on the selection, appointment and replacement of the Financial Controller and the terms and conditions of his remuneration.

7) Audit Committee members must notify the Audit Committee of any conflicts of interest that have arisen or may arise and abstain from participating in

discussions (including by not attending, unless not attending would prevent the formation of a quorum) and from voting on the adoption of a recommendation/opinion/resolution on the matter giving rise to the conflict of interest in question.

Art.3 CONVOCATION, DELIBERATION, RECOMMENDATIONS

The Audit Committee will meet as often as necessary, but at least four times a year, to review the internal audit report and/or the opinion of the financial auditor on the key issues arising from the financial audit as well as on the financial reporting process and recommend appropriate action.

Meetings of the Audit Committee shall be convened by the Chairman of the Audit Committee.

The notice convening each meeting of the Audit Committee shall specify the place, date and time of the meeting and the agenda. The notice of meeting shall be sent to each member of the Committee and to any other person whose attendance is necessary in good time before the date of the meeting. Within the same time limit, information material will be sent to the members of the Audit Committee and to other participants if necessary. Documents may be sent by e-mail.

The Chairman of the Audit Committee shall specify the agenda and the duration of the meetings and shall ensure the efficient exercise of the Committee's powers.

Meetings of the Audit Committee shall be held prior to the discussion of matters falling within the competence of this Committee and placed on the agenda of the Audit Committee at the meeting of the Board of Directors, in order to allow timely preparation of reports for the Board of Directors.

The Audit Committee may meet by means of remote communication by videoconference or teleconference if the Chairman of the Audit Committee so decides.

The Chairman may also ask the Audit Committee to adopt recommendations on certain documents by an exchange of emails, faxes or letters.

The quorum requirement shall be deemed to be met and the Audit Committee shall validly meet when at least two members are present (including the Chairman of the Committee). If the Chairman of the Audit Committee is unable to attend the meeting of the Audit Committee, he may instruct any member of the Audit Committee to carry out the procedures for convening and conducting the meeting. A member's participation in a meeting by means of remote communication (video or audio) shall be considered valid for the purpose of determining a quorum.

The members of the Audit Committee may, in their unanimous presence *and* if none of them objects, hold meetings and take any action/recommendations within

the competence of the Committee, without complying with the formalities required for convening.

The Audit Committee will adopt recommendations by mutual agreement. If no agreement is reached, the recommendations will be adopted by a simple majority of the votes of the members present. In the event of a tie, the Chairman of the Audit Committee shall have the casting vote. Matters on which the Audit Committee is unable to reach a decision will be brought to the attention of the Board of Directors without delay.

Votes cast in writing, including electronically, shall be sent directly to the Secretary of the Audit Committee, or the person designated to look after the work of the Secretariat, who shall inform all members of the Audit Committee of the decision adopted.

The Secretary of the Audit Committee shall be appointed by the Chairman of the Board of Directors and, in general, this function shall be performed by the Secretariat of the Board of Directors or by a person designated by the Audit Committee.

The Secretary of the Audit Committee shall draw up the minutes of the meetings, the decisions and recommendations adopted and the reports of the Audit Committee. The Secretary shall make the minutes available to each member of the Audit Committee no later than 5 days after the end of the meeting. The minutes will be sent by email in pdf format to the members of the Audit Committee at their email addresses.

The Secretary of the Audit Committee shall be responsible for signing the minutes and submitting the recommendations and reports of the Audit Committee to the Board of Directors.

Art.4. FINAL PROVISIONS

The provisions of these Rules shall be supplemented by the applicable legal regulations, as well as by the decisions of the General Meeting of Shareholders and of the Board, as the case may be.

If, after the date of entry into force of these Rules, a legal provision/regulation amends/repeals provisions of these Rules, the legal provisions in force shall apply.

Chairman of the Audit Committee
Prof.ec.Petria Nicolae, PhD

