

Rules of procedure for the audit committee of the Supervisory Board

of

hGears AG

(version of 1 June 2022)

§ 1

COMPOSITION

1. The audit committee consists of two members of the Supervisory Board.
2. The members of the audit committee shall elect a chairman from its midst.
3. The chairman of the audit committee shall be independent of the company, the executive board and a controlling shareholder, have special knowledge and experience in the application of accounting principles and internal control procedures and be familiar with the auditing of the financial statements. He shall neither be the chairman of the Supervisory Board nor a former member of the management board of the company whose appointment ended less than two years ago.
4. Pursuant to § 107 section 4 sentence 3 AktG, at least one member of the audit committee must have expertise in the field of accounting and at least one other member of the audit committee must have expertise in the field of auditing.

§ 2

FUNDAMENTAL TASKS

The Audit Committee has the tasks assigned to it by law and those defined by resolution of the Supervisory Board or in these rules of procedure. In particular, it shall monitor.

- a) the accounting and the accounting process,
- b) the effectiveness of the internal control system, the risk management system and the internal audit system as well as the internal procedure for related party transactions,
- c) the audit of the financial statements, in particular the selection, independence and qualification of the auditor as well as the performance of the auditor, including the additional services provided by the auditor; in doing so, the auditor shall comply with the applicable legal provisions, in particular the requirements of EU Regulation No. 537/2014 on statutory audits, and
- d) the company's compliance with legal provisions, official regulations and internal company guidelines.

§ 3

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

1. The Audit Committee is responsible for the preliminary examination of the annual and consolidated financial statements, the management report of Hears AG and the Group. To this end, it discusses the documents referred to in sentence 1 above with the Executive Board and the auditor and deals with the auditor's report.
2. The Audit Committee prepares the decision of the Supervisory Board on the adoption of the annual financial statements and the approval of the consolidated financial statements and on the resolution proposal of the Executive Board on the appropriation of the results.

3. It discusses significant changes in the auditing and accounting methods.

§ 4

AUDITOR

1. The audit committee prepares the proposal of the Supervisory Board to the general shareholders' meeting for the election of the auditor for the annual financial statements, the consolidated financial statements, the management report of hGears AG and the Group and, if intended, for the auditor's review of the half-year financial report for the Group (condensed financial statements and interim management report) and submits a corresponding recommendation to the Supervisory Board. In cases where the audit mandate is put out to tender, the Audit Committee shall submit to the Supervisory Board a reasoned recommendation for the selection of the auditor, which shall include at least two candidates.
2. The audit committee shall issue the audit mandate to the auditor after the resolution of the general meeting. In doing so, it shall determine in particular the focal points of the audit, the remuneration and the auditor's duties to provide information.
3. The audit committee shall monitor the selection, independence, qualification, rotation and efficiency of the auditor. To this end, the audit committee shall obtain a declaration from the proposed auditor that the legal independence requirements are met before submitting the proposal for election in accordance with § 4 paragraph 1 of these rules of procedure. The declaration shall further state whether and, if so, which business, financial, personal or other relationships exist between the audit firm and its executive bodies and head auditors on the one hand and the enterprise and its executive body members on the other hand that could give rise to doubts about its independence. The declaration shall also cover the extent to which other services were rendered to the company in the previous business year, in particular in the consulting sector, or are contractually agreed for the following year. The declaration shall state the auditor's fees in accordance with the applicable legal provisions for the disclosure of fees by the company for the past financial year. It shall be agreed with the auditor that the chairman of the audit committee shall be informed immediately of any grounds for disqualification or bias arising during the audit. The audit committee shall discuss with the auditor the threats to the auditor's independence and the safeguards applied to mitigate these threats. It shall regularly assess the quality of the audit.
4. Engagements with the auditor or companies with which the auditor is legally, economically or personally affiliated may only be issued insofar as they do not involve prohibited non-audit services and require the prior approval of the audit committee, which shall duly assess the threats to the auditor's independence and the protective measures applied.

§ 5

COOPERATION WITH THE AUDITOR

The Audit Committee agrees with the auditor that the auditor shall inform it

- a) of all findings and occurrences of significance for the tasks of the Supervisory Board that come to its attention during the performance of the audit of the annual accounts;
- b) of any facts ascertained during the performance of the audit of the financial statements which show a misstatement in the declaration on the German Corporate Governance Code issued by the management board and the Supervisory Board;
- c) about all critical accounting matters as well as alternatives to the accounting treatment of transactions that have been discussed with the management board and about material written communications between the auditor and the management board;

- d) on any contentious issues that arose during the audit and review between the auditor and the board of directors;
- e) on material weaknesses in the internal control and risk management systems, in particular in relation to the financial reporting process;
- f) about any other circumstances 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.

§ 6

QUARTERLY REPORTS AND HALF-YEAR FINANCIAL REPORT

The audit committee shall discuss the quarterly reports and the half-yearly financial report with the Executive Board and shall deal with the auditor's reports in the event of an audit review.

§ 7

MEETINGS

1. The audit committee shall meet as required, but at least four times per financial year, at the invitation of the chairman of the committee. The meetings of the audit committee shall be convened by the chairman or, if he is prevented from doing so, by a deputy of the chairman, whom the latter shall appoint in good time if possible, observing a period of notice of at least two weeks. The day of dispatch of the invitation and the day of the meeting shall not be included in the calculation of the notice period. In urgent cases, the notice period may be shortened.
2. The provisions of the Rules of Procedure of the Supervisory Board shall apply mutatis mutandis to the convening, form and recording of meetings, unless these rules of procedure provide otherwise.

§ 8

ATTENDANCE AT MEETINGS

1. The meetings of the audit committee shall normally be attended by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), unless otherwise determined by the chairman of the audit committee.
2. The audit committee shall meet without the management board if necessary.

§ 9

OTHER RIGHTS

1. Each member of the audit committee shall have the right to inspect all business records, books of account, business information stored on data carriers, assets and liabilities of the company.
2. The audit committee shall be entitled to obtain information in connection with the work of the audit committee from the auditors, the management board and the officers of the company who report directly to the management board.
3. The audit committee may, in its judgment, consult with auditors, legal counsel and other external and internal advisors in the performance of its duties. The chairman of the committee

may permit these and other persons to attend meetings of the committee. The costs shall be borne by the company.

§ 10

REPORTS AND STATEMENTS

1. The chairman of the audit committee shall regularly report to the Supervisory Board on the activities of the audit committee.
2. To the extent that declarations are to be made or received, the chairman of the audit committee or, in his absence, the chairman of the Supervisory Board shall act on behalf of the audit committee.

§ 11

CONFIDENTIALITY

With regard to the duty of confidentiality of members of the audit committee and other persons participating in meetings of the audit committee, the provisions of the rules of procedure of the Supervisory Board on confidentiality shall apply accordingly.