

## TERMS OF REFERENCE

### FOR THE RISK AND AUDIT COMMITTEE

These terms of reference (the “**Terms of Reference**”) set out to define and further specify the principles, rules and corporate practice applied by the Risk and Audit Committee (the “**Committee**”) of the company ROCA Industry Holdingrock1 S.A., a joint-stock company established and operating under the Romanian laws, registered at the Trade Register of Bucharest with No. J40/16918/2021, Unique Registration Code 44987869, having the registered seat in Bucharest, strada Gara Herăstrău nr. 4, clădirea A, etaj 3, District 2 (the “**Company**”), with respect to the purpose, organisation and functioning of the Committee.

The Terms of Reference have been established in approved by the Board of Directors (the “**Board of Directors**”) of the Company. The Terms of Reference are supplemented by: (i) legal applicable provisions, (ii) the provisions of the Company’s Articles of Incorporation, (iii) the provisions of the Corporate Governance Principles applicable to the issuers the securities of whom are traded on the Main Segment operated by Bursa de Valori București S.A. as market operator (the “**BVB Code**”), as well as by (iv) the provisions of such other internal regulations approved by the corporate bodies of the Company.

#### **1. Purpose of the Committee**

1.1. The purpose of the Committee is to assist the Board of Directors in fulfilling its responsibilities on internal audit, as well as a consultative function on the Company’s strategy and policy regarding the internal control system, internal audit, and external audit, as well as the control on how the significant risks are managed.

#### **2. Composition, Experience, and Independence**

2.1 The members of the Committee are appointed and revoked by the Board of Directors, from among the non-executive directors of the Company. The Ordinary General Meeting of Shareholders may also appoint and revoke members of the Committee who are not directors of the Company. The Committee is composed of three members, among whom one member of the audit committee who must have experience in applying accounting principles or in financial auditing, and one member is an independent non-executive director.

2.2 The Chairman of the Committee is appointed by the Board of Directors from among the independent members of the Committee. In the absence of the Chairman and/or a designated deputy, the other members present will elect a person from among them to preside over the meeting. The Chairman of the Board of Directors will be different from the Chairman of the Committee.

2.3 The Committee will be composed so that its members collectively possess the necessary and relevant financial experience and knowledge for the field in which the Company operates. At least one member of the Committee will hold the necessary

knowledge and experience in the field of financial administration and accounting or auditing, such as understanding accounting principles and financial statements, experience in preparing, auditing, analysing, and evaluating financial statements that involve complex and important accounting aspects, understanding internal controls and financial reporting procedures.

- 2.4 During their term of office, the Members of the Committee will not hold positions, qualities and will not conduct transactions that could be considered incompatible with the mission of the Committee.
- 2.5 If a member of the Committee is aware of any circumstance that may prejudice his/her independence, he/she will immediately inform the Chairman of the Committee or, in the case of the Chairman, the other members of the Committee about the respective circumstance. The Committee will consult with the Board of Directors to determine whether there are sufficient reasons for renouncing the quality of member of the Committee or terminating this quality.

### **3. DUTIES OF THE COMMITTEE**

The Committee will be responsible for the preparatory work for the decision-making activity of the Board of Directors about the supervision of the integrity and quality of the Company's financial reporting, the effectiveness of the Company's risk management and internal control systems and the evaluation of any conflict of interest.

#### Financial Reporting

- 3.1 The Committee will verify and monitor the reliability of the preparation of the Company's annual and interim financial statements, interim management reports and any other official reporting on the Company's financial performance, examining the important aspects and decisions regarding the financial reporting contained therein before being presented to the Board of Directors.
- 3.2 The Committee will analyse the effectiveness of the Company's financial reporting procedures, so that all important financial information is brought to the attention of the Board of Directors, to ensure credibility, integrity, timeliness, completeness, and reliability of external financial reporting.
- 3.3 The Committee will oversee that the Board of Directors comply with applicable internal procedures, which are necessary for the preparation and publication of the annual report, financial statements, half-yearly and quarterly financial reports, and current financial reports.

#### Internal Control and Risk Management Systems

- 3.4 The Committee will monitor and review the efficiency and adequacy of the Company's internal control systems and will analyse the relevant reports provided by the executive management

- 3.5 The Committee will be responsible for examining, overseeing and advising the Board of Directors in connection with the Company's and its subsidiaries' internal financial controls, internal control/audit systems and risk management at the level of the Company and its subsidiaries, including operational and reporting activities, and the statements to be made in the annual report on internal control and risk management systems, and in particular, will examine
- a) the policies and process of identifying, evaluating, and managing the risks of the Company and its subsidiaries, including regular reports on internal control/audit, aspects related to risk management and the effectiveness of corrective actions undertaken by management;
  - b) regular assurance reports from management, internal auditor, external auditor, and others in relation to aspects of risk and control, in which the findings of the internal auditor's research should include, at least, the following:
    - i. any deficiencies affecting the adequacy, reactivity and effectiveness of internal control and risk management systems;
    - ii. any conclusions and observations that have a significant impact on the Company's risk profile and its affiliated enterprise;
    - iii. any non-compliance with the recommendations made by the internal auditor; and
    - iv. the application of codes of conduct and the conditions and effectiveness of internal controls and risk management systems.
- 3.6 The Committee will monitor the main risks undertaken by the Company, will inform the Board of Directors about such risks and will ensure that they are managed efficiently, adopting a systematic approach to monitoring the main categories of major risks.

