

*Regulations adopted by the resolution of the Supervisory Board dated May 24, 2005, amended by the resolution of the Supervisory Board dated December 5, 2005, resolution of the Supervisory Board dated February 18, 2010, the resolution of the Supervisory Board dated December 9, 2011, the resolution of the Supervisory Board dated November 7, 2013, the resolution of the Supervisory Board dated December 8, 2017, the resolution of the Supervisory Board dated March 20, 2019, the resolution of the Supervisory Board dated December 3, 2021 and by the resolution of the Supervisory Board dated May 2, 2022.*

## **REGULATIONS OF THE AUDIT COMMITTEE OF BANK HANDLOWY W WARSZAWIE S.A.**

### **§ 1**

The Audit Committee (hereinafter referred to as “the Committee”) is a permanent committee of the Supervisory Board of Bank Handlowy w Warszawie S.A. (hereinafter referred to as “the Bank”). These Regulations set out the scope of activities, duties and operating procedures of the Committee. In performing its duties, the Committee follows also the guidelines set forth in the “Recommendations on the works of the Audit Committee” issued by the Office of the Polish Financial Supervision Authority.

### **§ 2**

1. The Committee’s members perform their functions under these Regulations based on Article 390 of the Commercial Companies Code.
2. The Committee shall submit to the Supervisory Board an annual report on its activities. The report for each calendar year shall be submitted by the end of the first quarter of the following year. The annual reports are made available to shareholders by placing them on the Bank’s websites.
3. The Committee shall report to the Supervisory Board at the Board's next meeting the proceedings of each meeting of the Committee and all recommendations made by the Committee at such meetings.
4. These Regulations of the Audit Committee are available on the Bank’s internet sites and at its registered office.
5. These Regulations of the Audit Committee are subject to periodic adequacy reviews and assessments (at least annually).

### **§ 3**

1. The Committee’s rights and duties shall include the following:
  - 1) monitoring:
    - a) the financial reporting process,
    - b) effectiveness of the internal control systems, risk management systems and internal audit, also in the area of financial reporting,
    - c) performance of audit activities, in particular performance by an audit company of an audit of the annual financial statements while taking into consideration any and all motions and findings of the Audit Supervision Authority arising from the control activities carried out within the audit company,

- 2) controlling and monitoring independence of the statutory auditor and of the audit company, in particular when the services other than audit and review of financial statements are provided to the Bank by the audit company,
  - 3) informing the Supervisory Board about the results of the audit of the annual financial statements and explaining of the manner in which the audit contributed to reliability of financial reporting at the Bank and the role of the Audit Committee in the audit process,
  - 4) assessing independence of the statutory auditor and granting consent to provision by the statutory auditor of permitted services other than the audit of annual financial statements,
  - 5) developing a policy for selecting the audit company to audit annual financial statements,
  - 6) developing a policy governing provision by the audit company auditing annual financial statements, entities affiliated with that audit company and by any member of the audit company's network of permitted services other than audit,
  - 7) defining the procedure for selection of the audit company by the Bank,
  - 8) presenting to the Supervisory Board a recommendation designating the audit company whom the Committee proposes to entrust the audit of annual financial statements in compliance with the policies referred to in Sub-Sections 5 and 6,
  - 9) submitting recommendations designed to ensure integrity of the financial reporting process at the Bank,
  - 10) developing of rules of conduct in the scope of the process of disclosure and exchange of data and information between the Polish Financial Supervision Authority, audit company, key certified auditor and the Bank's unit responsible for control mechanisms within the internal control system,
  - 11) giving opinions and presenting to the Supervisory Board recommendations on information disclosed annually pursuant to the information policy of the Bank,
  - 12) approving information disclosed on quarterly and semi-annually basis pursuant to the information policy of the Bank.
2. The Committee's rights and duties with respect to monitoring of financial reporting shall consist, in particular, of:
- 1) reviewing with the Bank's management and the audit company:
    - a) correctness of the financial reporting, including reading financial statements well in advance of their publication in order to ask questions, obtain explanations and provide comments of the Committee, if any, to the management of the Bank,
    - b) any material changes to the accounting principles and tax system,
    - c) estimates and judgments of the Bank's management that may be material for the financial reporting,
    - d) all and any changes in the financial statements recommended by the Bank's management or the audit company.
  - 2) reviewing the following issues and recommending to the Supervisory Board appropriate action to be undertaken with respect to annual financial statements audited by the statutory auditor and the reports from the audit drafted by the statutory auditor, the explanations obtained from the Bank's management of all significant variances between comparative reporting periods and, if appropriate, recommendations on approval of audited financial statements by the Supervisory Board,
  - 3) monitoring the impact of significant changes in reporting on IT systems used by the Bank, including discussions with the Management Board about significant changes in IT systems used for accounting and reporting purposes (i.e. changes that may have an influence on the implementation of accounting or reporting tasks, and in particular on the timeliness, accuracy or smooth execution of processes),

