

**BY-LAWS OF THE AUDIT COMMITTEE  
OF ECHO INVESTMENT S.A.**  
with its registered office in Kielce

**1. General provisions**

- 1.1. These By-laws (the **By-laws**) have been approved by the Supervisory Board of Echo Investment S.A. (Public Limited Company) with its registered office in Kielce (the **Company**) on 10 October 2017.
- 1.2. The Audit Committee (the **Audit Committee**) is a standing committee of the Supervisory Board.

**2. The composition of the Audit Committee**

- 2.1. There are a minimum three members of the Audit Committee, provided that the majority of the members of the Audit Committee, including the Chairman of the Audit Committee, must satisfy the independence criteria referred to in the Auditors' Act or in any laws adopted in its stead.
- 2.2. At least one member of the Audit Committee has the relevant knowledge and skills in accounting or auditing financial statements.
- 2.3. The members of the Audit Committee have the knowledge and skills required in the industry in which the Company operates, provided that this condition is considered satisfied if at least one member of the Audit Committee has the knowledge and skills required in the industry in which the Company operates or the individual members have knowledge and skills required in a specific scope of that industry.
- 2.4. The Chairman and Vice-Chairman of the Audit Committee are appointed by the Supervisory Board. The Supervisory Board may appoint one or more persons to the position of Vice-Chairman of the Audit Committee.
- 2.5. Members of the Audit Committee are appointed by the Supervisory Board from among its members.
- 2.6. Each of the Audit Committee members can be dismissed by the Supervisory Board at any time.
- 2.7. The Chairman of the Audit Committee may appoint one of its members or any other person to act as the Audit Committee's Secretary and be responsible for documenting the Audit Committee's work.

**3. The responsibilities of the Audit Committee**

The responsibilities of the Audit Committee include in particular:

- 3.1. monitoring:
  - (a) the financial reporting process, in particular the supervision of the Company's Management Board with reference to: (i) complying with appropriate law requirements and other regulations, in particular with the Accounting Act; (ii) the preparation of financial information by the Company, in particular the choice of the accounting policy rules, the application of new regulations and the assessment of their impact, and information on the method of treating estimated items, forecasts, etc. in annual reports, (iii) complying with guidelines and remarks of certified auditors and auditing firms appointed by the Supervisory Board;
  - (b) the efficiency of the internal control systems and risk management systems as well as internal audits, including with respect to financial reporting,
  - (c) the execution of financial review proceedings, including specifically the audits performed by the auditing firm, subject to all the requests and determinations made by the Audit Supervision Authority (*Komisja Nadzoru Audytowego*) in the course of inspections conducted at the auditing firm,
- 3.2. inspecting and monitoring the independence of the certified auditor and the auditing firm, specifically in the event that the audit firm renders any non-audit services to the Company, including with regard to any change of the certified auditor or the auditing firm and the level of received remuneration;
- 3.3. informing the Supervisory Board about the results of the audit and providing explanations as to how the audit contributed to the accuracy of financing reporting in the Company, and what was the role of the Audit Committee in the audit procedure;
- 3.4. assessment of the independence of the certified auditor and consenting to that auditor conducting any non-audit permitted services in favour of the Company;
- 3.5. development of the policy of the selection of an auditing firm for the conduct of an audit;
- 3.6. development of the policy applicable with respect to any non-audit permitted services rendered by the auditing firm which conducts the audit and by any entities related to that auditing firm and by any member of the auditing firm's group;
- 3.7. determining the procedure for the selection of an auditing firm by the Company;
- 3.8. providing the Supervisory Board with recommendations concerning the appointment of certified auditors or auditing firms in accordance with the policies referred to in sections 3.5 and 3.6 of these By-laws;
- 3.9. presentation of recommendations with the objective of ensuring the accuracy of the financial reporting process in the Company;
- 3.10. assessment of the work of the certified auditor and the auditing firm;

