
**RULES OF PROCEDURE OF THE AUDIT COMMITTEE
OF THE SUPERVISORY BOARD
VRG S.A. in Kraków**

**§ 1.
General Provisions**

1. The Audit Committee of the Supervisory Board of VRG S.A. in Krakow (hereinafter referred to as the “**Audit Committee**”) is a standing committee acting as a collegial advisory and opinion-forming body of the Supervisory Board.
2. The Audit Committee operates on the basis of:
 - 2.1. the Act;
 - 2.2. Regulation 537/2014;
 - 2.3. the provisions of §15–§19 of the Supervisory Board’s Rules of Procedure;
 - 2.4. these Rules of Procedure.
3. The legal basis for these Rules is §15(2) of the Rules of Procedure of the Supervisory Board.
4. In performing its tasks, the Audit Committee is guided by as well as the corporate governance principles adopted by the Company pursuant to DPSN2021.
5. The Audit Committee performs its functions by submitting motions, opinions and reports to the Supervisory Board concerning the scope of its tasks.
6. The performance by the Audit Committee of the activities specified in these Rules does not replace the statutory and Articles of Association powers and duties of the Supervisory Board, nor does it relieve members of the Supervisory Board of their responsibilities.
7. Whenever the Committee’s Rules of Procedure refer to:
 - 7.1. **DPSN2021** – this shall be understood to mean the corporate governance principles arising from Resolution No. 13/1834/2021 of the Warsaw Stock Exchange S.A. dated 29 March 2021, “Good Practices of Companies Listed on the WSE 2021”;
 - 7.2. **Independent Committee Member** – this refers to a member who meets the independence criteria set out in Article 129(3) of the Act, and who, in accordance with Principle 2.3 of DPSN2021, has no actual or material links with a shareholder holding at least 5% of the total number of votes in the Company;
 - 7.3. **Capital Group** – this refers to the Company’s Capital Group;
 - 7.4. **Audit Committee, Committee** – this refers to the Audit Committee of the Supervisory Board of VRG S.A.;
 - 7.5. **Supervisory Board** – this refers to the Company’s Supervisory Board;
 - 7.6. **Rules** – this refers to these Rules of the Audit Committee of the Company’s Supervisory Board;
 - 7.7. **Rules of Procedure of the Supervisory Board** – this refers to the Rules of Procedure of the Supervisory Board of VRG S.A. in Kraków;

- 7.8. **Regulation 537/2014** – this refers to Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audits of public-interest entities and repealing Commission Decision 2005/909/EC (Official Journal of the European Union of 27 May 2014, L 158/77);
- 7.9. **Company** – this refers to VRG S.A. with its registered office in Kraków;
- 7.10. **The Act** – this refers to the Act of 11 May 2017 on statutory auditors, audit firms and public oversight (i.e. Journal of Laws of 2017, items 1035, 1863);
- 7.11. **Management Board** – this refers to the Company’s Management Board.

§ 2.

Composition of the Committee

1. The Audit Committee shall consist of between three (3) and five (5) members.
2. The majority of Committee Members, including the Chair of the Audit Committee, must be Independent Committee Members.
3. At least one member of the Audit Committee must possess knowledge and skills in the field of accounting or the auditing of financial statements.
4. Members of the Audit Committee must possess knowledge and skills relating to the industry in which the Company operates. This condition is deemed to be met if at least one member of the Audit Committee possesses knowledge and skills relating to that industry, or if individual members possess such knowledge and skills in specific areas.
5. The person serving as Chairman of the Supervisory Board may not simultaneously serve as Chairman of the Audit Committee.
6. A candidate for membership of the Audit Committee shall submit a declaration to the Supervisory Board confirming that they meet the independence criteria. The Supervisory Board shall verify that members of the Audit Committee meet the independence criteria.
7. Each year, a member of the Audit Committee shall submit to the Supervisory Board, in good time to enable the Supervisory Board to adopt a report on this matter for the Company’s General Meeting, an updated declaration of compliance with the independence criteria, and shall immediately inform the Supervisory Board in the event of a change in status regarding the loss or acquisition of independence.
8. A template of the statement by an Independent Member of the Supervisory Board is set out in **Appendix 1** to the Rules of Procedure.
9. The Supervisory Board verifies compliance with the criterion referred to in paragraphs 3 and 4 above.
10. Members of the Audit Committee shall exercise their rights and perform their duties in person and are required to attend meetings of the Audit Committee.

§ 3.

