

**Annexe to the Orzeł Biały S.A. Supervisory Board Resolution
of 13.09.2017**

Rules of Procedures
of the Audit Committee of Orzeł Biały S.A.

§ 1.

Audit Committee Function

1.

The Audit Committee is an advisory and opinion-making body acting collectively within the framework of the Supervisory Board of Orzeł Biały S.A.

The Audit Committee performs its consultative and advisory functions for the Supervisory Board of the Company.

2.

The responsibilities tasks of the Audit Committee consist in presenting to the Supervisory Board of proposals, opinions on reports related the responsibilities of the latter, in the form of resolutions adopted by the Audit Committee.

§ 2.

Audit Committee Composition

1.

The Audit Committee consists of at least three members including the Chairman of the Audit Committee, appointed by the Supervisory Board for the term of its office, from among the Supervisory Board Members, in accordance with the Company's internal regulations including with the Supervisory Board Rules of Procedures.

2.

Subject to Section 3 below, the Supervisory Board elects the Audit Committee members including the Chairman at its first meeting of the given term of office.

3.

Most of the members of the Audit Committee, including its Chairman, meet the independence criteria set out in Art. 129 Para. 3 of the Statutory Auditors, Audit Firms and Public Oversight Act of 11 May 2017.

4.

The Supervisory Board may invite other persons working or cooperating with Orzeł Biały S.A. or its affiliated companies to attend the meetings of the Audit Committee.

5.

At least one member of the Audit Committee shall have the accounting or auditing knowledge and skills.

6.

At least one member of the Audit Committee shall have the knowledge and skills from the industry in which Orzeł Biały operates or individual Members in specific areas shall have knowledge and skills from such sector.

7.

The Company may collect from the members of the [Supervisory] Board who agree to stand for the Audit Committee, their statements of fulfillment of the criteria of independence/knowledge/skills referred to in Sections 3, 5 and 6 above

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§ 3.

Changes to the Personal Composition of the Audit Committee

1.

Should the mandate of a member of the Supervisory Board elected to the Audit Committee expire before the end of the term of office of the entire Supervisory Board or should he/she resigns from his/her duties in the Audit Committee, the Supervisory Board shall supplement the composition of the Audit Committee by electing a new member for the time till the end of the term of office of the Supervisory Board.

Where upon the expiry of the mandate of a Member of the Supervisory Board elected to the Audit Committee no member of the Audit Committee should meet the requirements referred to in § 2 Section 5 and 6 of these Rules, the selection of such person will take place immediately after the General Meeting has been held which has accordingly changed the composition of the Supervisory Board.

2.

Notwithstanding the situation set out in Section 1 above, a Member of the Audit Committee may at any time, by a Supervisory Board resolution, be dismissed from the Audit Committee.

§ 4.

Key Responsibilities of the Audit Committee

1.

The key responsibilities of the Audit Committee shall be to advise and support the Supervisory Board in the exercise of its statutory supervisory and oversight duties in the following areas:

- a) monitoring the financial reporting process in the Company and its Group,
- b) monitoring the effectiveness of internal controls and risk management systems and the internal audit systems including within the financial reporting area,
- c) monitoring the performance of financial audits, in particular by independent auditors',
- d) ensuring the independence of auditors,
- e) proper cooperation with statutory auditors.

2.

The responsibilities of the Audit Committee as resulting from the oversight of the financial and internal policies of Orzeł Biały S.A. shall be in particular:

- a) regular contact with the Chairman/President of the Management Board and the Management Team of the Company, with members of the Management Boards of subsidiary/associated Companies, in order to discuss the financial standings of the Company and its subsidiary/associated Companies, changes made to accounting methods and budget assumptions,
- b) ensuring the effectiveness of operations of Orzeł Biały S.A. and subsidiary/associated Companies by way of supervision of personnel changes at significant positions in the Company and in subsidiary/associated Companies, through regular contacts with the Chairman/President of the Management Board and other Management Board Members,
- c) periodic reviews of the internal controls system of Orzeł Biały S.A. with regard to financial controls, risk assessment and compliance mechanisms,
- d) periodic reviews of the financial monitoring system of subsidiary/associated Companies,
- e) making an annual assessment regarding the existence or non-existence of the need to establish the separate organisational function of internal audit within the Company,
- f) reporting on the activities of the Audit Committee to the Supervisory Board at least twice a year.

3.

The responsibilities of the Audit Committee shall in the area of the activities of statutory auditors and audit firms include in particular:

- a) controlling and monitoring the independence of the statutory auditor and of the audit firm, especially where the audit firm provides other services than audit for the Company,
- b) verification of the effectiveness of the work of the person (entity) acting as a statutory auditor/chartered accountant, in particular by contacting the auditor/accountant during the performance of the audit of Orzeł Biały S.A.'s financial statements in order to discuss the progress of the works, possible explanation of any

- doubts, the auditor's reservations to the accounting policy or internal controls systems applied,
- c) discussing the nature and extent of the annual audit with the Company's statutory auditor;
reviews of interim financial statements,
 - d) reviews of interim and annual financial statements audited by auditors of Orzeł Biały S.A. with particular focus on:
 - any changes to accounting standards, principles and practices,
 - main audited areas,
 - significant corrections resulting from the audit,
 - compliance with applicable accounting and reporting regulations;
 - e) informing the Supervisory Board about the results of the audit and explaining how such audit contributed to the fairness and truth of the Company's financial reporting and what was the role of the Audit Committee in the audit process,
 - f) assessing the independence of the statutory auditor and giving consent for his/her provision of authorised non-audit services for the Company,
 - g) developing a policy/procedure for selecting an audit firm to conduct the audit,
 - h) developing a policy for the provision of authorised non-audit services by the auditor firm conducting the audit, by entities affiliated with that auditor firm and by a member of an audit firm's network,
 - i) presenting recommendations to the Supervisory Board on matters concerning the appointment of statutory auditors/chartered accountants or auditor firms in accordance with the policies referred to in point g) and h).
 - j) submitting recommendations aimed at ensuring the reliability of the financial reporting process in the Company.

