

**BYLAWS OF THE AUDIT COMMITTEE
OF THE SUPERVISORY BOARD
ERBUD S.A.**

Consolidated text adopted with the resolution of the Supervisory Board of ERBUD SA
No. 15/2021 dated 19.02.2021

General Provisions

§ 1.

These Bylaws of the Audit Committee of the Supervisory Board of ERBUD S.A. (hereinafter: the "Bylaws") specify the tasks, rights and competences, as well as the manner of appointment, composition and work procedure of the Audit Committee of the Supervisory Board of ERBUD S.A. (hereinafter: the "Audit Committee" or "Committee").

§ 2.

The basis for the appointment of the Committee is § 11 of the Bylaws of the Supervisory Board of ERBUD S.A. The Bylaws take into account the Good Practices of Companies Listed on the Warsaw Stock Exchange 2016 and the provisions of the Regulation 537/2014/KE and of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.

§ 3.

The Committee is appointed to enhance the effectiveness of the Supervisory Board's oversight activities with respect to the Company's financial reporting and auditing, as well as its systems of internal control, internal audit and risk management.

§ 4.

The Committee performs control and advisory functions for the Company's Supervisory Board.

Method of Appointment and Composition of the Audit Committee

§ 5.

1. The Committee consists of three members, including the Chairman of the Audit Committee, appointed by the Supervisory Board for the duration of its term of office from among the members of the Supervisory Board. The majority of the members, including the Chairman of the Audit Committee, should meet the conditions of independence within the meaning of Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision. At least one member should have knowledge and skills in accounting or auditing. Before taking up their functions in the Committee, members submit a written statement on meeting the conditions referred to in Article 76 (1) - (3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.

2. The Committee should include at least one member of the Supervisory Board with competences relating to the construction industry or individual members of the Committee should have knowledge and skills in this industry within specific scopes.
3. Membership in the Committee ceases when membership in the Supervisory Board of the Company ceases.
4. If the mandate of a member of the Supervisory Board elected to the Committee expires before the end of the term of the entire Supervisory Board, or if the member resigns from the Audit Committee, the Supervisory Board completes the Committee by electing a new member of the Committee for the period until the end of the term of the Supervisory Board.
5. In the event that, upon expiry of the mandate of a member of the Supervisory Board elected to the Committee, no member fulfilling the requirements referred to in § 5 section 1 or 2 of these Bylaws is appointed to the Committee and a supplementary election from among the remaining members of the Supervisory Board is not possible due to the lack of a candidate fulfilling the competence criteria referred to in § 5 section 1 or 2 above, the election of a new member of the Committee will take place immediately after the General Meeting changing the composition of the Supervisory Board accordingly.
6. Notwithstanding the situation set out above, a Committee member may be removed from the Committee at any time by resolution of the Supervisory Board.

Powers and Competences of the Audit Committee

§ 6.

1. The Audit Committee supports the Supervisory Board in carrying out its statutory audit and supervisory duties, including in particular:
 - 1) monitoring the financial reporting process;
 - 2) monitoring the effectiveness of internal control and risk management systems and of internal audit, including in respect of financial reporting;
 - 3) monitoring the performance of financial reviews, in particular of auditing by the audit firm;
 - 4) controlling and monitoring the independence of the statutory auditor and the audit firm, in particular where the audit firm provides to the Company services other than auditing;
 - 5) providing to the Company's Supervisory Board information on results of the audit and explaining how this audit contributed to the accuracy of financial reporting in the Company and on the role of the Audit Committee in the audit process;

- 6) assessing the independence of the statutory auditor and giving consent for their rendering of permitted services other than auditing to the Company;
 - 7) developing a policy for selecting an audit firm to conduct the audit;
 - 8) developing a policy for the performance of non-audit permitted services by the audit firm conducting the audit, by entities related to that audit firm and by a member firm of its network;
 - 9) determining the procedure for selecting an audit firm by the Company;
 - 10) submitting to the Supervisory Board a recommendation on appointment of auditors or audit firms in accordance with the policies developed by the Audit Committee;
 - 11) submitting recommendations to ensure the accuracy of the financial reporting process in the Company.
2. The Supervisory Board may entrust the Audit Committee with supporting the Supervisory Board in the performance of supervisory activities other than those specified in section 1.