Rules for the Appointment of Committee Members

1. Members of the Audit Committee are appointed by the Supervisory Board from among its members on the basis of a resolution of the Supervisory Board.
2. A member of the Audit Committee may be removed from the Committee at any time by a resolution of the Supervisory Board.
3. The term of office of the Audit Committee is common to all its members and coincides with the term of office of the Supervisory Board.
4. The Supervisory Board elects the members of the Committee at its first meeting of the term.

5. The first meeting of the Audit Committee is convened by the Chairman of the Supervisory Board.
6. The Audit Committee shall elect a Chair from among its members.
7. The Audit Committee may elect a Deputy Chair from among its members.
8. If the Chair of the Audit Committee is unable to perform his or her duties, the Deputy Chair of the Audit Committee shall exercise his or her powers.
9. The Chair of the Audit Committee may appoint one of its members to act as Secretary to the Audit Committee, responsible for the administrative support of the Audit Committee's work.
10. In the event that the term of office of a member of the Supervisory Board elected to the Audit Committee expires before the end of the term of office of the entire Supervisory Board, the Supervisory Board shall fill the vacancy on the Committee by electing a new member of the Committee for the remainder of the Supervisory Board's term of office. The Chair of the Committee shall ensure that the new Committee member smoothly assumes the duties arising from the Committee's work, in particular by providing access to documentation relating to the Committee's work and familiarising the member with the Committee's operating practices and work plan.

§ 4.

Rules for Convening Meetings; Adoption of Resolutions

1. The work of the Audit Committee is directed by the Chair. The Chair also supervises the preparation of the agenda.
2. Meetings of the Audit Committee are convened by the Chair, who invites the members of the Audit Committee to the meetings and notifies all other members of the Supervisory Board of the meeting. All members of the Supervisory Board have the right to attend the Committee's meetings.
3. Meetings of the Audit Committee should be held whenever necessary. The Chair of the Audit Committee may invite to Committee meetings members of the Management Board of the Company or of companies within the capital group, employees of the Company or of companies within the capital group, and other persons whose participation in the meeting is useful for the performance of the Audit Committee's tasks.
4. In addition, senior employees responsible for specific functions, the Chief Accountant, and the Statutory Auditor who has performed or is performing a review or audit of the financial statements of the Company or a company within the capital group may attend Audit Committee meetings at the Committee's invitation.
5. Notice of the convening of an Audit Committee meeting must be given to the members of the Audit Committee and the other members of the Supervisory Board no later than 7 days before the Committee meeting, and in urgent matters no later than 1 day before the Committee meeting.
6. The Committee may hold a meeting without formal notice if all members of the Audit Committee agree to hold the meeting and to the proposed agenda.
7. Meetings of the Audit Committee shall be opened and chaired by its Chairman, and in his absence by another member of the Audit Committee designated by the Chairman. If the Chairman fails to make such a designation, these duties shall be performed by the oldest member of the Audit Committee present at the meeting.
8. Members of the Audit Committee may vote on resolutions in person, by attending a meeting of the Audit Committee, or by using means of remote communication.

9. Resolutions of the Audit Committee may also be adopted by circulation, using means of direct remote communication. Resolutions adopted in this manner are valid if all members of the Audit Committee have been notified of the content of the draft resolution.
10. A meeting of the Audit Committee may be held:
 - 10.1. by teleconference, in such a way that all participants can communicate with one another using telecommunications equipment; or
 - 10.2. in a hybrid format, such that some members of the Supervisory Board are present at the meeting and others participate via teleconference, in such a way that all participants can communicate with one another using telecommunications means.
11. Resolutions of the Audit Committee are adopted by a simple majority of votes cast. In the event of a vote in which the number of votes 'for' and 'against' is equal, the Chair of the Audit Committee shall have the casting vote.
12. Voting by the Audit Committee is open, unless otherwise provided for by law.

§ 5.

Minutes of Audit Committee Meetings

1. Minutes shall be drawn up of each meeting of the Audit Committee and shall be subject to approval at the next meeting. The approved text of the minutes shall be signed by the Chairman of the Committee. Minutes may be drawn up and signed in electronic form.
2. The minutes of Committee meetings are kept at the Company's registered office in the Company's Management Board Office. All members of the Supervisory Board have the right to inspect the minutes of Committee meetings and other documents resulting from its work.
3. The minutes of Audit Committee meetings, together with motions, recommendations, opinions, decisions and recommendations, are submitted to the Supervisory Board and to the Company's Management Board.

§ 6.