- 4) ordering the Management Board to carry out analyses of human resources of the financial and accounting function, with a particular focus on key employees responsible for financial reporting, including the provision by the Management Board of information on changes on key positions in the financial and accounting function and on the reasons behind such changes; in addition, the Management Board should inform the Committee of any significant organizational changes that may affect the quality and methods of preparation of reports and statements,
  - 5) reading current reports published by the Bank that may affect financial statements,
  - 6) monitoring significant changes in the financial reporting process of the Bank that may affect its stability or the ability of the Bank to prepare reliable financial statements on time, i.e. changes on key positions in the financial and accounting function, and implementation of IT projects and reorganization projects related to the area of financial reporting.
3. The Committee's competences with regard to monitoring of effectiveness of internal control systems, risk management systems and internal audit, also in the area of financial reporting, shall consist, in particular, of:
- 1) presenting to the Supervisory Board, for the purpose of annual assessment by the Supervisory Board, the opinion on adequacy and effectiveness of the internal control system, including assessment of adequacy and effectiveness of the control function, Compliance Department and Audit Department,
  - 2) reviewing the control processes in consultation with internal and external auditors and the compliance unit,
  - 3) giving opinions on the Bank's Compliance Policy, operating regulations of the compliance unit and the Bank's annual compliance plan,
  - 4) approving the Report on execution of the compliance function and management of compliance risk at the Bank,
  - 5) reviewing the Audit Department's annual audit plan before it is approved by the Supervisory Board,
  - 6) reviewing the internal audit results,
  - 7) examining the influence of the issues addressed in regular reports of the Bank's management on the Bank's internal control systems and its financial reporting with respect to:
    - a) the Bank's principal types of risk,
    - b) the systems implemented to monitor those types of risks,
    - c) the risk management strategies,
 - including on the basis of received periodic reports on all reported matters that may be connected with significant frauds. Such reports should include at least: description of a case, activities initiated to explain the case, identified risks and a description of activities to minimize such risks and a plan to ensure that they will not recur in the future;
  - 8) supervising the works of the Audit Department,
  - 9) controlling the level of remuneration of the employees of the Audit Department and the compliance unit,
  - 10) giving opinions on the operating strategy of the Audit Department,
  - 11) monitoring and supervising the outsourcing of processes that cover activities which are significant for correct performance by the Bank of its responsibilities arising from applicable laws and regulations, and the financial situation of the Bank.
4. The Committee's competencies in respect of monitoring of performance of financial audit activities, in particular the audit by the audit company of the annual financial statements while taking into consideration any and all motions and findings of the Audit Supervision Authority arising from the control activities carried out within the audit company shall consist, in particular, of:

- 1) recommending to the Supervisory Board the audit company to audit and verify the Bank's financial statements,
  - 2) monitoring independence of the audit company and independence of the statutory auditor performing financial audit activities, and confirming with the management of the Bank (Management Board, Audit Department or Compliance Division) that no information has been identified that would indicate the lack of independence of the audit company, the key auditor or any of the persons involved in an audit,
  - 3) recommending termination of the agreement with audit company due to exceptional circumstances, and also examining any issues that are the reason behind the decision to terminate the audit company (auditor).
5. The Audit Committee's competencies with respect to controlling and monitoring of independence of the statutory auditor and of the audit company, in particular when the audit company provides to the Bank the services other than audit of the annual financial statements shall consist specifically in:
- 1) assessing the statement confirming independence of the audit company and of the statutory auditor performing financial audit activities, and
  - 2) assessing the information about the services provided for the Bank.
6. The Audit Committee may make the additional report prepared by the audit company available to the General Meeting of Shareholders.
7. The Audit Committee may, without using the Supervisory Board as intermediary, ask for information, explanations and documents as required to perform any of the duties referred to in section 1 above.

