

Policy on selecting a statutory auditor/audit firm to audit financial statements of Stalexport Autostrady S.A.

§1

Basis and subject of the regulations

1. This document (the "**Policy**") was adopted by the Supervisory Board in connection with §5(1)(a) of the Audit Committee Regulations based on:
 - a) The Act on Statutory Auditors, Audit Firms and Public Supervision dated 11 May 2017 (Dz. U. of 2017, item 1089) (the "**Act on Statutory Auditors**"), and
 - b) Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC ("**Regulation 537/2014**").
2. The Policy sets out the rules for selecting a statutory auditor/audit firm to audit financial statements of Stalexport Autostrady S.A. (the "**Company**") which guarantee the independence of auditors and a high quality of audits carried out with respect to the Company's financial statements.

§2

Role of the Company's bodies in selecting a statutory auditor/audit firm to audit its financial statements

1. A leading role in the process of initiating and creating tasks in the Company aimed at selecting a statutory auditor/audit firm to audit financial statements is assigned to a member of the Company's Management Board, Vice-president of the Management Board, acting as the Finance Director (the "**Finance Director**") and the Audit Committee - a permanent consulting and advising body for the Supervisory Board, appointed in order to increase the efficiency of supervisory activities performed by the Supervisory Board in relation to auditing the accuracy of financial reports, financial results, the efficiency of an internal control system, including internal audits and a risk management system, as well as to provide the Supervisory Board with recommendations regarding the selection of a statutory auditor/audit firm, after carrying out the established selection procedures (the "**Audit Committee**"). In order to perform the assigned tasks, the Audit Committee and the Finance Director can rely on support from the Company's corporate structures.
2. Conclusions and recommendations resulting from analyses carried out by the Finance Director are the basis for the Audit Committee providing a recommendation on the Supervisory Board's selection of a statutory auditor/audit firm to audit the Company's financial statements.
3. The Audit Committee's conclusions and recommendations are the basis for the Supervisory Board's selection of a statutory auditor/audit firm by way of a resolution.
4. The Company's Finance Director is responsible for preparing and carrying out the procedure of selecting a statutory auditor/audit firm.
5. According to the provisions of the Company's Articles of Association, the power to select a statutory auditor/audit firm to audit the Company's financial statements is vested in the Supervisory Board. Given the fact that the Supervisory Board does not approve the Company's financial statements, the Management Board, when

performing its statutory obligation under Art. 113 of the Act on Statutory Auditors, will immediately notify the Polish Financial Supervision Authority (the "PFSA") thereof.

§3

Rules followed by the Company when selecting a statutory auditor/audit firm

1. The Company assesses offers submitted by statutory auditors/audit firms in accordance with the criteria specified in tender documentation on the basis of transparent and non-discriminatory selection criteria and prepares a report including conclusions from the selection procedure, approved by the Audit Committee.
2. The Company does not limit the possibility for audit firms to present offers and in no way does it exclude from the selection procedure audit firms whose fees obtained from auditing public-interest entities in Poland in the previous calendar year constituted less than 15% of the total fees. The Company also does not exclude the possibility of assigning the audit of financial statements to more than one audit firm.
3. The Company is free to specify a selection procedure and can carry out direct negotiations with interested audit firms during the selection procedure.
4. With respect to the selection procedure of statutory auditors/audit firms, it is prohibited and invalid to include in agreements entered into between the Company and third parties any clauses limiting the possibility of selecting a statutory auditor/audit firm for the purpose of the Company's audit. The Company is obliged to notify the relevant authorities directly and immediately of any attempts made by third parties to introduce such contractual clause or exert any other inappropriate influence on the Supervisory Board's decision on the selection of a statutory auditor/audit firm.

§4

Limitations on assignment of tasks related to exceeding a prescriptive threshold

1. If the total fees received from the Company for each of the last three consecutive financial years is above 15% of the total fees received by a statutory auditor/audit firm or, where applicable, by a group statutory auditor, carrying out the audit in each of those financial years, such given statutory auditor or audit firm or, where applicable, group statutory auditor will disclose this fact to the Audit Committee and discuss with the Audit Committee any threats to the statutory auditor/audit firm/group statutory auditor's independence and preventive measures applied to reduce such threats. The Audit Committee will consider whether an audit assignment should be subject to a quality assurance inspection by another statutory auditor/audit firm before the audit report is provided.
2. If the total fees received from the Company still exceed 15% of the total fees received by such statutory auditor/audit firm or, where applicable, group statutory auditor, the Audit Committee will decide, based on objective reasons, whether the statutory auditor/audit firm or group statutory auditor of such entity or group of entities can still continue to carry out audits for an additional period which in any case cannot exceed two years.

§5

Limitations on assignment of tasks related to the maximum period for which tasks are assigned

1. The maximum uninterrupted time for which the Company's audits can be assigned (the first assignment together with all renewed assignments) to the same audit firm or

a firm related to such audit firm or any member of the network operating in the EU countries to which the audit firm belongs cannot exceed five years.