§ 7.

1. As part of its supervisory activities regarding **financial reporting**, the Audit Committee in particular:
 - 1) reviews information presented by Management Board regarding significant changes in the Company's accounting or financial reporting and estimates or judgments that may be material to the Company's financial reporting,
 - 2) monitors the execution of the audit activities by the statutory auditor,
 - 3) analyses together with the Management Board and the statutory auditor the financial statements of the Company and the results of the audit of these statements by the statutory auditor,
 - 4) analyses the additional statutory auditor's report, discusses it with the statutory auditor and presents its conclusions to the Supervisory Board,
 - 5) makes recommendations to the Supervisory Board on the approval of the Management Board's reports on the Company's and the Group's activities and the audited financial statements.
2. As part of its supervisory activities concerning **internal control and internal audit**, the Audit Committee in particular:
 - 1) reviews the internal control and internal audit systems put in place at the Company, with a view to meeting the planned control objectives and operating efficiency,

- 2) gives its opinion on the effectiveness of the above systems and presents its conclusions and recommendations to the Supervisory Board, including whether it is advisable to change them,
 - 3) initially assesses the documents submitted to the Supervisory Board regarding the internal control and internal audit system.
3. In overseeing **risk management**, the Committee in particular:
- 1) gives its opinion on draft procedures for risk management in individual areas of the Company's core business, including risk maps,
 - 2) assesses the implementation of the Company's whistleblowing regulations by the relevant organisational units of the Company,
4. In monitoring the Company's **audit** processes and ensuring the **independence of the external auditors**, the Committee in particular:
- 1) makes recommendations to the Supervisory Board on the appointment or change of the audit firm auditing the financial statements of the Company and the Group,
 - 2) develops a policy for selecting the audit firm to carry out the audit,
 - 3) develops a policy on the provision of permitted non-audit services by the audit firm, by entities related to that audit firm and by a member firm of its network,
 - 4) assesses the auditor's independence and approves the auditor's provision of permitted non-audit services to the Company,
 - 5) sets out the procedures for the selection of the audit firm by the Company,
 - 6) controls and monitors the independence of the statutory auditor and the audit firm and their objectivity with regard to the services carried out,
 - 7) reviews the effectiveness of the external audit process and the actions taken by the Company's Management Board in relation to the external auditor's comments and concerns.

§ 8.

In order to perform the activities specified in §6 and §7 on behalf of the Supervisory Board, the Audit Committee may:

- 1) request, without the mediation of the Supervisory Board, that the Management Board of an affiliated company submit certain information in the fields of accounting, finance, internal audit and risk management necessary to perform the activities referred to in §6 section 1,
- 2) request the Supervisory Board to have certain control activities performed in the Company by internal units,
- 3) invite to meetings third parties with relevant expertise to examine specific issues,
- 4) in justified cases, use the assistance of specialists and experts in accordance with the principles determined in § 12 .

Responsibilities of the Audit Committee

§ 9.

1. The Audit Committee should perform its responsibilities in accordance with its scope of responsibilities and ensure that the Supervisory Board is regularly informed of its activities and results.
2. The Audit Committee presents to the Supervisory Board:
 - 1) conclusions, positions and recommendations taken, within a timeframe that allows the Supervisory Board to take appropriate action,
 - 2) the additional report referred to in Article 11 of the Regulation No. 537/2014. At the same time, the Audit Committee presents this report to the Management Board and may make the additional report available to the General Meeting.
 - 3) an annual report on its activities in the financial year in question within a timeframe that allows the Supervisory Board to take the contents of this report into account in its annual assessment of the Company's situation.
3. Recommendations and assessments are presented to the Supervisory Board by one of the Audit Committee members. The Member of the Management Board responsible for the Company's financial affairs is informed about the recommendations and assessments submitted by the Audit Committee to the Supervisory Board.
4. The Audit Committee makes a recommendation to the Supervisory Board on the selection of the audit firm carrying out the audit of the financial statements, which should indicate:
 - 1) the audit firm to which it proposes to entrust the audit,

