

**The Policy of Permitted Non-Audit Services by a Statutory Auditing Firm Conducting the Audit, by the Entities Affiliated with That Audit Firm and by a Member of the Audit Firm's Network.**

**§ 1.**

**Bases for the Policy Adoption**

Acting on the basis of provisions contained in the Statutory Auditors, Audit Firms and Public Supervision Act (Journal of Laws Dz.U. of 6 June 2017, Item 1081) (hereinafter: 'The Act') and Regulation of the European Parliament and the Council (EU) No 537/2014 of 16 April 2014 on detailed requirements for statutory audits of public interest entities (hereinafter: 'The Regulation'), acting on the basis of Art. 130 Para. 1 Pt. 6 of the Audit Committee of Orzeł Biały S.A. (hereinafter referred to as 'The Company') this 'Policy for Permitted Non-Audit Services by a Statutory Auditing Firm Conducting the Audit, by the Entities Affiliated with That Audit Firm and by a Member of the Audit Firm's Network' is hereby established (hereinafter: 'The Policy').

**§ 2.**

1. Within the framework of the provision of Permitted Non-Audit Services for the Company by the audit firm conducting the audit, by the entities affiliated with that audit firm and by a member of the audit firm's network, the Audit Committee and the Company's Governing Bodies are committed to comply with Polish and EU legal regulations and internal regulations operated in the Company designed to:
  - a. eliminating the risk of violation of independence and failure to adhere to the professional scepticism by an audit firm or an auditor;
  - b. improving the quality of statutory audits by increasing reporting standards;
  - c. increasing the competences of the Audit Committee as a body playing an important role in ensuring high quality statutory audits.
2. Pursuant to the Act and the Rules of Procedures of the Audit Committee of the Company, the duties of the Audit Committee shall be to assess the independence of the auditor and to approve the provision by it of permitted non-audit services to the Company. This Policy is designed to create conditions in the Company for preventing unauthorized dependencies and to strengthen the objectivity of statutory auditors, audit firms and their network's members insofar as they provide services to the Company that are not statutory auditing services. The Policy also aims to make it easier for the members of the Audit Committee to decide whether to approve the above-mentioned services.

**§ 3**

**Listing of Permitted Services**

1. The statutory auditor conducting the audit at the Company, its affiliates and a member of the audit firm network **may only provide** the following permitted non-audit services to the Company:
  - a. services as referred to in Art. 15 Para. 3 of the Functioning of Cooperative Banks, Their Association and Associated Banks Act of 7 December 2000,

- b. services:
    - carrying out due diligence procedures in the area of economic and financial performance;
    - issuing credential letters to confirm related services performed in connection with the prospectus of the Company, carried out in accordance with the national standard, consisting in carrying out agreed procedures;
  - c. attestation services for pro-forma financial information, guidance and forecasts of results or estimates, included in the Company's prospectus;
  - d. examination of historical financial information for the prospectus;
  - e. verification of consolidation packages;
  - f. confirmation of the fulfilment of the terms of the loan agreements concluded on the basis of an analysis of financial information derived from audited financial statements;
  - g. attestation services in terms of corporate governance, risk management and corporate social Responsibility reporting;
  - h. services relating to the assessment of the conformity of information disclosed by financial institutions and investment firms with disclosure requirements for capital adequacy and variable remuneration components;
  - i. statements of financial statements or other financial information intended for the Supervisory Board or the General Meeting which go beyond the scope of the statutory audit and which are intended to assist those authorities in fulfilling their statutory duties.
2. The provision of services referred to in Para. 1 is possible only to the extent not related to the Company's tax policy, after the Audit Committee has assessed the risks and safeguards of independence as referred to in Art. 69-73 of the Act. Where appropriate, the Audit Committee shall issue guidance on the services referred to in §4 Para. 2.