#### § 4

1. The Audit Committee shall be composed of at least three members of the Supervisory Board designated by the Supervisory Board. The majority of members of the Audit Committee, including the Chairman of that Committee, shall be independent within the meaning of Article 129 Section 3 of the Act on Statutory Auditors, Audit Companies and Public Supervision of 11 May 2017. Information in this regard shall be subject to the verification process described in Appendix No. 1 to these Regulations. The Chairman of the Audit Committee shall additionally meet the independence criteria designated in Para. 14 Section 4 of the Articles of Association. The members of the Audit Committee shall possess the knowledge and skills from the financial sector. This condition is deemed fulfilled if at least one member of the Audit Committee possesses the knowledge and skills from that sector or individual members possess the knowledge and skills from that sector within specific scopes. At least one member of the Audit Committee possesses the knowledge and skills in the area of accounting or audit of financial statements. The detailed criteria with respect to knowledge, competences and experience in the area of accounting or audit of financial statements, expected of members of the Audit Committee, are indicated in the Policy for assessment of qualifications of members of the Supervisory Board of Bank Handlowy w Warszawie S.A.
2. The Committee's members, including the Chairman and the Vice Chairman, shall be elected by the Supervisory Board.
3. The newly appointed Committee member shall receive from the Chairman or Vice Chairman of the Committee, and in case of their absence, from the Secretary of the Committee, a set of information and documents which will allow such a new member to prepare effectively for performing their duties in the Committee. This set includes in particular a brief description of the Bank's operations, its organizational and decision-making structure, information on the organizational manner of financial reporting, internal control and risk management system; mid-

year and annual reports that contain the opinion and report of an independent certified auditor authorized to audit financial statements, the Regulations and the Schedule of Works of the Committee for the upcoming period and the reports from the works of the Committee in previous years.

4. The Bank provides the Committee members with an opportunity to improve their qualifications relating to the financial sector, in particular by organizing at least once every two years of training for members of the Committee relating to the financial sector.
5. The presence of at least 3 (three) members of the Committee members shall be required at a meeting for the validity of its resolutions.

## § 5

1. The Chairman shall convene a meeting of the Committee. If the Chairman of the Committee cannot, for any reason, convene the meeting, the Vice Chairman shall do so. A meeting of the Committee may also be convened at the request of a member of the Committee or the Chairman of the Bank's Supervisory Board.
2. The Secretary of the Committee, who is also the Secretary of the Supervisory Board, shall distribute to the members of the Committee a notice to convene a meeting. The notice will include the agenda as well as materials, which will represent the subject matter of the meeting.
3. The Committee shall meet at least four times annually, on dates specified by the Chairman of the Committee in cooperation with the Vice Chairman of the Committee.
4. The Committee shall meet with:
  - 1) the Head of the Audit Department, without any member of the Bank's management present,
  - 2) the Bank's auditor, without any member of the Bank's management present.
5. The Committee may also meet with:
  - 1) its members only,
  - 2) individual members of the Bank's management as the Committee considers appropriate,
  - 3) employees or associates of the Bank if it is required to perform the tasks of the Committee set out in § 3(1) of the Regulations.

## § 6

1. The agenda of the meeting of the Committee may consist of fixed items and matters examined on the motion.
2. A list of fixed items reviewed at the meeting of the Committee shall be determined by way of a resolution of the Committee.
3. Matters for the meeting of the Committee may be brought up by the Supervisory Board, individual members of the Committee, the remaining members of the Supervisory Board, the Bank's Management Board and the members of the Bank's Management Board.

## § 7

1. On the basis of materials received, the Secretary shall prepare a draft agenda of a meeting with a list of invited persons and submit it to the Chairman and the Vice Chairman for approval.

2. If approved by the Chairman and Vice Chairman, the agenda of a meeting shall be delivered with necessary materials to the members of the Committee.
3. Members of the Committee should receive motions (and annexes if possible) not later than 7 (seven) days prior to the meeting.

#### **§ 8**

1. All members of the Committee are required to attend its meetings.
2. A member of the Committee member who is not able to attend the meeting shall notify the Secretary of the Supervisory Board within 7 (seven) days prior to the meeting.
3. The Committee may seek opinions from consultants and may invite the employees of the Bank or any other persons to attend meetings of the Committee to discuss or examine the matters under consideration by the Committee.
4. The persons invited by the person chairing the meeting of the Committee, in particular the persons reporting on individual items of the meeting's agenda shall attend the Committee's meeting or a relevant part thereof.
5. When the issues associated with the internal control system constitute the subject-matter of the meeting, such meeting shall be attended by the head of the compliance unit and the Director of the Audit Department.
6. Any issues discussed at the Committee's meetings shall also be discussed with the Supervisory Board.

#### **§ 9**

1. The Chairman of the Committee shall chair meetings of the Committee. In the case of the absence of the Chairman, the Vice Chairman shall chair the meeting of the Committee.
2. The Chairman of the Committee in consultation with the Vice Chairman of the Committee may decide to remove a matter from the agenda, prior to the start of the meeting, particularly in order to have a motion supplemented or an opinion given.

#### **§ 10**

The Committee shall adopt its resolutions by absolute majority of votes of members of the Committee present at the meeting.

