

**Rules and Regulations of the Audit Committee
of the Przedsiębiorstwo Handlu Zagranicznego
„Baltona” Spółka Akcyjna
with its seat in Warsaw**

§1

Functions of the Audit Committee

1. The Audit Committee of the Przedsiębiorstwo Handlu Zagranicznego „Baltona” Spółka Akcyjna (hereinafter: the *Audit Committee*) is a collective advisory body within the frame of the Supervisory Board structure.
2. Functions of the Audit Committee shall be exercised mostly by providing the Supervisory Board with conclusions, opinions and reports related to the Audit Committee’s tasks.
3. When carrying out their tasks, the Audit Committee shall be governed in particular by provisions of these Rules and Regulations, as well as by the Act of 11 May 2017 on registered auditors, auditing entities and public supervision (hereinafter: *Registered Auditors Act*) and the Regulation of the European Parliament and of the Council (EU) No. 537/2014 of 16 April 2014.

§2

Composition of the Audit Committee

1. The Audit Committee shall consist of at least three members (appointed by the Supervisory Board from among their members, for the period of the Supervisory Board’s term of office. The Audit Committee shall elect the Chairperson and Deputy Chairperson of the Audit Committee among its members.
2. most of the Audit Committee, including its Chairperson, shall meet independence criteria within the meaning of art. 129 of the Registered Auditors Act. at least one Audit Committee member shall have qualification in accounting or revising financial statements. at least one Audit Committee member shall have knowledge and skills of the Company’s business activity field.

§3

Rules and principles of functioning of the Audit Committee

1. The first meeting of the Audit Committee shall be summoned by the Audit Committee’s Chairperson appointed by the Supervisory Board.
2. From among their members, by adopting a resolution, the Audit Committee shall elect a Deputy Chairman of the Audit Committee.
3. Meetings of the Audit Committee shall take place as necessary, however at least every quarter.
4. Dates of the Committee meetings shall be set in way to ensure proper performance of their tasks, in particular within the scope of initial assessment of documents related to closing a financial year and recommending of appointing an entity entitled to revise financial statements.

5. Chairperson of the Audit Committee shall summon the Audit Committee meetings, set the agenda of those meetings and manage the Audit Committee's works.
6. In the case of the Audit Committee's Chairperson's absence or inability to perform his/her functions, his/her competences shall be performed by the Deputy Chairman of the Audit Committee.
7. Meetings of the Audit Committee shall be summoned by the Committee Chairperson of his/her own initiative, upon Audit Committee member's or Supervisory Board Chairperson's request.
8. In order to summon Audit Committee's meeting all members of the Committee must be invited at least 5 (five) days before the date of the Committee's meeting; the invitation must include the date, place and proposed agenda of the meeting. The notifications may be provided with by registered mail, fax or electronic mail.
9. Each member of the Audit Committee may notify to the Committee Chairperson a motion for including a particular matter in the agenda of the nearest meeting of the Committee.
10. The Chairperson of the Audit Committee may invite to the Committee Meetings other members of the Supervisory Board, members of the Management Board and the Company employees as well as other persons whose attendance in the Committee meetings he/she deems as important for exercising of the Committee's tasks. They may participate in the Committee's meetings without voting rights.
11. The Audit Committee may hold a meeting without a formal convening if all its members give their consent thereto on the meeting date at the latest.
12. The agenda may be amended if all Audit Committee members are present on the meeting and none of them objects against the proposed amendments.
13. The Audit Committee shall be capable of making a resolution if at least half of members attend the meeting and all the Committee members have been invited correctly.
14. The Audit Committee resolutions shall be adopted by simple majority of votes. In the case of equal number of votes „for” and „against”, the Audit Committee Chairperson's vote shall prevail.
15. The Audit Committee may adopt resolutions in writing form or with use of direct distant communication means (telecommunication means – telephone, teleconference, electronic mail and similar technical means), provided that all Audit Committee members have been informed of the content of the draft resolution and gave their consent to participate in adopting a resolution with use of direct distant communication means.
16. The Audit Committee meeting is recorded in minutes which shall be signed by all Committee members present on the meeting. Where a resolution has been adopted with use of direct distant communication means, the minutes of the meeting shall be signed by the Committee members at the next Committee meeting.
17. An Audit Committee member voting against adoption of a resolution may demand to note in the meeting minutes his her dissenting opinion (*votum separatum*).

