

Rules of the Audit Committee of the Board of Radpol SA

adopted by the Resolution No. 38/06/2011 of the Board of 11 March 2011.

General provisions

§ 1

The Audit Committee of the Supervisory Board of Radpol SA hereinafter called "Audit Committee" or "Committee" conducts permanent consultation and advisory functions and controls within the Supervisory Board of Radpol SA

Selection and Audit Committee

§ 2

1. The Audit Committee consists of at least three members, including Chairman of the Audit Committee, appointed by the Supervisory Board for a term of office selected of members of the Supervisory Board.
2. The committee should include at least one member of the Board having the status of an independent member of the Supervisory Board and the qualifications and experience in accounting or auditing.
3. The term of the Audit Committee is shared by its members and coincides with the terms of the Supervisory Board.
4. The first Audit Committee shall be appointed with effect from 19 November 2010 (the current term of office of the Supervisory Board appointed on 27 April 2009.).
5. Subject to paragraph 4 above, the Board shall elect the members of the Committee, including the Chairman, at the first meeting of the term.

Changes in the composition of the Audit Committee

§ 3

1. In the event that the mandate of the Supervisory Board member elected to the Audit Committee expires before the term, or throughout his or her resignation from office of the Audit Committee, the Supervisory Committee supplements it and chooses a new member of the Committee for the period until the expiry of term of office. In situations where the expiry of the mandate of the Supervisory Board member elected to the Audit Committee, no Audit Committee member will not enter who shall not meet the requirements referred to in § 2. 2 of these Regulations, the choice of such a person will take place immediately upon completion of the General Assembly to amend the composition of the Supervisory Board.
2. Regardless of the situation referred to in paragraph. 1, a member of the Audit Committee may at any time by the Supervisory Board, be dismissed from the Committee.

The powers and responsibilities of the Audit Committee

§ 4

1. The Audit Committee supports the Supervisory Board in carrying out its statutory duties and supervisory control in terms of:
 - 1) monitoring and control processes of financial reporting in the Company,
 - 2) the effectiveness of internal control and internal audit of the Company,
 - 3) the proper functioning of systems for identifying and managing risk
 - 4) ensuring the independence of internal and external auditors.
2. Under the surveillance of financial reporting, the Audit Committee:
 - 1) analyzes the information provided by the Board of Directors and Auditor for significant changes in accounting or financial reporting and estimates or assessments which may be relevant to the Company's financial reporting,
 - 2) has the right to have information on the work schedule of the external auditor,
 - 3) examine, jointly with the Board and external auditors, the financial statements of the Company and the results of these reports if they were subject to examination by the auditor,
 - 4) presents recommendations to the Supervisory Board on the approval of audited annual financial statements.
3. The supervisory activities relating to internal control and internal audit, the Audit Committee shall examine the information submitted by the Board / Company's auditor about:
 - 1) the purpose and process conducted by the Board of systems for identifying, monitoring and reducing risks to the Company,
 - 2) internal control systems to ensure compliance with regulations and internal regulations and procedures to ensure efficient operation of these systems,
 - 3) the effectiveness of internal audit and the availability of appropriate sources of information and expertise to ensure an appropriate response to the advice and recommendations of external auditors
 - 4) compliance with financial discipline and proper functioning of the systems that reduce the possibility of the formation of abnormal phenomena in the operations of the Company.
4. Under the supervision of risk management the Audit Committee, in particular:

- 1) comments on draft principles of sound and prudent management, and acceptable levels of risk in the areas of the Company,
 - 2) comments on draft rules on the internal capital assessment processes, management and capital planning,
 - 3) assesses compliance with the principles of risk management in the Company on the basis of quarterly reports submitted by the competent bodies of the Company, and present recommendations in this regard,
 - 4) evaluates the Company to adjust perceptions, positions and decisions addressed to the Company by the Financial Supervision Commission or other entities which carry out supervision over the activities of the Company,
 - 5) comments on significant draft regulations and changes in regulations concerning the rules of the Company's compliance with applicable regulations, standards and policies of the Company,
 - 6) evaluates the performance of the Company's procedures for departments to inform the Board of irregularities in the Company.
5. As part of ensuring the independence of external auditors, the Committee, in particular:
- 1) presents recommendations for selecting an entity to audit the financial statements (external auditor), as well as its changes, an assessment of its work, particularly in terms of its independence,
 - 2) expresses an opinion on the involvement of an external auditor to perform other services than audit of financial statements of the Company, and presents positions on the Company's policy in this regard,
 - 3) submits a recommendation on the remuneration of the external auditor for the audit of financial statements of the Company, as well as for any other benefits to the Company and carries out every six months, testing the size of the remuneration paid to the auditor
 - 4) monitors the external auditor's independence and objectivity in the performance of his research,
 - 5) reviews the effectiveness of the external audit process and the response to the recommendations of the Board the external auditor.

§ 5

In order to perform the activities described in § 4 of the Audit Committee on behalf of the Supervisory Board it may:

- 1) require the submission of certain information by the Company of accounting, finance, internal audit and risk management needed to carry out its activities,
- 2) invite third parties to meet with the appropriate expertise needed to investigate certain matters which reproduces the conditions specified in par 11 and par 9, 12

§ 6

The company is committed to give its shareholders the possibility to submit to the President of the Audit Committee in electronic applications of comments on the operation of the Company, including, in particular, to be submitted by the Company financial statements and other information reports.

