

**REGULATIONS OF THE SUPERVISORY BOARD AUDIT COMMITTEE**  
**of**  
**TRAKCJA S.A.**

**§ 1**  
**General rules**

1. These Regulations of the Supervisory Board Audit Committee (hereinafter referred to as the Audit Committee) of Trakcja S.A. (hereinafter referred to as the Company) were adopted pursuant to § 3.3 of the Supervisory Board Regulations of the Company.
2. The Regulations of the Audit Committee shall specify:
  - 1) composition, appointment procedure and requirements to be met by members of the Audit Committee,
  - 2) the procedure for making changes and delegating duties related to the role of the Audit Committee member,
  - 3) objectives and tasks of the Audit Committee,
  - 4) the manner of operation and the procedure for holding meetings, taking up and reporting on the activities of the Audit Committee and the way of submitting Audit Committee recommendations to the Company's Supervisory Board.
3. The Audit Committee is an internal consulting and advisory body of the Company's Supervisory Board, within the scope specified in the provisions referred to in § 2 and in these regulations.
4. The Audit Committee may not issue binding instructions to the Supervisory Board or other Company bodies. In case of adopting resolutions on matters requiring the position of the Audit Committee, the Supervisory Board is obliged to take into account the opinions and recommendations of the Audit Committee. In case of doubts as to the correctness of Audit Committee's position, the Supervisory Board of the Company may request the Audit Committee to re-examine the matter in question and submit its position to the Supervisory Board.
5. In special situations where the Audit Committee did not take care of an issue falling within its scope of responsibilities, or cannot do so for objective reasons, the Supervisory Board may deal with such issue on its own, provided that it requires immediate action.
6. The performance of tasks specified in the provisions referred to in § 2 and in these Regulations by the Audit Committee shall not replace the legal and statutory rights and obligations of the Supervisory Board or release the Supervisory Board members from their liability towards the Company.

7. Issues not regulated herein, concerning in particular convening, holding meetings, voting and taking minutes, shall be governed respectively by Regulations of the Company's Supervisory Board.

## **§ 2.**

The Audit Committee performs tasks arising from the law, good practices and internal legal acts of the Company, including in particular:

- 1) The Act of 11 May 2017 on Statutory Auditors, Audit Companies and Public Supervision (Journal of Laws of 2020, item 1415, as amended) - hereinafter referred to as the "Act on Statutory Auditors", in particular with regard to Chapter 8 "Audit committee and specific conditions for statutory audits in public interest entities (provisions of Articles 128 - 138),
- 2) The Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351, as amended) - hereinafter referred to as the "Accounting Act", in the scope concerning the duties of the Supervisory Board,
- 3) The Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and on Public Companies (Journal of Laws of 2019, item 623, as amended) - hereinafter referred to as the " Act of Offering", in the scope concerning the tasks of the Supervisory Board with regard to transactions carried out by the Company with its subsidiaries,
- 4) Good practices of companies listed on the Warsaw Stock Exchange (2016) - hereinafter referred to as "Good practices of the Warsaw Stock Exchange", with regard to recommendations and principles specified in part II (Management Board and Supervisory Board), in particular rules II.Z.7 and II.Z.8, as well as in part III (Internal systems and functions), in particular rules III.Z.5 and III.Z.6.
- 5) Good practices for public interest entities concerning the rules for appointment, composition and functioning of the audit committee (2019), issued by the Office of the Financial Supervision Authority (KNF) – hereinafter referred to as "Good practices of KNF",
- 6) Regulation no. 537/2014 (EU) of the European Parliament and of the Council of 16 April 2014 (hereafter the "Regulation No 537/2014");
- 7) The Company's Statutes,
- 8) Regulations of the Supervisory Board.

## **§ 3**

### **Composition of the Audit Committee**

1. The Committee shall consist of at least three members, including the Chairperson, appointed by the Supervisory Board for the duration of its term of office from among its members.
2. The Chairperson of the Audit Committee is appointed by the Supervisory Board.
3. The Audit Committee should comprise persons who meet particular requirements referred to in § 4-6 below. Appointment to the Audit Committee is subject to submission of a statement that these requirements have been met.
4. The Supervisory Board selects members of the Committee, including the Committee Chairperson, at its first meeting of a given term.
5. In case of expiration of the mandate or resignation of the Supervisory Board member selected to the Audit Committee before the expiration of the term of office of the Supervisory Board, the Supervisory Board shall immediately supplement the composition of the Committee by selecting a new member for the period until the expiration of the current term of office of the Supervisory Board.
6. A member of the Audit Committee may at any time be dismissed from the Committee by means of a resolution of the Supervisory Board.
7. A newly elected Member of the Audit Committee shall receive from the Chairperson of the Committee or, if not possible, from the Company, all information and documents necessary to perform the duties of the Committee Member.
8. The Chairperson of the previous term or the Chairperson whose function in the Audit Committee or in the Supervisory Board expired as a result of an appeal or resignation, is obliged to provide the newly appointed Chairperson or the Audit Committee member who is replacing him, with all information and documents related to the activities of the Audit Committee, including in particular a list of current issues.

