

Policy and procedure for selection of an auditors firm to audit statutory financial and consolidated statements of Orzeł Biały S.A.

Policy:

- I. Acting on the basis of provisions contained in the Chartered Accountants, Auditor Firms and Public Oversight Act (Law Journal of 6 June 2017, Item 1089), the Audit Committee of Orzeł Biały S.A. ("The Company") hereby establishes the following policy and procedure for the selection of the entity authorised to audit statutory financial statements of Orzeł Biały S.A.
- II. Orzeł Biały S.A. is a unit of public interest and is also the parent company of the Orzeł Biały S.A. Group.

The financial statements of Orzeł Biały SA and the consolidated report of the Orzeł Biały Group for the year and a given half-year is subject to statutory auditing and review by an audit firm in accordance with the requirements of international auditing standards and international financial reporting standards.
- III. In accordance with the regulations applicable to the Company, the selection of the entity authorised to perform the audit is made by the Supervisory Board in the form of a resolution, acting on the recommendation of the Audit Committee.

The selection is made taking into account the principles of impartiality and independence of the audit firm and an analysis of the work carried out by the audit firm in the Company while being beyond the scope of the audit of financial statements to avoid any conflict of interest (following the rule of impartiality and independence).
- IV. The Supervisory Board and the Audit Committee, when making the final selection and when drafting recommendations, respectively, are guided by the following guidelines concerning the entity entitled to perform the audit:
 - a) the price proposed by the entity entitled to perform the audit;
 - b) the ability to provide the full range of services defined by the Company (audits of separate statements, consolidated reports, reviews, etc.);
 - c) past experience of the entity in the audit of entities with a business profile similar to that of the Company;
 - d) past experience of the entity in the audit of financial statements of companies listed on the Warsaw Stock Exchange S.A.
 - e) the number of people available to conduct the audit the Group companies of the Orzeł Biały Group;
 - f) the ability to conduct the audit within the time limits set by the Company;
 - g) the reputation of the entity authorised to conduct the audit on financial markets;
- V. The maximum period of uninterrupted operation of commissioned statutory audits carried out by the same audit firm or an audit firm associated with that audit firm or any member of the network operating in the European Union Member State to which these audit firms belong must not exceed 5 years. A key statutory auditor must not carry out statutory audits in the Company for more than 5 years. A key auditor may re-examine statutory audits at least 3 years after the end of the last statutory audit.

Procedure:

It is the Orzeł Biały SA Audit Committee which is responsible for the procedure of selecting an audit firm.

An inquiry for selection of an audit firm for the statutory audit of the financial statements of Orzeł Biały S.A. and the statutory audit of the consolidated financial statements of Orzeł Biały Group shall be prepared by the Chief Accountant of Orzeł Biały in agreement with the Audit Committee by the end of March of the year subject to the audit and be posted on the website www.orzel-bialy.com.pl and sent to selected entities providing auditing services.

Auditor companies that examine public interest entities shall submit bids for the statutory audit of the financial statements of Orzeł Biały S.A. and for the statutory audit of the consolidated statements of Orzeł Biały Group to Orzeł Biały S.A. within the timeframe as set forth in the inquiry posted on the Company's website.

The auditor firms' submissions shall be presented to the members of the Audit Committee of Orzeł Biały S.A.

The Audit Committee Members of Orzeł Biały SA shall examine the submissions of auditor firms, and may also schedule appointments with selected representatives of such auditor companies that have submitted bids and, based on these actions, make recommendations for the selection of a specific auditor firm.

At Orzeł Biały S.A., the selection of the entity to provide the auditor services shall be made by the Supervisory Board of the Company on the basis of the offers submitted by the Company and after consulting the opinion and recommendation of the Audit Committee.

If the decision of the auditor firm selection body departs from the recommendations of the Audit Committee, the authority making the selection shall justify the reasons for its failure to adhere to the recommendations of the Audit Committee and forward this justification to the body approving the financial statements.

The Audit Committee Members of Orzeł Biały SA shall, upon the recommendation of the audit firm, and the Supervisory Board of the Company, when choosing an audit firm, be guided by its impartiality, independence, highest quality of auditing work, knowledge of the non-ferrous metal industry where Orzeł Biały S.A. operates

The Company shall at any time inform the market about their selection in the current report.

An agreement with an entity providing auditor services shall be concluded for a single period of not less than two years, with the extension option for periods of at least two years, with the exception of the agreement with the existing audit service provider for the Company, effective on the date of entry into force of this procedure, which may be extended for consecutive periods of one year where Orzeł Biały S.A. has a valid audit contract in a given year for the provision of auditing services.

Orzeł Biały SA (hereinafter referred to as the Company) shall, in the selection of an auditor for financial statements, be governed in particular by: the provisions of the Statutory Auditors, Audit Firms and Public Oversight Act of 11 May 2017 (hereinafter referred to as Statutory Auditors Act) and REGULATION (EU) No 537/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014 on specific requirements for statutory audits of public interest entities, the Company's Articles of Association, the Company's internal regulations and generally applicable law.