4.

The Supervisory Board may entrust the Audit Committee with the support of the Supervisory Board in the performance of activities other supervisory activities than those specified in Section 1.

§ 5.

The Auditor Firm Selection Criteria

1.

The Audit Committee shall develop a policy and procedure for selecting the audit firm to conduct the audit.

2.

The Audit Committee shall present recommendation to the Supervisory Board of Orzeł Biały S.A. wherein it should:

- a) identify an audit firm that is recommended to be tasked with a statutory audit,
- b) certify that the recommendation is free from any third party influences,
- c) declare that the Company has not entered into any agreements containing clauses that would restrict the ability by an auditor firm selecting body to select such an auditor firm for the purposes of statutory audit of the Company's financial statements, to specific categories or lists of auditor firms.

3.

Where the selection of an auditor firm does not involve the renewal of the contract of financial statements audit, the Audit Committee's recommendation shall include at least two options for the selection of the auditor firm along with the justification and the indication of the audit committee's reasoned preference for one of them.

§ 6.

The Audit Committee's Authority

1.

The Audit Committee may request Orzeł Biały S.A. and its subsidiary/associated Companies to submit specific accounting, finance, internal audit and risk management information necessary for the performance of its activities.

2.

The Audit Committee shall be informed about the method of posting significant and non-standard transactions where different accounting options exist.

3.

The Audit Committee shall have the right to invite members of the Management Board of Orzeł Biały S.A. and members of the Management Team and other employees or associates of the Company and its subsidiary/affiliated companies and persons (representatives of the entity) acting as an auditor thereof where it deems appropriate.

4.

The Audit Committee may request the key statutory auditor to discuss key issues arising from the audit with the Audit Committee, the Management Board, the Supervisory Board, which are listed in the supplementary report referred to in Art. 11 of the Regulation of the European Parliament and of the Council No. 537/2014.

5.

Internal auditors and statutory auditors shall have guaranteed direct access to Audit Committee Members.

6.

The Audit Committee should be presented, at its request, with the timetables of internal and external statutory auditors.

7.

The recommendations and assessments by the Audit Committee shall be adopted by way of a resolution and may be made by circular mode or by means of direct remote communications, subject to mandatory provisions of law. The recommendations and

assessments shall be presented to the Supervisory Board by the Chairman of the Audit Committee.

8.

The Chairman/President of the Management Board of Orzeł Biały White S.A. shall be informed about the recommendations and assessments submitted by the Audit Committee to the Supervisory Board.

§ 7.

The Audit Committee's Operating Principles

1.

The meetings of the Audit Committee shall be held at least twice a year before the publication by Orzeł Biały S.A. of (semi-annual and annual) financial statements which are part of the semi-annual report and annual reports of the Company.

2.

The Audit Committee's work shall be chaired by the Chairman of the Audit Committee. He/she shall also supervise the drafting of the agenda, arrange for the distribution of documents and drawing up minutes of meetings of the Audit Committee.

3.

The Audit Committee meetings shall be convened by the Chairman of the Audit Committee who invites members of the Audit Committee for the meetings and who communicates about the meetings to all other members of the Supervisory Board of Orzeł Biały S.A. All Supervisory Board Members shall have the right to attend meetings of the Audit Committee.

4.

The notice of convening a meeting shall be sent to the Audit Committee members and other Supervisory Board Members via registered mail, courier or in electronic form, not later than 7 days before the Audit Committee meeting. In urgent matters, meetings of the Audit Committee may be conducted without formal convening if all Audit Committee members agree to this, using the means of direct remote communications (telecommunications shall mean telephone, fax, teleconference, electronic mail, and similar technical measures) in a way enabling to communicate with all participating members. The voting procedure in a prescribed mode shall be minuted and such Minutes shall be signed by all participants at the next meeting of the Audit Committee. The prescribed-mode voting minutes shall include the annotation of the voting mode applied. The proceedings of the Audit Committee conducted using direct remote communications means may also be perpetuated using a sound recording device.

5.

The Chairman of the Audit Committee may invite to the meetings of the Audit Committee the Management Board Members of Orzeł Biały S.A. as well as the Management Team Members

of the Company, members of the Management Boards of subsidiary/associated companies and, in agreement with the Chairman/President of the Company's Management Board, other employees and associates of the Company as well as third parties whose participation in the meeting is deemed purposeful for carrying out the tasks of the Audit Committee.

6.

The resolutions of the Audit Committee shall be adopted by an absolute majority of the members' votes, with at least half of the members of the Audit Committee present. The absolute majority of votes shall be understood as more than half of the votes cast.

7.

The Audit Committee Members may vote on the resolutions only in person, by attending the meeting of the Audit Committee. The Audit Committee may also adopt resolutions in writing mode or by means of remote communications.

8.

The Audit Committee shall be authorised to submit proposals to the Supervisory Board of the Company for the adoption by the Supervisory Board of resolutions on the preparation for the needs of the Audit Committee of expert opinions or opinions concerning the scope of tasks of the Audit Committee or the retainer of an advisor.

9.

The Audit Committee shall be required to submit to the Supervisory Board an annual report of its activities.

10.

Orzeł Biały S.A shall provide the Audit Committee with organisational and technical assistance.

Signatures of the Supervisory Board Members:

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