#### **§ 4**

##### **Requirement of independence**

1. The majority of Audit Committee members, including its Chairperson, should meet the requirement of being independent from the Company.
2. The requirement of independence means the absence of any material financial interest of the Audit Committee member in relations with the Company, apart from the remuneration for the function of the Supervisory Board member and Audit Committee member.
3. A detailed list of independence criteria was defined in:
  - 1) Art. 129 par. 3 of the Act on Statutory Auditors,
  - 2) Art. 13 par. 5 of the Company Statutes,
  - 3) Point V of the Good Practices of KNF.
4. Once a year, members of the Committee submit a statement on the fulfilment or not of the requirement of independence, together with the report of the Supervisory

Board on the performance of its activities in the previous financial year, subject to paragraph 5.

5. Members of the Committee shall immediately provide the Chairperson of the Supervisory Board of the Company with information about the change of their independence status (both its loss and acquisition) and about new circumstances that may influence its evaluation.

## **§ 5**

### **Requirement of accounting knowledge and skills**

1. At least one member of the Audit Committee should meet the requirement referred to in Art. 129 par. 1 of the Act on Statutory Auditors to have knowledge and skills in accounting or auditing financial statements.
2. Verification of compliance with the requirements of knowledge and skills in the field of accounting or auditing financial reports shall be made on the basis of a statement, as well as education and professional experience duly documented by the Audit Committee member, taking into account paragraphs 3 and 4 below.
3. The requirement of knowledge within the scope referred to in par. 1 shall be fulfilled if the Audit Committee member can demonstrate education directly related to accounting or auditing financial statements, confirmed by a diploma of a higher education institution, obtained qualifications or certificates or diplomas and attestations.
4. The requirement to have skills in the scope referred to in par. 1 is fulfilled if the Audit Committee member can demonstrate professional experience in the field of accounting or auditing financial statements, in particular acquired in connection with work in e.g. accounting, finance and accounting, controlling, actuarial or audit departments.

## **§ 6**

### **Requirement of industry knowledge**

1. Members of the Committee should have knowledge and skills in the industry in which the Company operates, in accordance with Article 129 par. 5 of the Act on Statutory Auditors.
2. The requirement referred to in par. 1 shall be fulfilled if at least one member of the Committee has knowledge and skills in the construction industry or individual members have knowledge and skills in that industry in specific areas.
3. As regards the fulfillment of the requirement referred to in par. 1, the provisions of § 5 par. 2-4 shall apply accordingly.

## § 7

### Objectives and tasks of the Audit Committee

1. The Audit Committee shall provide support to the Supervisory Board of the company in supervising the financial reporting, monitoring the effectiveness of internal control and risk management systems, as well as internal audit, including financial reporting, provided that this does not release members of the Supervisory Board from supervision over the financial reporting, in accordance with Article 4a of the Accounting Act.
2. A detailed scope of tasks of the Audit Committee is defined in art. 130 of the Act on Statutory Auditors and point IX of Good Practices of KNF.
3. The tasks of the Audit Committee include in particular:
  - 1) monitoring of:
    - a) the financial reporting process,
    - b) the effectiveness of internal control and risk management systems, as well as internal audit, including financial reporting,
    - c) the performance of auditing activities by an audit firm,
    - d) the independence of the statutory auditor and the audit firm, in particular when services other than the audit of the annual financial statement of the Company or the annual consolidated financial audit of the group (hereinafter: audit) are provided to the Company by an audit firm,
  - 2) informing the Supervisory Board about the results of the audit, taking into account the provisions of the Accounting Act, and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as the role of the Audit Committee in the audit process,
  - 3) assessing the independence of the auditor and expressing consent to the provision of permitted services by the auditor, that do not constitute an audit in the Company,
  - 4) developing a policy for the selection of an audit firm to conduct an audit and developing a policy for the provision of permitted non-audit services by the audit firm conducting the audit, by its subsidiaries and by a member of the audit firm's network,
  - 5) determining the procedure for selection of an audit firm by the Company,
  - 6) presenting the recommendation referred to in Article 16(2) of Regulation No 537/2014 to the Supervisory Board concerning the appointment of statutory auditors or audit firms, taking into account the policies referred to in point 5 above,
  - 7) submitting recommendations aimed at ensuring the reliability of the financial reporting process in the Company.
4. A detailed scope of activities that may be performed by the Audit Committee under par. 3.1(a) - i.e. monitoring of the financial reporting process is specified in point X.1 of Good Practices of KNF.