#### **§ 11**

1. The Chairman in agreement with the Vice Chairman may adopt a decision to review an issue under circulation procedure. A decision made under circulation procedure is valid when all members of the Committee have been notified of the content of a draft decision and the decision has been adopted by the absolute majority of the Committee members.
2. Resolutions adopted under circulation procedure are recorded in the minutes of the nearest meeting of the Committee.
3. A matter shall not be reviewed under circulation procedure if at least one member of the Committee does not agree to such procedure.

4. In the situation referred to in Section 1, members of the Committee shall express their position on the presented draft of a resolution after they have reviewed the materials made available to them by the Secretary of the Supervisory Board.

## § 12

The Committee's member who votes against may demand their dissenting opinion to be recorded in the minutes.

## § 13

1. Minutes of the Committee meetings shall be drawn up. Minutes should be drawn up in writing or in a form tantamount to in-writing form and authenticated as appropriate by the members of the body who took part in a given action by way of acceptance of the minutes in a dedicated IT system of the Bank or by way of signing the minutes in writing or in a form tantamount to in-writing form.
2. Minutes shall include:
  - 1) ordering number,
  - 2) date of meeting,
  - 3) agenda of the meeting and description of the items on the agenda,
  - 4) names of persons taking part in the meeting,
  - 5) description of the course of discussions, the findings, the agreed actions,
  - 6) content of adopted resolutions,
  - 7) results of voting,
  - 8) submitted comments, including comments not taken into account and the content of dissenting opinion together with an indication of the reasons for disregarding them;
  - 9) other decisions of the Committee.
3. A member of the Committee who participated in a meeting may view the minutes and provide comments or submit a dissenting opinion to be included in the minutes before the minutes are authenticated.
4. The minutes of the Committee's meeting shall be approved by the Committee at the next meeting of the Committee. The approved minutes of the meeting of the Committee shall be submitted to the Supervisory Board for information.
5. The signed list of the meeting's attendance shall be attached to the minutes.
6. The Secretary of the Supervisory Board shall keep, on the Committee's behalf, the minutes of the Committee's meetings and any other materials of the Committee.

Appendices:

Appendix No. 1 – description of the process used to verify if members of the Audit Committee meet the requirements set out in Article 129 of the Act of May 11, 2017 on Statutory Auditors, Audit Companies and Public Supervision.

**DESCRIPTION OF THE PROCESS USED TO VERIFY IF MEMBERS OF THE AUDIT COMMITTEE MEET THE REQUIREMENTS SET OUT IN ARTICLE 129 OF THE ACT OF MAY 11, 2017 ON STATUTORY AUDITORS, AUDIT COMPANIES AND PUBLIC SUPERVISION**

Verification if members of the Committee meet the requirements set out in Article 129 of the Act of May 11, 2017 on Statutory Auditors, Audit Companies and Public Supervision (hereinafter the “**Act**”) covers:

1. requirements related to the knowledge and skills of members of the Committee in the area of accounting or audit of financial statements (Article 129(1) of the Act),
2. requirements related to the knowledge and skills of members of the Committee with respect to the sector in which the Bank operates (Article 129(5) of the Act),
3. independence of members of the Committee (Article 129(3) of the Act).

Such verification is a two-stage process:

1. In the process of assessment of candidates for the Supervisory Board of the Bank, each of the candidates is subject to additional assessment vis-à-vis the requirements set out in Article 129 of the Act (individual assessment). Such additional assessment is to ensure that the composition of the Supervisory Board of the Bank makes it possible to select members of the Committee who meet the requirements set out in Article 129 of the Act.

The process of assessment of candidates for the Supervisory Board is carried out by the General Shareholders Meeting of the Bank after obtaining a recommendation from the Nomination and Remuneration Committee for each candidate. This process is described in detail in the Policy for assessment of qualifications of members of the Supervisory Board of Bank Handlowy w Warszawie S.A. adopted by the General Shareholders Meeting of the Bank (hereinafter the “**Qualifications Assessment Policy**”).

2. When selecting members of the Committee, the Supervisory Board considers the results of individual assessments of candidates for members of the Committee. At that stage, the candidates for the Committee who have given their consent to be such candidates are subject to collective assessment, which is carried out by the Supervisory Board on the basis of results of the individual assessment of each of the candidates (collective assessment).

Regardless of the above, members of the Committee are subject to annual verification of their independence. In such verification process, members of the Committee submit, on an annual basis, their independence declarations. Submitted declarations may be limited to a statement that the information included in the previous declaration has not changed. Each of the members of the Committee is also required to promptly notify the Chairperson of the Supervisory Board of the Bank of any change related to their independence status (whether independence is lost or gained) and of any new circumstances that may affect independence assessment.