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Tasks of the Audit Committee

1. The Audit Committee shall perform in particular the following tasks:
 - a. monitoring of the process of financial reporting;
 - b. monitoring of effectiveness of inner inspection systems, risk management systems and inner audit existing in the Company, including also the scope of financial reporting;
 - c. monitoring of performed financial revising activities, in particular auditing the Company's financial statement by an auditing entity, including all conclusions and arrangements of the Komisja Nadzoru Audytowego (Commission of Audit Supervision) resulting from an inspection carried out in the auditing entity;
 - d. controlling and monitoring of independence of a registered auditor or an auditing entity providing services to the Company;
 - e. informing the Supervisory Board on the results of auditing the Company's financial statements and explaining how the audit affected reliability of the Company's financial reporting and explaining the Committee's role in the auditing process;
 - f. assessment of independence of a registered auditor and giving the consent for that auditor's providing services for the Company;
 - g. development of policy for selection of an auditing entity to audit the Company's financial statement;
 - h. development of policy for providing, by an auditing entity conducting audit of the financial statement via units associated with the auditing entity concerned and via a member of the auditing entity's network, permissible services other than auditing the financial statement;
 - i. determining the procedure of selection of an auditing entity by the Company;
 - j. submitting recommendations for the purpose of ensuring reliability of the process of the Company's financial reporting.
2. The Audit Committee shall provide the Supervisory Board with recommendations regarding appointment of registered auditors or auditing entities to audit the Company's financial statement. In their recommendation the Committee shall state that the recommendation was not affected by a third party and that they have not been restricted by any clause limiting opportunity to select a registered auditor or an auditing entity. Unless it regards renewal of an audit order, the recommendation shall contain justification and at least two opportunities to entrust ordering of the audit.
3. The Audit Committee shall discuss, with the registered auditor, the nature and scope of audit of the Company's financial statement.
4. The Audit Committee shall inspect the registered auditor's work's efficiency and shall analyse any and all problems and doubts arising in the course of auditing the Company's financial statements.

5. The Audit Committee shall make the review of the Company's periodical and annual financial statements prior to publication thereof. Within the frame of the review concerned the Committee shall revise and assess the most crucial issues referred to in the financial statements, risks for the Company's activities as well as actual or potential influence of those risks to the statements' content, activities taken by the Management Board of the Company in response to those risks; in addition, the Committee shall take conclusions from the registered auditor's opinion.
6. The Audit Committee shall consider all other matters provided for the Committee's consideration by the Supervisory Board.
7. The Audit Committee shall provide the Supervisory Board with a report of their activity during a given financial year, until 30th of April of the next year.
8. The Audit Committee shall be entitled to:
 - a. auditing any and all Company's activities important in the light of the Committee's tasks;
 - b. demanding from the Management Board and from the Company employees any and all information, explanations and reports within the scope of accounting, finances, internal audit and risk management;
 - c. checking the Company's books and documents and direct checking the Company's financial condition;
 - d. notifying proposals of issues of temporary audit tasks;
 - e. submitting applications to the Supervisory Board for adopting resolutions, including a resolution on ordering evaluations and opinions by the Company.

§5

1. Costs related to the Audit Committee's activities, including potential remuneration for the members of the Committee shall be borne by the Company.
2. The Audit Committee shall use the offices, equipment and materials of the Company.
3. The Company shall provide the organizational and technical operation of the Audit Committee.

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Exercising by the Committee of the activities determined by these Rules and Regulations shall not replace rights and obligations of the Supervisory Board under law provisions and Articles of Incorporation and shall not release Supervisory Board members from their responsibility.