- 2) a statement that the recommendation is free from influence by third parties,
 - 3) a statement that the Company did not conclude agreements containing clauses referred to in Article 66 section 5a of the Accounting Act of 29 September 1994.
5. In the event that the selection referred to above does not relate to the renewal of the audit agreement, the recommendation of the Audit Committee:
- 1) includes at least two choices of an audit firm together with a justification and an indication of the Audit Committee's reasonable preference for one of them,
 - 2) is made following the selection procedure organised by the Company.

Meetings of the Audit Committee

§ 10.

1. The Audit Committee acts and passes resolutions collectively. The presence of a majority of the Committee members is required for a meeting to be valid.
2. Meetings of the Audit Committee should be held as needed, but at least quarterly, on dates determined by the Chairman of the Committee.
3. Meetings of the Committee are convened by its Chairman, or in his absence by a member of the Committee designated by him. In special cases, a Committee meeting may be convened by the Chairman or the Deputy Chairman of the Supervisory Board.
4. Meetings of the Audit Committee may be convened by the Chairman of the Committee also at the initiative of another Committee member, as well as at the request of the Company's Management Board.
5. The agenda for a Committee meeting is proposed by the person convening the meeting, taking into account the content of the requests for a meeting.
6. Meetings of the Committee are convened by an invitation sent via e-mail or in any other manner agreed by the members of the Committee. An invitation to a planned Committee meeting, together with the proposed agenda and materials for the meeting, should be sent at least 7 days before the date of the meeting. This deadline may be reduced to at least 3 days in urgent cases; the Committee Chairman decides on that. Sending an invitation is not necessary where the dates of subsequent meetings of the Committee have been agreed at a meeting.

7. Committee meetings may be attended without voting rights by members of the Supervisory Board, who are informed of Committee meetings on an equal basis with its members.
8. The Audit Committee may also adopt resolutions using means of direct remote communication such as telephone, videoconference, Skype, WhatsApp or other such communicators, the use of which is agreed to by all members of the Audit Committee. The relevant provisions of the Bylaws of the Supervisory Board apply to the passing of resolutions by means of direct remote communication.

Minutes of the Audit Committee Meetings

§ 11.

1. Minutes of each meeting of the Audit Committee are drawn up and signed by all members of the Committee.
2. Minutes of the Audit Committee meetings, together with conclusions, suggestions and recommendations, are submitted to the Supervisory Board and also to Management Board of the Company.
3. The minutes (as well as the resolutions passed in the form referred to in § 10 section 8) are subject to the relevant provisions of the Bylaws of the Supervisory Board.
4. Organisational and technical support for the Audit Committee is provided by the Company.

Specialists and Experts

§ 12.

1. The Audit Committee may request the Company's Management Board, through the Chairman of the Supervisory Board, to commission expert reports and opinions for the Committee's use in order to properly perform its tasks.
2. The Committee may co-determine the selection of internal and external experts and specialists.
3. The experts and specialists referred to in section 2 may receive remuneration. In such a case, the Company is obliged to conclude an appropriate agreement with the expert, unless the amount of the remuneration demanded is unreasonably high in relation to the market price.

Final Provisions

§ 13.

1. The term of office and mandate of a member of the Audit Committee expire on the date of expiry of the term of office and mandate on the Company's Supervisory Board.
2. The Chairman of the Audit Committee of the previous term of office is obliged to hand over all documentation concerning matters conducted by the Committee to the new Chairman of the Audit Committee, elected in accordance with § 5 section 1 of these Bylaws.
3. In matters not covered by these Bylaws, the relevant provisions of the Company's Statutes and the Bylaws of the Supervisory Board apply.

Signature of the Chairman of the Supervisory Board / Udo Berner