Tasks of the Audit Committee

1. The Audit Committee advises the Supervisory Board on matters relating to the proper implementation of budgetary and financial reporting principles, sustainability reporting (to the extent that the Company or the group is subject to reporting obligations), the Company's internal control, and on matters relating to cooperation with audit firms and the Company's statutory auditors.
2. The Audit Committee's tasks include, in particular:
 - a) monitoring:
 - i) the financial reporting process and sustainability reporting (to the extent that the Company or the group is subject to reporting obligations),
 - ii) the adequacy and effectiveness of the Company's internal control, risk management, compliance and internal audit systems,
 - iii) the performance of financial audit activities, in particular the audit conducted by the audit firm, taking into account any conclusions and findings of the Polish Agency for Audit Oversight (*in Polish: Polska Agencja Nadzoru Audytowego*) resulting from an inspection carried out at the audit firm;
 - iv) the performance of sustainability reporting assurance activities by a statutory auditor authorised to provide sustainability reporting assurance.

- b) supervising and monitoring the independence of the statutory auditor and the audit firm, in particular where the audit firm provides services other than an audit to a public-interest entity;
 - c) informing the Supervisory Board of the results of the audit and explaining how the audit contributed to the reliability of financial reporting within the public-interest entity, as well as the role of the audit committee in the audit process;
 - d) assessing the independence of the statutory auditor and giving consent for the provision by the auditor of permitted non-audit services to the public-interest entity;
 - e) developing a policy for the selection of an audit firm to carry out the audit and submitting it to the Supervisory Board for approval;
 - f) developing a policy on the provision of permitted non-audit services by the audit firm conducting the audit, by entities affiliated with that audit firm, and by a member of the audit firm's network;
 - g) determining the procedure for the selection of an audit firm by the public-interest entity;
 - h) submitting to the Supervisory Board a recommendation regarding the selection of the audit firm referred to in Article 16(2) of Regulation 537/2014 in accordance with the policies referred to in points (e) and (f);
 - i) making recommendations aimed at ensuring the reliability of the financial reporting process within a public-interest entity.
3. As part of its monitoring of the financial reporting process and sustainability reporting, the Audit Committee:
- 3.1. analyses information presented by the Management Board concerning changes in accounting policies or principles or financial reporting, as well as estimates or assessments that may be of material significance to the Company's financial reporting; in particular, the Audit Committee expresses opinions on material changes in accounting policies or principles and the principles of presentation of interim financial statements,
 - 3.2. analyses the accounting methods adopted by the Company and its group,
 - 3.3. analyses the compliance of sustainability reporting with sustainability reporting standards (to the extent that the Company or the group is subject to reporting obligations),
 - 3.4. reviews the management accounting system,
 - 3.5. monitors the Company's financial position; in particular, periodically analyses, together with the Management Board and the auditor, the financial statements and the results of the audit of those statements, including analysing and verifying all material items, with particular regard to any estimates, as well as areas generating risk and the impact of such risk on the financial performance of the financial statements prior to their approval,
 - 3.6. informs the Supervisory Board of the results of the audit and explains how the audit contributed to the reliability of the Company's financial reporting and sustainability reporting, as well as the role of the Audit Committee in the audit process,
 - 3.7. submits recommendations to the Supervisory Board regarding the assessment of the annual financial statements and the management report, including sustainability reporting
 - 3.8. submits recommendations aimed at ensuring the reliability of the financial reporting process and sustainability reporting,
 - 3.9. reviews the current reports published by the Company that affect interim reporting.
4. As part of the monitoring of internal control systems and internal audit, the Audit Committee:

