

CPD S.A.'s Audit Committee Rules

1. [Introduction]

- 1.1. These Rules detail the rules of operation and proceedings of the Audit Committee of CPD Spółka Akcyjna.
- 1.2. The Audit Committee is a corporate body operating within the Supervisory Board of CPD S.A.
- 1.3. The Audit Committee is a permanent consulting and advisory body for the Supervisory Board of CPD S.A.

2. [Definitions]

The following terms used herein shall have the following meanings:

1. Rules – these rules adopted by the Supervisory Board.
2. the Company, CPD S.A. – CPD Spółka Akcyjna with its registered office in Warsaw.
3. Articles - CPD S.A.'s Articles of Association
4. Annual General Meeting – annual general meeting of CPD S.A.'s Shareholders
5. Supervisory Board – Supervisory Board of CPD S.A.
6. Chairperson of the Supervisory Board – chairperson of CPD S.A.'s Supervisory Board.
7. Board – the Management Board of CPD S.A.
8. Independent Member of the Supervisory Board – a member of the Supervisory Board meeting the independence criteria referred to in: (i) Annex II to the Commission's Recommendations of 15 February 2005 on the role of non executive/supervisory directors and supervisory board committee, and (ii) guidelines contained in "Good Practices for Companies Listed at the Warsaw Stock Exchange 2016" (hereinafter: "WSE Good Practices 2016"), or (iii) stipulated in other regulations concerning independence criteria applicable to independent members of supervisory boards of companies being public interest entities, as applicable on the date of the Independent Member's election.
9. Code of Commercial Companies, CCC – Code of Commercial Companies of 15 September 2000 (Journal of Laws No 94, item 1037 as amended).
10. Certified Auditors Act, the Act – the Certified Auditors, Auditing Companies, and Public Supervision Act of 11 May 2017 (Journal of Laws of 2017, item 1089 as amended).
11. Audit Committee, the Committee – the audit committee as defined in the Certified Auditors Act, appointed within the Company's Supervisory Board.
12. Chairperson of the Committee – chairperson of CPD S.A.'s Audit Committee.
13. Independent Member of the Committee – a member of the Supervisory Board meeting the independence criteria referred to in the Act.

3. [Members of the Audit Committee]

- 3.1. The Audit Committee consists of three to five members appointed under a resolution of the Supervisory Board for the duration of its term and from among the Supervisory

Board members. Each member of the Committee may be dismissed any time under a resolution of the Supervisory Board.

- 3.2. Majority of the Audit Committee members, including the Chairperson, should meet the independence criteria referred to in Article 129.3 of the Act.
- 3.3. The Supervisory Board shall elect the Audit Committee members at the first meeting of their term.
- 3.4. The Audit Committee members shall elect their Chairperson at the Committee's first meeting.
- 3.5. At least one of the Audit Committee members should have the knowledge and skills in the field of accounting or financial statements auditing.
- 3.6. The Audit Committee members should have the knowledge and skills pertaining to the industry in which the Company operates; this condition shall be deemed met if at least one Committee member has the knowledge and skills pertaining to this industry or individual members have knowledge and skills in specific areas of this industry.
- 3.7. Should the term of the Supervisory Board member appointed to the Audit Committee expire prior to expiry of the entire Supervisory Board's term, or should such member resign from the Audit Committee, the Supervisory Board shall elect a new Committee member for the remaining term of the Supervisory Board.
- 3.8. If there is no member of the Supervisory Board who would meet the requirements specified in items 3.5 and 3.6 above at the time of expiry of the term of the Supervisory Board member appointed to the Audit Committee, the Chairperson of the Committee shall advise the Management Board that a person meeting such requirements must be appointed to the Supervisory Board by the Annual General Meeting.

4. [Audit Committee operating procedures]

- 4.1. Meetings of the Audit Committee should be held at least twice a year, prior to publication of the Company's financial statements (interim and annual).
- 4.2. Works of the Committee shall be headed by the Chairperson of the Audit Committee who shall be responsible, among other things, for preparation of the Committee's meetings, and choose meeting dates and agendas.
- 4.3. Meetings of the Committee shall be convened by its Chairperson who shall invite the Audit Committee members to the meeting and advise the other members of the Supervisory Board of the date and agenda of the meeting. All members of the Supervisory Board shall be entitled to attend the Committee's meetings.
- 4.4. Members of the Audit Committee should be given notice of the meeting not later than 7 days prior to the meeting date, and in urgencies – not later than 1 day prior to the Committee meeting. A meeting of the Committee may be held without being formally convened, if all members of the Committee consent to holding such a meeting and approve the proposed agenda.
- 4.6. The Audit Committee acts collectively. Any motions require resolutions of the Committee.
- 4.7. Resolutions of the Audit Committee shall be passed by a simple majority of votes cast. In case of tied votes, the Chairperson of the Committee shall have the deciding vote. The resolutions shall be valid if passed in the presence of at least half of the Committee's members at the meeting.