Compliance, Conduct and Conflict of Interest

- 3.7 The Committee will see that there are mechanisms for conducting a balanced and independent investigation in relation to any possible irregularities in the financial reporting.
- 3.8 The Committee will see that the Company's policies and practices comply with local and international laws and regulations, the recommendations of regulatory authorities and best practices.
- 3.9 The Committee will analyse any situation likely to generate a conflict of interest in the transactions involving the Company, its subsidiaries and, respectively, their affiliates. The Committee will examine the implementation of the conflict-of-interest policy (or equivalent provisions).
- 3.10 The Committee will analyse the specific reports issued at the end of each semester by the external auditor regarding the Company's transactions with its affiliates and the

transactions between the Company's affiliates and their affiliates, with an individual or cumulative value within a financial year equal to or higher than 5% of the Company's net assets (according to the latest published financial report), ensuring that the reporting obligations provided by current regulations are complied with.

#### Internal Audit

##### 3.11 The Committee:

- a) will monitor the implementation of the internal audit standards;
- b) will monitor and assess how the Company's internal audit operates and its effectiveness in the context of the entire risk management system at the Company level, ensuring that it is effective, independent of the Company's management and that its members carry out their tasks in an impartial, competent manner and with the diligence of a professional, and will report annually on the examination and evaluation of the internal audit function
- c) will analyse and approve the task of the internal audit function, will ensure that it has adequate resources and appropriate access to information that enables it to perform its function in an effective manner and in accordance with relevant professional standards, and that the function has a suitable status and is free from restrictions from management or of any other nature;
- d) will meet with a representative of the internal audit function at least once a year, without the members of management being present, to discuss its task and any problems arising from the internal audit analyses conducted and to give the leader of the internal audit function direct access to the Committee;
- e) will analyse and approve the annual audit plan and will ensure that it respects the scope of the audit task;
- f) will analyse the findings of the audit together with the external auditor;
- g) will receive at least one report from the internal auditor containing all findings and recommendations made under the audit tasks conducted in the Company, as well as their state of implementation;
- h) will keep records of how the Committee is informed by the internal audit;
- i) will promptly analyse all internal auditors' reports regarding the Company and its subsidiaries;
- j) will examine and monitor the reactivity and compliance by the management of the findings and recommendations of the internal auditor; and
- k) will make recommendations in connection with the appointment and revocation of the internal auditor.

3.12 The Committee and the external auditor will be engaged in preparing the internal audit plan. They will also take account of the internal auditor's findings. The internal auditor will have access to the external auditor and the Committee.

3.13 The internal auditors must report in functional terms to the Board of Directors through the Committee. For administrative purposes and under the management obligations to monitor and mitigate risks, they will report directly to the general manager.

#### External Audit

3.14 The Committee:

- a) will analyse, oversee and make appropriate recommendations to the Board of Directors, which will be presented at the General Meeting of Shareholders, in connection with the appointment, re-appointment, remuneration or revocation of the Company's external auditors, including the investigation of problems leading to such revocations and making decisions on the need to undertake actions;
- b) will function as the primary point of contact for the external auditor in case it identifies irregularities in the content of the financial reporting;
- c) will determine how the external auditor should be involved in the content and publication of financial reporting, other than financial statements;
- d) will oversee the external auditor and report to the Board of Directors on an annual basis or earlier, if the need arises, about the functioning and evolution in the relationship with the external auditor;
- e) will oversee the relationship with the external auditor, including (but not limited to):
  - i. make a proposal regarding the engagement of the external auditor to audit the financial statements. In setting out the terms of the commitment, the scope of the audit, the materiality threshold to be used and the remuneration for the audit should be considered;
  - ii. annual evaluation, examination and monitoring of the independence and objectivity of the external auditor, considering the relevant professional and regulatory requirements and the relationship with the external auditor as a whole;
  - iii. annual evaluation of qualifications, knowledge, resources, and effectiveness of the audit process, based on the report submitted by the external auditor to the audit committee, guaranteeing that this report includes information on its own qualitative internal procedures and monitoring the auditor's compliance with relevant ethical and professional guidelines; and