5. A detailed scope of activities that may be performed by the Audit Committee under paragraph 3.1(b) - i.e. monitoring the effectiveness of the internal control, internal audit and risk management systems is set out in point X.2 of Good Practices of KNF.
6. A detailed scope of the activities that may be performed by the Audit Committee under paragraph 3.1(c) - i.e. monitoring the performance of financial audit activities in the Company is specified in point X.3 of Good Practices of KNF.
7. A detailed scope of activities that may be performed by the Audit Committee under paragraph 3.1(d) - i.e. controlling and monitoring the independence of the statutory auditor and the audit firm - is set out in point X.4 of Good Practices of KNF.

## **§ 8**

### **Involvement of the Audit Committee in the process of selecting an audit firm**

1. Taking into account the provisions of Art. 16 par. 2.7 of the Company's Statutes, which grants the Supervisory Board the powers to appoint and dismiss a statutory auditor in the Company and its subsidiaries, the tasks of the Audit Committee include performing the activities referred to in Art. 130 par. 2 and 3 of the Act on Statutory Auditors and in § 7 par. 3 points 3 - 7 of these Regulations.
2. The tasks of the Audit Committee referred to in par. 1 include in particular:
  - 1) developing principles and criteria for the selection of an audit firm, taking into account the principles of rotation and fair competition, in order to conduct a tender procedure for the selection of such an entity by the Company,
  - 2) submitting recommendations to the Supervisory Board for the selection of the audit firm, together with a statement that the recommendation is free from the influence of third parties.
3. A detailed scope of activities of the Audit Committee with regard to tasks referred to in par. 1 is defined in point XI.1 of Good Practices of KNF.

## **§ 9**

### **Cooperation with an audit firm**

1. The audit firm or the statutory auditor shall inform the Audit Committee in writing (in a supplementary report for the audit committee) of material issues related to the audit activity, including in particular significant irregularities or weaknesses in the Company's internal control system in relation to the financial reporting process.
2. Within the framework of cooperation with an audit firm, the Audit Committee verifies the statutory auditor's independence, in particular in relation to the performance of other tasks or jobs.

3. A detailed scope of activities of the Audit Committee with regard to the task referred to in par. 1 and 2 is defined in point XI.2 of Good Practices of KNF.

## **§ 10**

### **Other tasks of the Audit Committee**

1. The tasks of the Audit Committee also include submitting opinions and recommendations to the Supervisory Board in relation to the activities undertaken by the Supervisory Board, under its statutory or legal obligations, in the scope of accounting, controlling, as well as audit and control in the Company.
2. The tasks of the Audit Committee also include:
  - 1) presenting recommendations to the Supervisory Board as to the consent to conclude transactions with related entities, pursuant to Article 16 par. 2.26 of the Company's Statutes,
  - 2) developing periodic evaluation procedure referred to in Art. 90j par. 2 of the Act on Public Offering,
  - 3) presenting recommendations to the Supervisory Board on the proceedings concerning the infringements of law and ethical procedures and standards reported to the Supervisory Board, in accordance with Article 97d of the Act on Public Offering.

## **§ 11**

### **Performance of tasks**

1. The Audit Committee may demand that the Company's Management Board provide information, explanations and documents necessary to perform the tasks referred to in § 7.
2. The Audit Committee may also require the statutory auditor to discuss the issues arising from the audit with the Audit Committee.
3. The Audit Committee, within cooperation with the auditor, should provide the necessary information and explanations upon request of the auditor to discuss key issues arising from the audit.
4. The tasks of the Audit Committee are performed by submitting recommendations, suggestions, opinions or motions to the Supervisory Board in the form of resolutions of the Committee, within the time limit enabling the Supervisory Board to immediately take appropriate actions, pursuant to the provisions of the Statutes and the Supervisory Board Regulations.