2. After the end of the maximum assignment periods referred to in sec. 1, neither a statutory auditor/audit firm nor, if applicable, any member of their networks operating in the EU countries will carry out the Company's audits in the next four years.
3. A key statutory auditor cannot carry out the Company's audits for a period longer than 5 years. Another audit of the Company by a key statutory auditor can be performed no earlier than after at least three years have passed since the end of the Company's last audit.

§6

Formal requirements for participating in a tender before the selection of statutory auditors/audit firms

1. A statement made by a statutory auditor/audit firm submitting an offer in the tender (the "**Bidder**") on its entry into a list of audit firms kept by the Polish Council of Statutory Auditors.
2. Documented possession of civil liability insurance with respect to the performance of financial audit activities and the provision of additional services, if any. The condition is met if the insurance is valid for the period of the statutory auditor/audit firm's performance of services. The minimum guaranteed sum of the civil liability insurance will be specified in tender documentation.
3. The Bidder will provide a current annual transparency report.
4. The Bidder's statement that it has an internal quality control system together with the Bidder's undertaking to provide a quality control policy related to the performance of the assignment if the Bidder is selected to audit the Company's financial statements.
5. The Bidder's statement that nothing will impede the Bidder from auditing the Company's financial statements as specified in Art. 69, sec. 7 and 9 of the Act on Statutory Auditors if the Bidder is selected.
6. A statement on the fulfillment of the independence requirements set forth in Art. 69-73 of the Act on Statutory Auditors submitted by the Bidder and members of the audit team under penalty of criminal liability for making a false statement.
7. The Bidder's statement that it does not render the prohibited services referred to in Art. 5 of the Regulation 537/2014 and Art. 136, sec. 2 of the Act on Statutory Auditors.
8. A statement whether the Bidder has been sentenced for violating provisions of the Act on Statutory Auditors or Regulation no. 537/2014.
9. Meeting other criteria specified in tender documentation, taking into consideration all arrangements or conclusions included in yearly reports of the Audit Supervision Committee (the "**ASC**"), as referred to in Art. 90, sec. 5 of the Act on Statutory Auditors, which may affect the selection of an audit firm.

§7

Basic criteria for assessing offers from audit firms

1. The amount of the fee for carrying out an audit of financial statements of the Company and its subsidiaries.

2. The number of statutory auditors employed by an audit firm, their professional qualifications, and knowledge of foreign languages, especially with regard to the statutory auditor to act as a key statutory auditor.
3. Availability of qualified specialists in specific issues related to financial statements, such as valuation of actuarial provisions, valuation of derivative instruments, analysis of tax issues and other issues specified by the Audit Committee.
4. Experience as a statutory auditor/audit firm, reflected in income earned in the past three years from auditing public-interest entities and in the number of conducted audits of public-interest entities.
5. Experience in auditing financial statements of public companies listed on the regulated market of the Warsaw Stock Exchange.
6. An appropriate insurance policy covering the liability for damage incurred as a result of improper performance of a contract for auditing the Company's statements.
7. The geographical coverage of the activities, including: the possibility of auditing financial statements of consolidated entities located outside the territory of Poland.
8. Specialization in the sector and experience in auditing statements regarding entities whose business is similar to that of the Company.
9. The possibility of entering into permanent and effective cooperation between a statutory auditor/audit firm and the Company's Management Board.
10. A guarantee that the audit will be carried out in accordance with the International Standards on Auditing and other standards specified by the Audit Committee.
11. Results of inspections of a statutory auditor/audit firm carried out by supervisory authorities in the current year and in the last three years preceding the submission of an offer.
12. The possibility of carrying out audits within deadlines specified by the Company.
13. The anticipated nature, scope, and frequency of contacts with the Audit Committee, Supervisory Board and Management Board of the Company.
14. The Audit Committee can determine additional selection criteria.

§8

Monitoring tasks assigned to a statutory auditor/audit firm

1. The Finance Director exercises ongoing supervision over and monitors the performance of tasks assigned to a statutory auditor/audit firm with respect to the quality of provided services and data regarding fees and time required for the performance of a given service.
2. At the Audit Committee's request, the Finance Director may demand that the statutory auditor/audit firm providing services to the Company make a statement confirming that the statutory auditor/audit firm has satisfied the requirements regarding independence and will remain independent for the entire period of providing services.

§9
Final provisions

1. All matters not regulated in this document are governed by binding provisions of law and internal regulations of the Company.
2. Within twelve months from the date of adopting this Policy, the Audit Committee will review agreements concluded by the Company regarding auditing financial statements of the Company and its subsidiaries in order to confirm they comply with generally applicable provisions of law, including the provisions of the Act on Statutory Auditors. Results of the review carried out by the Audit Committee will be presented to the Supervisory Board.