- 4.8. Committee members shall only be allowed to vote in person on the resolutions. In urgent situation, resolutions of the Committee may be passed in writing or using means of instant telecommunication; such resolutions shall however be valid only provided that the text of the draft resolutions has been communicated to all members of the Committee.
- 4.9. Recommendations and opinions of the Audit Committee shall be adopted in resolutions. Recommendations and opinions shall be presented to the Supervisory Board by the Chairperson of the Committee. The President of the Management Board shall be advised of the recommendations and opinions presented to the Supervisory Board by the Committee.

5. [Responsibilities of the Audit Committee]

- 5.1. The role of the Audit Committee is to advise and support the Supervisory Board in its statutory duties concerning control and supervision by:
 - a) monitoring the financial reporting process in the Company and its Capital Group;
 - b) monitoring efficacy of internal control systems and risk management systems, and internal audit, including financial reporting;
 - c) monitoring financial audit activities, in particular audit of the Company by a third-party audit firm; in this respect, the Committee shall in particular monitor independence of certified auditors and the audit firm and closely co-operate with such entities;
 - d) providing support in the Company's financial planning processes and controlling delivery of such processes;
 - e) monitoring the Company's relations with associated entities.
- 5.2. In terms of monitoring of the Company's financial reporting processes, the Committee shall:
 - a) communicate regularly with the Company's Management Board and managing bodies of its associated entities, to obtain up-to-date information on financial standing of the Company and CPD Capital Group, including on the planned changes in the accounting method used and on delivery of financial plans;
 - b) monitor reliability of financial information presented by the Company, by analysing accounting methods used by the Company (including consolidation criteria for financial statements of the Company and CPD Capital Group);
 - c) perform a preliminary review of the Management Board's report on the Company's operations and the Company's annual financial statements;
 - d) perform a preliminary review of all financial documents presented to the Supervisory Board, including financial plans drawn up by the Management Board;
 - e) give opinion on the basic principles of the financial reporting system in place at the Company, present the Supervisory Board with conclusions and recommendations on reasonability of changing the system in order to ensure reliability of the Company's financial reporting process, and advise the Supervisory Board of any major non-compliances of that system of which the Committee is aware or of risks associated with organisation and functioning of that system.

- 5.3. In terms of monitoring efficacy of internal control systems and risk management systems, and internal audit, including the Company's financial reporting, the Committee shall:
- a) give opinion on efficacy of the internal control and risk management systems in place at the Company, and internal audit in terms of the Company's financial reporting; the Audit Committee shall present the Supervisory Board with conclusions and recommendations concerning such efficacy assessment, advise the Supervisory Board of any non-compliances of the above systems found and of risks associated therewith, and propose any changes in organisation of such systems to ensure that the key risks are duly identified and mitigated;
 - b) evaluate internal control results;
 - c) analyse decisions and recommendations of regulatory or control bodies concerning the Company's legal compliance, and the methods of removal of non-compliances found as proposed by the Management Board, including the necessary changes in the Company's internal procedures.
- 5.4. In terms of monitoring financial audit activities, in particular audit of the Company and its Capital Group by a third-party audit firm, the Committee shall:
- a) control and monitor independence of the certified auditor and the auditing firm, in particular if the auditing firm provides the Company with services other than audits;
 - b) keep the Supervisory Board informed on the results of the audit of consolidated annual financial statements of CPD Capital Group and/or audit of the annual financial statements of the Company as a public interest entity, and explain how the audit contributed to reliability of the Company's financial reporting and the role of the Audit Committee in the auditing process;
 - c) evaluate independence of the certified auditor and consent to provision of services other than audits by such auditor at a public interest entity;
 - d) draft a policy for selection of the auditing firm to audit consolidated annual financial statements of CPD Capital Group and/or audit of the annual financial statements of the Company as a public interest entity;
 - e) draft a policy for provision of permitted services other than audits by the auditing firm performing the audit, its associated entities, and members of such auditing firm's network; and approve services provided by the auditing firm following risk assessment and securing claims;
 - f) draft a procedure for selection of the auditing firm by CPD S.A. as a public interest entity;
 - g) present the Supervisory Board with the recommendation referred to in Article 16.2 of the Regulation of the European Parliament and the Council (EU) no. 537/2014 of 16 April 2014, in line with the policies referred to in subparagraphs d) and e) above;
 - h) propose the Supervisory Board and the Management Board with recommendations aimed at ensuring reliability of the financial reporting process at the Company and its Capital Group;
 - i) discuss the type and scope of annual audit and controls of interim financial statements with the Company's auditors;

