

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

§1

Basis and subject of regulation

1. This document (the "**Procedure**") was adopted by the Supervisory Board in connection with §5(1)(b) 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**"),
 - (c) The Policy of selecting a statutory auditor/ audit firm to audit financial statements of Stalexport Autostrady S.A. (the "**Policy**").
2. The Procedure sets out the actions required to select a statutory auditor/audit firm to audit financial statements of Stalexport Autostrady S.A. (the "**Company**") guaranteeing the independence of auditors and a high quality of audits carried out with respect to the Company's financial statements.
3. A leading role in the selection of 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**"), the Audit Committee - a permanent consulting and advising body for the Supervisory Board (the "**Audit Committee**") and the Company's Supervisory Board. In order to perform the assigned tasks, the Finance Director, the Audit Committee and the Supervisory Board can rely on support from the Company's corporate structures.

§2

Specification of the actions preceding the Company's adoption of a decision on continuation of cooperation with the current statutory auditor or selection of a new statutory auditor/ audit firm to audit the Company's financial statements

The adoption by the Company's Supervisory Board of a resolution on continued cooperation with the current statutory auditor or audit firm or the selection of a new statutory auditor or audit firm must be preceded by the following actions:

1. Analysis by the Audit Committee of the existing agreement entered into with the statutory auditor /audit firm, including: the period of its duration, the legal admissibility of terminating the agreement or possibility to prolong the period of the auditor's audit of the Company's financial statements after the date the agreement expires, in light of the maximum permitted time for an audit firm and/or a key statutory auditor to conduct an audit under binding provisions of law.
2. Assessment by the Audit Committee, based on its own analysis and information presented by the Finance Director, of the cooperation with the statutory auditor/ audit

firm auditing financial statements in the last financial year, taking into account in particular:

- (a) the scope, intensity and efficiency of contacts between the key statutory auditor and the Audit Committee and Supervisory Board,
 - (b) the quality of performed audits of the Company's financial statements and quality of the other services provided by the statutory auditor/ audit firm,
 - (c) compliance with bans prohibiting statutory auditors and audit firm employees from taking up any functions or posts at the Company,
 - (d) independence of statutory auditors taking into account the fact, scope and value of services they provide to the Company which do not involve auditing financial statements,
 - (e) timely performance of services,
 - (f) assignments resulting from any potential inspections carried out by public administration authorities or internal audit units.
3. Preparation by the Audit Committee, within the scope of the actions performed under items 1 and 2 above, of conclusions (proposals) aimed at enhancing cooperation with statutory auditors/audit firms in the future, also to be used in procedures for selecting a statutory auditor/audit firm (for example, a tender procedure or, when defining conditions for participation in a tender, the offer selection criteria).
 4. After taking the actions referred to in items 1, 2 and 3 above, the Audit Committee will decide, in the form of a resolution, on commencing a procedure for selecting a new statutory auditor/ audit firm in accordance with §3 of this Procedure or on continued cooperation with the current statutory auditor/audit firm in accordance with §4 of this Procedure. A resolution on initiating a procedure for selecting a new statutory auditor/audit firm can specify additional criteria for selecting a statutory auditor/ audit firm apart from the basic criteria for assessing audit firms' offers referred to in § 7 of the Policy.

§3

Procedure for selecting a new statutory auditor/audit firm

1. The provisions of this section do not concern a procedure aimed at extending the period of the audit assignment with the current statutory auditor/ audit firm.
2. The Finance Director is responsible for implementing the procedure for selecting an entity authorized to carry out an audit.
3. The Company is responsible for timely initiation of the procedure for selecting the statutory auditor/ audit firm. The Supervisory Board adopts a resolution on the selection of a statutory auditor/audit firm at the latest by the end of March of the year in which the current audit contract with the statutory auditor/ audit firm expires. If the audit contract entered into with a statutory auditor/ audit firm is terminated, the Company will immediately undertake actions to select a new statutory auditor in accordance with this section.