- 4.1. recommends to the Supervisory Board the approval of the annual and cyclical internal audit plan for the coming year and analyses any deviations from the established internal audit plan,
 - 4.2. verifies the adequacy and effectiveness of risk management, ensuring compliance of operations with standards or applicable practices, and internal audit; in particular, it submits recommendations to the Supervisory Board regarding policies on the internal control system, including compliance risk management and internal audit,
 - 4.3. monitors the effectiveness of internal audit and the availability of relevant sources of information and expertise to ensure an appropriate response to the auditor's findings and recommendations,
 - 4.4. supports the Internal Audit Department in situations where irregularities are identified and it is not possible to obtain adequate explanations from the audited entities, in particular from the Finance Division,
 - 4.5. reviews the performance of internal control and internal audit systems,
 - 4.6. submits recommendations/opinions to the Supervisory Board regarding the assessment of the adequacy and effectiveness of the internal control system, including the assessment of the adequacy and effectiveness of the control function and the Internal Audit Department,
 - 4.7. analyses reports prepared by the Internal Audit Department,
 - 4.8. ensures that the head of the Internal Audit Department has unrestricted access to the Audit Committee and the opportunity to attend Audit Committee meetings without the Management Board being present,
 - 4.9. participates, together with the Supervisory Board, in the selection of the head of the internal audit unit, in particular in assessing candidates, assists the Management Board in selecting a suitable candidate and determining their remuneration, as well as in giving consent to the termination of the employment relationship with the person who has hitherto headed the Internal Audit Department,
 - 4.10. monitors the independence of the staff of the Internal Audit Department,
 - 4.11. assesses and makes recommendations regarding the quality of compliance risk management.
5. As part of monitoring the effectiveness of risk management, the Audit Committee:
 - 5.1. assesses the effectiveness of measures implemented to address compliance risks;
 - 5.2. monitors and supervises the outsourcing of processes involving activities that are of significant importance to the Company's proper fulfilment of its legal obligations and to the Company's financial position .
 6. As part of monitoring the independence of the statutory auditor and the audit firm, the performance of financial audit activities, and the attestation of sustainability reporting, the Audit Committee:
 - 6.1. submits recommendations to the Supervisory Board regarding the selection of an audit firm to conduct the audit, as well as any changes thereto, and the assessment of its work, in particular with regard to its independence, taking due account of the principles arising from the Company's policy on the independence of the statutory auditor and the corporate governance principles adopted by the Company in this regard,
 - 6.2. submits recommendations to the Supervisory Board regarding the selection of a statutory auditor authorised to certify sustainability reporting, as well as any changes thereto, assess the auditor's work, in particular with regard to their independence, taking due account of the principles set out in the Company's policy on auditor independence and the corporate governance principles adopted by the Company in this regard,

- 6.3. takes decisions on granting consent for the statutory auditor to provide permitted non-audit services,
 - 6.4. monitors the independence of the auditor and assesses their independence, objectivity and the quality of their work in relation to the audits they perform,
 - 6.5. reviews the effectiveness of the external audit process and the Management Board's response to the auditor's recommendations contained in the Letter to the Management Board,
 - 6.6. analyses information on key issues arising from the audit, presented by the statutory auditor in a supplementary written report, in particular regarding significant deficiencies in the entity's internal control system in relation to the financial reporting process. The Committee may request that these issues be discussed with the statutory auditor and the Management Board at a Committee meeting,
7. Where justified, the Audit Committee may seek the assistance of experts.

§ 7.

Additional Powers

1. In order to perform the activities specified in § 6, the Audit Committee shall have the right to:
 - 1.1. require management to provide information and explanations and to submit documents necessary for the performance of the Committee's tasks as set out in the Rules of Procedure,
 - 1.2. submit a request to the Supervisory Board to commission expert reports and opinions for the use of the Audit Committee in order to properly carry out its tasks,
 - 1.3. to monitor, within the scope of the Committee's remit, the Company's activities in accordance with the provisions of § 6 of the Rules of Procedure.
2. The Head of the Internal Audit Department reports functionally to the Audit Committee.

§ 8.

Reports of the Committee

1. The Audit Committee shall submit a report on its activities to the Supervisory Board at least once a year, at an appropriate time in relation to the Supervisory Board's preparation of reports in connection with the publication of annual reports or the preparation for the Company's Annual General Meeting.
2. The Audit Committee's report should include, amongst other things:
 - 2.1. information on the composition of the Committee, indicating which members of the Audit Committee meet (i) the independence criteria set out in the Act, as well as which of them have no actual and significant links with a shareholder holding at least 5% of the total number of votes in the Company, and (ii) the requirements set out in §2(3) and (4) of the Rules of Procedure.
 - 2.2. a summary of the Audit Committee's activities;
 - 2.3. the Audit Committee's assessment of the Company's situation on a consolidated basis, taking into account the evaluation of internal control systems, risk management, compliance and the internal audit function, together with information on the actions taken by the Audit Committee to carry out this assessment; this assessment covers all material control mechanisms, including in particular those relating to reporting and operational activities.
3. The Audit Committee submits recommendations to the Supervisory Board regarding statements on the functioning of the Audit Committee and the selection of an audit firm, the

submission of which is required for the purposes of the Company's annual report and the Capital Group's consolidated report.

4. The Audit Committee's report may be made available to the Company's statutory auditor.

§ 9.

Review of the Rules

1. The Rules shall be reviewed and assessed by the Audit Committee for adequacy at least once every two years.
2. Should it be necessary to amend the Rules, the Chair of the Committee shall submit a relevant proposal to the Supervisory Board.