- j) review efficiency of the auditor's work, in particular by staying in touch with the auditor during the audit of the Company's and its Capital Group's financial statements in order to discuss the progress of works, explain the doubts and concerns of the auditor pertaining to the accounting policy and internal control systems in place;
- k) analyse the interim and annual financial statements of the Company (both separate and consolidated) audited by a certified auditor, in particular in terms of: (i) changes in accounting standards, principles, and practices; (ii) major revisions following the audit; (iii) compliance of the statements with applicable accounting and reporting regulations;
- l) present the Supervisory Board with conclusions and recommendations of the certified auditor's report and opinion following audit of financial statements of the Company and its Capital Group, in particular if the certified auditor refuses to give any opinion, give a negative opinion, or make any reservations to the financial statements, and explain how the audit contributed to reliability of the Company's financial reporting and the role of the Audit Committee in the auditing process;
- m) give opinion on activities undertaken by the Company's Management Board in connection with the auditor's reservations to the financial statements of comments and recommendations concerning correctness of financial statements or accounting principles in place at the Company;
- n) investigate the reasons for the auditor's/auditing firm's resignation.

- 5.5. In terms of support for the Company's financial planning processes and control of their delivery, the Committee's responsibilities include, among others, giving opinion on the Company's annual budgets and strategic plans presented to the Supervisory Board by the Management Board and control of their delivery (at least once a year).
- 5.6. The Audit Committee shall perform its responsibilities in particular by presenting the Supervisory Board with their conclusions, opinions, and reports concerning scope of its responsibilities, formally adopted by the Committee's resolutions.
- 5.7. The Supervisory Board may have the Audit Committee support the Supervisory Board in supervisory activities other than those described in section 4.

6. [Powers of the Audit Committee]

- 6.1. The Audit Committee shall have the right to receive specific information on accounting, finance, internal audit, and risk management, required for performance of their responsibilities from the Company or any CPD Capital Group entity.
- 6.2. Chairperson of the Committee may invite members of the Management Board and members of management bodies of CPD Capital Group entities to the Committee's meetings; if attendance of other persons is advisable for due delivery of the Committee's responsibilities, the Chairperson of the Committee may invite such persons, including the Company's employees and associates, to the meeting (upon consultation with the President of the Management Board).
- 6.3. The Audit Committee should be informed of the method of recording important and unconventional transactions if several solutions are possible.
- 6.4. Members of the Audit Committee shall be allowed to contact the key auditor and representative of the auditing firm at any time; the Company's employees acting as internal auditors and certified auditors shall have guaranteed access to members of the Audit Committee.

- 6.5. The Audit Committee should be sent working timetables of the internal auditors and certified auditors.
- 6.6. The Audit Committee may request the key certified auditor to discuss the key issues arising from the audit and listed in the additional report referred to in Article 11 of the Regulation of the European Parliament and the Council no. 537/2014 with the Audit Committee, the Management Board, and the Supervisory Board.
- 6.7. The Audit Committee may request the Supervisory Board and the Management Board to draft an expert opinion or hire specialists in the indicated fields for the purposes of the Committee's responsibilities.
- 6.8. The Audit Committee shall submit an annual report on their activities to the Supervisory Board.

7. [Minutes of the Committee]

- 7.1. Minutes shall be taken at the Committee's minutes. The minutes shall be drafted by a person appointed by the Chairperson of the Committee – a Company employee may also act as minute-taker upon consent of the President of the Management Board.
- 7.2. The minutes shall contain: (i) number of the minutes; (ii) date and place of the minutes; (iii) list of attendants or rules of the Committee's proceedings; (iv) agenda; (v) motions submitted by the Committee members, (vi) text of the resolutions; (vii) results of the vote on the resolutions, and (viii) dissenting opinions expressed by Committee members.
- 7.3. Draft minutes of the Committee meeting shall be sent to all attending Committee members not later than with the notice of the next meeting.
- 7.4. The minutes shall be approved at the Committee's next meeting. The approved minutes shall be signed by all Committee members attending the meeting for which the minutes were drafted.
- 7.5. Minutes of the Committee's meeting shall be kept at the Company's registered office. All members of the Supervisory Board and the Management Board shall be entitled to inspect these minutes as well as any other documents drawn up in the course of the Committee's work.

8. [Other provisions]

- 8.1. Costs of the Audit Committee's operations shall be paid by the Company.
- 8.2. Organisational and technical services for the Audit Committee shall be provided by the Company.
- 8.3. These Rules shall become effective upon approval by the Supervisory Board. Any amendments to these Rules shall require approval of the Supervisory Board.