4. The Audit Committee exercises permanent supervision over the selection procedure of a statutory auditor/ audit firm.
5. The Company can invite any audit firms to submit offers for the provision of services involving auditing the Company's financial statements by sending an invitation to submit offers together with the tender documentation referred to above provided that the invited audit firms meet the requirements specified in the Policy.
6. Tender documentation attached to the invitation to submit offers for providing services involving auditing the Company's financial statements:
 - (a) makes it possible for statutory auditors/ audit firms to learn about the Company's activity,
 - (b) includes an indication of financial statements to be audited,
 - (c) includes a list of required documents that should be submitted together with the offer,
 - (d) specifies the minimum guaranteed sum of civil liability insurance with respect to the performance of financial audit activities and the provision of additional services, if any.
 - (e) includes transparent and non-discriminatory selection criteria applied by the Company to assess offers submitted by audit firms.
 - (f) specifies quality standards if under (EU or Polish) law the relevant authorities (the Audit Supervision Committee (the "**ASC**") or the Financial Supervision Authority (the "**FSA**") require that statutory auditors/ audit firms comply with specified quality standards.
7. Failure to reply to the invitation to submit offers within the deadline specified by the Company is considered as a refusal to participate in the selection procedure.
8. The Finance Director and the Audit Committee can carry out direct negotiations, organize meetings and contact interested bidders regarding the selection of a statutory auditor/ audit firm and answer any questions of such entity participating in the selection procedure.
9. The Finance Director and the Audit Committee can request invited bidders to supplement submitted offers within a specified deadline.
10. The Finance Director assesses offers submitted by statutory auditors/ audit firms with respect to their compliance with the selection criteria specified in tender documentation and proposed terms and conditions, and prepares a report on the selection procedure including conclusions from their assessments and analyses, which it submits to the Audit Committee. In the assessments, the Finance Director takes into account all arrangements or conclusions included in a report from the inspection carried out by the PFSA or the ASA relating to the statutory auditor/ audit firm submitting an offer.
11. The Finance Director, in cooperation with the Audit Committee, assures the maintenance of documentation relating to performed procedures for selecting

a statutory auditor/audit firm that will unequivocally confirm that the selection procedure was carried out in accordance with binding provisions of law, in a fair and objective manner and in the Company's best interest, and is able to demonstrate those facts if the PFSA makes an appropriate request in that regard.

12. As a result of the analysis of the report on the selection of a statutory auditor/ audit firm prepared by the Finance Director, the Audit Committee gives a recommendation on the selection of a statutory auditor/audit firm that it presents to the Supervisory Board. In the recommendation, the Audit Committee should:
 - (a) indicate the audit firm to which it plans to assign the audit,
 - (b) declare that the recommendation has not been influenced by third parties;
 - (c) confirm that the Company has not entered into any agreements including clauses referred to in Art. 66, sec. 5 of the Accounting Act.

The Audit Committee's recommendation should include at least two possible statutory auditors/audit firms together with justification and indication of the Audit Committee's justified preference with respect to one of them.

13. The final stage of the procedure for selecting a statutory auditor/ audit firm is the Supervisory Board's resolution on the selection of a statutory auditor/ audit firm and the Company's entry into an audit contract with the selected statutory auditor/ audit company. The Supervisory Board's selection of a statutory auditor/ audit firm contrary to the Audit Committee's recommendation is permissible provided that the selected auditor participates in the selection procedure described in this section. In its resolution, the Supervisory Board authorizes the Company's Management Board to enter into an audit contract with a selected statutory auditor/audit firm, taking into account the minimum period of the contract's duration provided for in separate provisions of law.
14. If the Supervisory Board decides to select another entity to carry out an audit than the one recommended by the Audit Committee, it must provide reasons for giving up that preference and present such justification to the Company's Shareholders' Meeting.

§4

Continuation of cooperation with the current statutory auditor/ audit firm

The provisions of this section concern a procedure aimed at extending the period of the audit assignment with the current statutory auditor/ audit firm.

If the Company's Audit Committee adopts a resolution on continuing cooperation with the current statutory auditor/audit firm, after taking actions referred to in § 2 of this Procedure:

1. The Finance Director invites the already selected statutory auditor/ audit firm to submit an offer on the provision of services involving auditing of the Company's financial statements, by sending tender documentation.
2. Failure to reply to the invitation to submit offers within the deadline specified by the Company is considered as a refusal to participate in the selection procedure. In such

case, the selection procedure of a new statutory auditor/ audit firm referred to in §3 of this Procedure applies accordingly.