## **§ 12**

### **Expert assistance**

1. The Audit Committee, as part of its tasks, may be assisted by experts from outside the Supervisory Board.

2. The experts referred to in par. 1 shall submit a written statement to the Chairperson of the Supervisory Board containing an obligation to keep confidential the information obtained in connection with or on the occasion of performance of their function.
3. The experts referred to in par. 1 may receive a fee. The Chairperson of the Supervisory Board is authorized to determine the fee, taking into account the rules applicable in this respect in the Company.

### **§ 13**

#### **Audit Committee Meetings**

1. The Audit Committee takes actions and performs its tasks at meetings.
2. Meetings of the Audit Committee are convened by the Chairperson of the Committee as needed, at least once every six months, on dates set by the Chairperson of the Committee in consultation with the other committee members..
3. Additional meetings of the Audit Committee may be convened by its Chairperson at the request of the Audit Committee member, Supervisory Board member, as well as at the request of the Company's Management Board.
4. In the case of the absence of the Chairperson of the Audit Committee or if s/he is not able to perform the function, his duties are temporarily performed by another Audit Committee Member indicated by the Chairperson of the Company's Supervisory Board.
5. The Chairperson of the Audit Committee directs its works, sets the agenda of the Committee meeting, taking into account the matters referred to the meeting of the Supervisory Board that require an respective opinion or recommendation of the Audit Committee prior to their adoption by the Board.
6. When preparing the agenda of the Audit Committee meeting, the Chairperson may request that appropriate materials be prepared by a competent member of the Company's Management Board.
7. The notice convening the meeting of the Audit Committee and the agenda of each meeting shall be delivered to each member of the Audit Committee and possibly other invited persons, together with the necessary materials, at least three days prior to the appointed date of the Committee meeting.
8. For the Audit Committee meeting to be valid and adopt resolutions, it is required that all members of the Committee be properly notified of the date of the meeting and that at least half of its members be present at the meeting.
9. Resolutions of the Audit Committee are adopted by a simple majority of votes of the Committee members present. In the case of equal number of votes "for" and "against", the vote of the Committee Chairperson is decisive.



10. The meeting of the Committee may be attended, without the right to vote, by members of the Supervisory Board, members of the Management Board, employees of the Company invited by the Chairperson, as well as other persons whose presence the Chairperson of the Audit Committee deemed necessary.
11. The change of the agenda of the Audit Committee meeting during the meeting is allowed, provided that all members of the Audit Committee are present and none of them opposes the proposed change of the agenda.
12. The Audit Committee may adopt resolutions by voting in writing, as well as by means of direct remote communication.
13. As regards procedure for convening and holding meetings of the Audit Committee, including the adoption of resolutions under a special procedure referred to in par. 12 above, the provisions of the Regulations of the Supervisory Board shall apply accordingly in the scope not regulated in these Regulations.
14. The Management Board of the Company is responsible for providing organizational and office services to the Audit Committee.

#### **§ 14**

##### **Minutes of the Audit Committee activities**

1. Minutes are taken at the meetings of the Audit Committee.
2. If a resolution is voted on using means of direct remote communication, the minutes are drawn up and signed only by the Committee Chairperson.
3. The minutes of the Audit Committee meetings are stored in the Company's registered office in a room made available to the Supervisory Board and the committees of the Supervisory Board. The Chairperson of the Audit Committee makes the minutes of the Audit Committee available to the Supervisory Board and the Management Board, at their request or when it is necessary for these bodies to adopt resolutions or take other actions.
4. In the scope not regulated in these Regulations, the provisions of the Supervisory Board Regulations shall apply to the minutes of the Audit Committee accordingly.

#### **§ 15**

##### **Reporting to the Supervisory Board**

1. The Audit Committee submits a report on its activities to the Company's Supervisory Board for the completed financial year within a deadline enabling the Board to take

into account the content of that report in its annual assessment of the Company's standing.

2. Notwithstanding par. 1, the Audit Committee prepares a report on its annual work, taking into account the risk assessment of processes and areas subject to the supervision of the Audit Committee, as well as the actions taken and their outcomes; the report should be submitted to the supervisory board and may be made available to the statutory auditor.
3. The Audit Committee may also make available an additional report to the General Shareholders Meeting prepared by a statutory auditor for the Audit Committee, pursuant to Article 131 of the Act on Statutory Auditors.

## **§ 16**

### **Final provisions**

1. Matters not regulated herein, shall be governed by the relevant provisions and guidelines referred to in § 2.
2. These Regulations are reviewed and evaluated by the Audit Committee in terms of adequacy and compliance with the regulations and guidelines referred to in § 2 at least once per financial year.
3. If there is a need to amend these Regulations, the Chairperson of the Committee shall submit an appropriate proposal to the Supervisory Board in this respect.