§ 7

Enforcement actions by the Audit Committee referred to in these Regulations does not replace the laws and statutory powers and duties of the Supervisory Board nor does it relieve the members of the Board of their responsibility.

Responsibilities of the Audit Committee

§ 8

1. The Audit Committee shall submit to the Supervisory Board:
 - 1) adopted conclusions, guidelines and recommendations developed in connection with the duties of the Audit Committee in time for adoption by the Supervisory Board to act expeditiously,
 - 2) a report on its activities in the financial year in time for the Supervisory Board to include the contents of the report in the Company's annual assessment of the situation.
2. The Audit Committee shall discharge their duties in accordance with the terms of reference and ensure that they inform the Supervisory Board on its activities and results of the work.
3. At least once a year the Audit Committee should convey to the public on the Company's website:
 - 1) the responsibilities of the Audit Committee,
 - 2) information on the composition of the Audit Committee, the number of meetings and attendance at meetings during the year and the main activities and a statement of the Company's audit and evaluation process of its determination.

Meetings of Audit Committee

§ 9

1. The Audit Committee acts collectively.
2. The work of the Audit Committee is directed by the Chairman of the Audit Committee
3. The Audit Committee shall meet at least twice a year, including at least once with the auditor, within the deadlines set by the Chairman of the Committee. In special cases, the Audit Committee meeting may be convened by the President or Vice-Chairman of the Supervisory Board.

4. Additional meetings of the Committee may be convened by its President on the initiative of a member of the Committee or another member of the Supervisory Board, and also at the request of the Board and the internal or external auditor of the Company.
5. The agenda of the meeting of the Audit Committee shall be determined by the person convening the meeting. Such a person may have to prepare appropriate materials for the meeting or the relevant member of the Board.
6. The meeting of the Audit Committee shall be convened as and when appropriate for the convening of the meeting of the Board. The date and place of meeting of the Audit Committee must also be notified to the other members of the Supervisory Board.
7. Audit Committee agenda and supporting materials shall be forwarded to members of the Committee within 7 days before the meeting.
8. The Audit Committee shall adopt resolutions if at a meeting of the Audit Committee is attended by at least half of its members and all of its members were actually invited. The Audit Committee in exceptional cases may pass resolutions in writing or by means of distance communication.
9. Resolutions of the Audit Committee are taken by simple majority of votes cast. In the case of an equal number of votes "for" and "against" the vote of the Chairman of the Audit Committee takes the decision..
10. Chairman of the Audit Committee shall submit to the Supervisory Board opinions, conclusions and reports on matters covered by the order of the Supervisory Board meeting.
11. In the absence of the Chairman of the Audit Committee or him or her being unable to perform their duties and exercise their powers, temporarily one of the current members of the Audit Committee is elected.
12. In the meeting of the Committee may participate, without right to vote the other members of the Supervisory Board, a representative of the internal and external auditors and other invited guests. Chairman of the Committee may convene a meeting of the Committee without the participation of all or part of the above-mentioned persons, however, that at least once a year, in the Committee meeting should be held a meeting of members of the Committee only with the participation of external and internal auditor.
13. Audit Committee to perform its tasks can meet with employees of the Company without the presence of members of the Board.
14. To bring cases to the meetings of the Committee, the Supervisory Board and the individual Committee members and members of the Board shall be entitled. The Audit Committee shall be in addition to the verification of compliance by the Company, complied with existing provisions for employees to report significant irregularities in the Company and independent investigation of such matters and for appropriate countermeasures.

Minutes of meetings of the Audit Committee **§ 10**

1. The course of each meeting of the Audit Committee shall be minuted.
2. Minutes shall be signed by all members of the Audit Committee who participated in the meeting.
3. Minutes of meetings of the Committee and any other materials are stored together with other documentation of the Supervisory Board of the Company.
4. Minutes of meetings of the Audit Committee and the conclusions, recommendations are submitted to the Supervisory Board and the Board.
5. Support for the Audit Committee for the organizational and technical matter is offered by the Company.

Specialists and experts **§ 11**

1. The Audit Committee may propose to the Supervisory Board of the order to develop expertise and opinions for the purpose of the Audit Committee in order to properly perform its tasks.
2. The Committee may require the selection of experts from outside of the Audit Committee.
3. Experts referred to in paragraph. 2, may receive remuneration. In this case, the Company is required to enter into appropriate agreements with experts and people that support the audit committee to the sum of 20,000 zł. per year. In the case of legitimate need to increase spending, a decision is taken by the Supervisory Board.
4. All operating costs are covered by the Company's Audit Committee

Final Provisions **§ 12**

1. The term of office and a member of the Audit Committee's mandate shall expire on the expiry of term of office and mandate in the Supervisory Board.
2. Chairman of the Audit Committee of the previous term is required to provide documentation of all cases handled by the new Audit Committee to Chairman of the Audit Committee, elected in accordance with § 2. 5 of these Regulations.