- 3.11. preparation of the opinions within the scope of the Audit Committee's competence, on the initiative of the Supervisory Board or on its own initiative;
- 3.12. informing the Supervisory Board in due time about the Audit Committee's method of utilising its entitlements and about significant events regarding its operations, in particular providing any and all information about the results of the Audit Committee's work;
- 3.13. submitting reports on the operations of the Audit Committee in a turnover year on the initiative of the Supervisory Board, which shall at least include information on the following subjects:
  - (a) the composition of the Audit Committee within the reporting period,
  - (b) the scope of entitlements of the Audit Committee,
  - (c) description of the main activities carried out within the reporting period by the Audit Committee, including information on meetings or consultations held,
  - (d) assessment of the of the audit process' independence level;
- 3.14. participation in Supervisory Board meetings, Management Board meetings and General Meetings of the Company in order to provide a detailed account of the Audit Committee's operations;
- 3.15. the Audit Committee may demand that the key certified auditor discuss with an audit committee, management board or any other managing body, supervisory board or other supervisory or controlling body in a public interest entity or a key certified auditor may demand discussing with the Audit Committee, management board or any other managing body, supervisory board or other supervisory or controlling body in a public interest entity of any issues discovered in the course of the audit which were mentioned in the additional report referred to in Article 11 of the Regulation No. 537/2014;
- 3.16. the Audit Committee, without the intermediation of the Supervisory Board, is entitled to:
  - (a) demand the Company to provide specific information, explanations and documents necessary for the performance of the duties referred to in sections 3.1 – 3.15 of these By-laws, including with regard to bookkeeping, finance, internal and external audit, in particular members of the Audit Committee are entitled to examine any and all books and documents and to obtain information and clarifications from members of the Management Board, directors and employees of the Company in the scope that is necessary for the appropriate performance of duties by the Audit Committee,
  - (b) demand from the Company to submit the work schedules of internal auditors and certified auditors or auditing firms,
  - (c) examining annual and semi-annual reports of the Company in due time,

- (d) putting forward recommendations and assessments to the Supervisory Board (within the scope of the Audit Committee's responsibilities, the President of the Management Board shall be informed about the recommendations and assessments put forward to the Supervisory Board);
- 3.17. while fulfilling its responsibilities the Audit Committee can acquire help or information from an expert or experts chosen by the Audit Committee for a fee agreed by both the expert and the Audit Committee, which needs to be approved by the President of the Supervisory Board. On obtaining the aforementioned approval of the President of the Supervisory Board, the Audit Committee Chairman shall inform the Management Board about the agreed fee and other actions required in order to employ the expert or experts. The Audit Committee will select the expert in consideration of the financial position of the Company.
- 3.18. The Audit Committee has authority exclusively in the scope specified in these By-laws and generally applicable laws, including specifically the Auditors' Act.

#### **4. Meetings of the Audit Committee**

- 4.1. The Audit Committee holds its meetings as often as it is necessary for its appropriate functioning.
- 4.2. Meetings of the Audit Committee are called by the Audit Committee Chairman or by the President of the Supervisory Board.
- 4.3. The Audit Committee has the right to invite members of the Management Board, representatives of the certified auditor or the auditing firm as well as directors and employees of the Company to its meetings provided it considers it appropriate.
- 4.4. The Audit Committee can pass resolutions provided there is a minimum of half of its members present in a given meeting.
- 4.5. The meetings of the Audit Committee and the resolutions adopted thereby will be governed by the relevant regulations of the Articles of Association of the Company and the By-laws of the Company's Supervisory Board.
- 4.6. The By-laws of the Supervisory Board apply to the taking of minutes of the Audit Committee meetings. Copies of the minutes of the Audit Committee meetings shall be handed over to the Chairman of the Supervisory Board directly after the approval of the minutes.

#### **5. Final provisions**

- 5.1. The Supervisory Board has the right to change these By-laws at any time or to cancel any powers granted to the Audit Committee, subject to the obligation to observe all binding laws and specifically the Auditors' Act.
- 5.2. For the purposes of these By-laws, it is assumed that:

- (a) “**Regulation 537/2014**” means Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.
- (b) “**Accounting Act**” means the act of 29 September 1994 on accounting (consolidated text: Journal of Laws of 2009, No. 152, item 1233, as amended).
- (c) “**Auditors’ Act**” means the act of 11 May 2017 on certified auditors, auditing firms and public supervision (Journal of Laws of 2017, item 1089).

5.3. These By-laws shall be posted on the Company’s website.