#### **§4 Interdicted Services**

1. The auditor conducting the audit in Orzeł Biały SA, the entities affiliated with that auditor and a member of the audit firm's network **must not** provide for the Company services other than auditing services, except for the permitted services as indicated in § 3 of the Policy. Interdicted services shall be in particular:
  - a. tax services relating to:
    - preparation of tax forms;
    - payroll-related taxes;
    - customs obligations;
    - identification of public subsidies and tax incentives, unless support by a statutory auditor or audit firm for such services is required by law;
    - support for tax inspections carried out by tax authorities, unless the support by a statutory auditor or audit firm for such audits is required by law;
    - assessment of direct and indirect tax and deferred income tax;
    - providing tax advisory;
  - b. services involving any participation in the management or decision-making process of the Company;
  - c. keeping accounting and preparing accounting records and financial statements;
  - d. remuneration-related services;

- e. developing and implementing internal control procedures or risk management procedures related to the preparation or control of financial information, or the development and implementation of financial information technology systems;
- f. valuation services including valuations made in connection with actuarial services or legal dispute resolution support services;
- g. legal services including:
  - providing general legal advisory;
  - negotiations on behalf of the Company; and
  - acting as ombudsman in the settlement of a dispute;
- h. services related to the Company's internal audit function;
- i. services relating to the financing, capital structure and allocation of capital and the investment strategy of the client for whom the audit is conducted, except for the provision of attestation services in connection with the financial statements such as issuing credential letters in relation to the Company's prospectus;
- j. conducting promotional activities and conducting trading in the Company's shares on own account or underwriting the issue of the Company's shares;
- k. human resources services in relation to:
  - managerial staff, which may have a significant influence on the preparation of accounting records or financial statements subject to statutory audit where such services include:
    - seeking or selecting candidates for such positions, or
    - checking references of candidates for such positions;
  - development of organizational structure; and
  - cost control;
- l. and other non-audit services.

## § 5

### **Duration of the Ban to Render Interdicted Services Which Are Not Auditing Services**

1. A statutory auditor or an audit firm conducting a statutory audit of the Company or any member of a network to which a statutory auditor or audit firm is a party must not directly or indirectly provide the Company with any interdicted non-audit services for the following periods:
  - a. during the period from the beginning of the period under examination to the audit report issued; and
  - b. in the financial year immediately preceding the period referred to in Para. 1 Pt. a. In relation to the services mentioned in § 4 Pt. g of the Policy.

## § 6

### **Expression of consent for the provision of non-audit services by the Audit Committee**

1. The Audit Committee shall, at the written request of the competent entity authorized to commission the service concerned, issue a decision on the granting of consent for the performance by a statutory auditor or an audit firm conducting statutory audit of the Company, including members of their network, of permitted services as referred to in § 3 of the Policy.
2. The decision referred to in Para. 1 above shall be made by the Audit Committee in the form of a resolution to be adopted by an absolute majority of votes, on principles as set forth in the Rules of Procedures of the Audit Committee of the Company.

3. The Audit Committee shall, before deciding to authorise the provision of Permitted Services, evaluate:
  - a. whether the service is not interdicted on the basis of the criteria indicated in § 4 of the Policy,
  - b. whether the service is permitted on the basis of the criteria indicated in § 3 of the Policy,
  - c. threats and safeguards of independence referred to in §7 of the Policy.
4. The authorization procedure should be carried out by the Audit Committee efficiently and without undue delay, taking into account the legitimate interests of the Company.
5. About its decision, the Audit Committee shall immediately notify the Supervisory Board and the entity that submitted the application for consent. In case of a refusal, the Audit Committee shall submit a justification together with such decision.

## **§ 7**

### **Assessment of threats and safeguards of independence**

1. The Audit Committee shall, before deciding to authorize the provision of permitted services by a statutory auditor or an audit firm conducting the statutory audit, carry out an assessment of the risks and safeguards of independence as referred to in Art. 69-73 of the Act.
2. When making the above assessment, the Audit Committee shall in particular examine whether:
  - a. the entity that is to perform the service has the appropriate competences and professional qualifications,
  - b. there is no evidence of potential conflicts of interest, the possibility of self-control or self-reliance by the service provider,
  - c. the entity that is to perform the service respects the principles of professional ethics and non-audit services standards.

## **§ 8**

### **Final Provisions**

1. The terms and conditions of permitted services provided by an auditing company for the Company which are not governed by this Policy shall be defined by the Act and the Regulation.
2. This Policy shall apply from the date of its adoption by a resolution by the Supervisory Board.
3. Any changes to the Policy including the adoption of a harmonised wording shall require the modality as prescribed for its adoption.

**The Signatures of the Supervisory Board Members:**

1. Mr Leszek Waliszewski .....
2. Pierre Mellinger .....
3. Mr Michał Hulbój .....
4. Mr Geza Szephalmi .....
5. Mr Tomasz Jakub Wojtaszek .....