- iv. analysis of the risk of withdrawal of the current external auditor of the Company from the market and quantification of the impact that this action may have on the Company;
- f) will meet regularly with the external auditor, including once in the planning stage before the audit, and once after the audit, in the reporting stage where it will discuss the results of the external audit. The Committee will meet with the external auditors at least once a year without the members of management being present, to discuss their mission and any problems arising from the audit;
- g) will discuss with the external auditor the audit plan already agreed with the Company and the findings of the external auditor, based on the activity conducted by the external auditor, including, but not limited to:
  - i. the scope and materiality threshold of the audit plan and the main risks of annual reporting identified by the external auditor in the audit plan; and
  - ii. taking also in consideration the documents underlying the audit plan, the findings, and results of the audit activity of the financial statements and the letter to the management;
- h) will discuss any difficulties, reservations or other aspects arising from the audits of the external auditors; and
- i) and will analyse any letter(s) of representation requested by the external auditors before it (they) is (are) signed by management and the letter to management and management's response to the findings and recommendations of the external auditor.

#### Other Duties

- 3.15 The Committee will analyse on a regular basis the implementation of information and communication technologies of the Company, including the risks related to cybersecurity.
- 3.16 The Committee will analyse other information and documents indicated by the Board of Directors which fall within the area of competence and specialised knowledge of the members of the Committee.
- 3.17 At the end of each calendar year, the Committee will prepare an annual activity programme for the following year and send it for approval by the Board of Directors.
- 3.18 The Committee will make recommendations to the Board of Directors, as it deems necessary, in any area under its competence and where actions or improvements are recommended

#### **4. Functioning of the Committee**

- 4.1. The Committee will meet whenever deemed necessary, but in any case, at least four times a year. The Committee's meetings will be convened by the Chairman of the Committee, at the request of any of its members. The Chairman of the Committee will specify the agenda and duration of the meetings and ensure the effective exercise of the Committee's duties.
- 4.2. To allow the timely preparation of the reports, the meetings of the Committee will take place before the scheduled meeting of the Board of Directors of the respective month;
- 4.3. The Committee may also meet by videoconference or teleconference if the Chairman of the Committee so decides. In addition, the Chairman of the Committee may seek that the Committee adopts decisions on certain documents through an exchange of emails, faxes, or letters.
- 4.4. Unless all members of the Committee agree otherwise, the convening notice confirming the place, time and date of the meeting, any details regarding telephone conferences and the agenda will be sent to each member of the Committee, any such other person who has the obligation to participate, as well as to all other non-executive directors, as soon as possible, but in any case, no later than five business days before the date of the meeting.
- 4.5. When the need arises, the external auditor can seek permission from the Chairman of the Committee to participate in the Committee's meeting. The external auditor will receive the financial information underlying the adoption of the interim financial reports and will be given the possibility to be responded to all questions.
- 4.6. The internal auditor will be able to participate in all meetings without having the right to vote, save as when the Chairman of the Committee considers that his/her participation is not required.
- 4.7. The Committee may invite to its meetings other persons, such as other directors, managers of the Company or any other person (employees, consultants etc.) to participate in meetings, as it deems necessary or opportune.

#### **5. Quorum and Majority**

- 5.1. The quorum is considered fulfilled, and the Committee validly meets when at least two members are present (including the Chairman of the Committee). The participation of a member in a meeting by video or audio means will be considered valid for the purpose of determining the quorum.
- 5.2. The decisions will be adopted by the Committee by common agreement. If an agreement is not reached, decisions will be adopted with the simple majority of the votes of the present members.

- 5.3. Written decisions signed or approved by letter, e-mail, telegram, or fax by all members of the Committee will be valid and will have equal effects as a decision adopted at the meetings of the Committee.
- 5.4. The Secretary of the Board of Directors will be the secretary of the Committee and will draft the minutes of the Committee's meetings and the decisions adopted. The minutes will indicate the time and place of the meeting, list the persons participating in the meeting, mention the existence of any conflict of interest and summarise the aspects discussed at the meeting.
- 5.5. The minutes of the Committee's meetings will be promptly communicated to all members of the Committee and approved at the next meeting and once approved, to all members of the Board of Directors, except where there is a conflict of interest.

## **6. Self-assessment**

The Committee will self-assess whenever necessary its performance, fulfilment of purposes, composition, and the Terms of Reference. The conclusions regarding the recommendations deemed necessary will be included in a report to be submitted to the Board of Directors for approval.

## **7. Reporting Responsibilities**

Following each meeting of the Committee, the Chairman will officially report to the Board of Directors the findings, deliberations, and conclusions. The report will include: (i) methods used to assess the effectiveness in preparing and functioning of the risk management and internal control systems, (ii) methods used to assess the effectiveness of the internal and external audit processes, (iii) significant considerations regarding financial reporting, and (iv) how significant risks and uncertainties have been analysed and discussed, together with a description of the most important findings of the Committee.

Approved by the Board of Directors on ... February 2024.