§ 10.

Final Provisions

1. These Rules of Procedure are adopted by the Supervisory Board. Amendments to these Rules of Procedure require a resolution of the Supervisory Board.
2. In matters not covered by these Rules, the relevant provisions of the Supervisory Board's Rules and the provisions of law shall apply *mutatis mutandis*.
3. These Rules shall enter into force on 6 November 2025.

Appendix 1: Template of the Declaration of an Independent Member of the Supervisory Board of VRG S.A.

DECLARATION OF A MEMBER OF THE SUPERVISORY BOARD OF VRG S.A. REGARDING INDEPENDENCE

I, the undersigned, as a member of the Supervisory Board of VRG S.A. with its registered office in Kraków (hereinafter: “the Company”), hereby declare that:

1. [I meet] / [I do not meet]*

the independence criteria set out in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Consolidated Text: Journal of Laws 2020, item 1415, as amended) (hereinafter: “the Act”).

Pursuant to Article 129(3) of the Act, a member of the audit committee is deemed to be independent of a given public-interest entity if they meet the following criteria:

- 1) they are not, and have not been in the last 5 years from the date of their appointment, a member of senior management, including a member of the management board or other governing body of the public-interest entity or an entity associated with it;*
- 2) is not, and has not been within the last 3 years from the date of appointment, an employee of the public-interest entity in question or an entity associated with it, except where a member of the audit committee is an employee who is not a member of senior management and who has been elected to the supervisory board or other supervisory or control body of the public-interest entity in question as an employee representative;*
- 3) does not exercise control within the meaning of Article 3(1)(37)(a)-(e) of the Accounting Act of 29 September 1994, nor does he or she represent persons or entities exercising control over the public-interest entity in question;*
- 4) does not receive or has not received additional remuneration, of a significant amount, from the public-interest entity in question or an entity associated with it, with the exception of remuneration received as a member of the supervisory board or other supervisory or control body, including the audit committee;*
- 5) does not maintain, nor has maintained during the last year from the date of appointment, any material business relationship with the public-interest entity in question or an entity related to it, either directly or as an owner, partner, shareholder, a member of the supervisory board or other supervisory or control body, or a member of senior management, including a member of the management board or other management body of the entity maintaining such relations;*
- 6) is not, and has not been during the last 2 years from the date of appointment:*
 - a) an owner, partner (including a general partner) or shareholder of the current or previous audit firm conducting the audit of the financial statements of the public-interest entity in question or an entity related to it, or*
 - b) a member of the supervisory board or other supervisory or control body of the current or previous audit firm conducting the audit of the financial statements of the public-interest entity in question, or*
 - (c) an employee or a member of senior management, including a member of the management board or other governing body, of the current or former audit firm carrying out the audit of the financial statements of the public-interest entity concerned or an entity affiliated with it; or*
 - (d) any other natural person whose services were used or who was supervised by the current or previous audit firm or by a statutory auditor acting on its behalf;*
- 7) is not a member of the management board or other management body of an entity in which a member of the supervisory board or other supervisory or control body is a member of the management board or other management body of the public-interest entity in question;*
- 8) has not been a member of the supervisory board or other supervisory or control body of the public-interest entity in question for more than 12 years;*
- 9) is not the spouse, cohabiting partner, relative by blood or marriage in the direct line, or a relative by marriage up to the fourth degree in the collateral line, of a member of the management board or other governing body of the public interest entity in question, or of a person referred to in points 1–8;*
- 10) is not in a relationship of adoption, guardianship or custody with a member of the management board or other governing body of the public interest entity in question or with a person referred to in points 1–8.*

The additional remuneration referred to in paragraph 3(4):

- 1) includes participation in a share option scheme or other performance-related remuneration scheme;*

2) does not include the receipt of fixed remuneration under a pension scheme, including deferred remuneration, in respect of previous employment with the public interest entity in question, where the payment of such remuneration is not conditional upon continued employment with that public interest entity.

2. [I meet] / [I do not meet]*

the independence criteria set out in Principle 2.3 of the “Good Practices for Companies Listed on the WSE 2021” adopted by the Warsaw Stock Exchange S.A. by Resolution No. 13/1834/2021 of 29 March 2021 regarding the absence of actual and material links with a shareholder holding at least 5% of the total number of votes in the company.

****[delete as appropriate]***

I also declare that should the status of the above statements change, I shall notify the Company thereof without delay.

_____, on _____

Place

Date

First name and surname