3. The Finance Director and/or Audit Committee can carry out direct negotiations, organize meetings and contact a statutory auditor/ audit firm regarding the continuation of current cooperation and answer any questions of such entity participating in the selection procedure.
4. The Finance Director and/or Audit Committee can request the current statutory auditor/ audit firm to supplement the submitted offer within a specified deadline. The Finance Director assesses an offer submitted by the current statutory auditor/ audit firm with respect to its compliance with the selection criteria specified in tender documentation and proposed terms and conditions, and prepares a report on the selection procedure including conclusions from its assessment and analysis. The Finance Director submits the report to the Audit Committee. In the assessment, the Finance Director takes into account all arrangements or conclusions included in a report on the inspection carried out by the PFSA or the ASA relating to the statutory auditor/ audit firm submitting an offer.
5. The Finance Director, in cooperation with the Audit Committee, assures the maintenance of documentation relating to performed procedures for selecting a current statutory auditor/ audit firm that will unequivocally confirm that the selection procedure was carried out in accordance with binding provisions of law, in a fair and objective manner and in the Company's best interest, and is able to demonstrate those facts if the PFSA makes an appropriate request in that regard.
6. As a result of the assessment of the report on the analysis of the current statutory auditor/ audit firm's offer, the Audit Committee gives a recommendation on the selection of the current statutory auditor/ audit firm that it presents to the Supervisory Board. In the recommendation, the Audit Committee should:
 - (a) indicate whether it recommends the continuation of cooperation with the current statutory auditor/audit firm to which it plans to assign the audit,
 - (b) declare that the recommendation has not been influenced by third parties;
 - (c) confirm that the Company has not entered into any agreements including clauses referred to in Art. 66, sec. 5 of the Accounting Act.

The Audit Committee's recommendation should include a justification.

7. The final stage of the procedure for selecting a statutory auditor/ audit firm is the Supervisory Board's resolution on the selection of the current statutory auditor/ audit firm and the Company's entry into an audit contract with the current statutory auditor/ audit company, taking into account the minimum period of the contract's duration provided for in separate provisions of law. In its resolution, the Supervisory Board authorizes the Company's Management Board to enter into an audit contract with a selected statutory auditor/ audit firm.
8. If the Supervisory Board considers the offer of the current statutory auditor/ audit firm to be unsatisfactory, the Supervisory Board will adopt a resolution that it does not

consent to the selection of the current statutory auditor/ audit firm. In such case, the procedure for selecting a new statutory auditor/audit firm will apply, as specified in § 3 of this Procedure.

9. The Company is responsible for timely initiation of the procedure for selecting the current statutory auditor/ audit firm. The Supervisory Board adopts a resolution on the re-selection of the statutory auditor/ audit firm at the latest by the end of March of the year in which the current audit contract with the statutory auditor/ audit firm expires. If the audit contract entered into with the statutory auditor/ audit firm is terminated, the Company will immediately undertake actions to select a new statutory auditor in accordance with § 3 of this Procedure.

§5

Information policy

The Company's Management Board will immediately notify the PFSA and the Polish Council of Statutory Auditors of the termination of an audit contract with a statutory auditor/ audit firm and provide an appropriate explanation of the reasons for its termination.

§5'

Potential tender in case of regulatory risk affecting selected statutory auditor/ audit firm.

If the Audit Committee on its own or upon information received from Financial Director finds it evident that there exist circumstances that may result in administrative proceedings being conducted by the Polish Agency for Audit Oversight ("Agency") against the auditor/ audit firm in relation to the violation by that auditor/ audit firm of provisions of the Act on Statutory Auditors, Audit Firms and Public Supervision or Regulation No. 537/2014, which given the type or weight of violations are highly likely to be concluded with the Agency issuing a decision or another administrative act as a result of which auditor/ audit firm may lose privileges to audit the financial statements or perform financial review activities, the Financial Director should inform Supervisory Board and the Audit Committee of such risk and upon Supervisory Board's consent, subject to circumstances and time, should prepare a tender requesting, upon earlier enquiry, a submission by selected offerors - in the shortest possible time - of competitive two offers for audit services which could facilitate the problem and eliminate the risk of Stalexport Autostrady S.A. not complying with its legal reporting obligations.

§6

Final provisions

All matters not regulated in this document are governed by applicable provisions of law and internal regulations of the Company.