

**BYLAW OF AUDIT COMMITTEE  
OF SUPERVISORY BOARD OF ING BANK ŚLĄSKI S.A.**

**§1**

1. The Audit Committee of the Supervisory Board of ING Bank Śląski S.A., hereinafter referred to as the Audit Committee or the Committee, shall perform consultation and advisory functions for the Supervisory Board.
2. While performing its tasks, the Audit Committee shall, in particular, be guided by the provisions hereof, the provisions of the *Recommendations on the functioning of the Audit Committee* issued by the Polish Financial Supervision Authority and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014. .

**§2**

1. The Audit Committee shall consist of at least three members, including the Chairperson, appointed by the Supervisory Board from among the Board members for the entire term of the Supervisory Board.
2. There shall be at least two Independent Members of the Supervisory Board on the Committee, and at least one of them should have adequate qualifications and experience in the area of accounting or financial review.
3. Notwithstanding the independency requirements defined in the Supervisory Board Bylaw, the independency requirement shall not be deemed as fulfilled if the Audit Committee member:
  - 1) has stocks, shares or other ownership title in the Bank or its related entity,
  - 2) participated in maintaining accounting books or compiling the Bank financial statements within the last 3 years,
  - 3) is spouse, relative or relative by affinity in direct line up to second degree or is related by custody, adoption or guardianship with person being a member of the Bank supervisory or management bodies.
4. The Supervisory Board shall elect the Committee members at their first meeting in a given term.
5. If the mandate of a Supervisory Board member who is also a member of the Audit Committee expires before the expiry of the term of the entire Supervisory Board, then the Board shall supplement the Committee composition by appointing a new Committee member for the remaining period until the expiry of the Supervisory Board term. The Committee Chairperson shall

ensure that the new Committee member is able to assume his/ her duties as the Committee member in a smooth manner.

6. Notwithstanding section 5, a member of the Audit Committee may be recalled from the Committee at any time pursuant to a relevant resolution of the Supervisory Board.
7. The Committee may select experts, other than the Supervisory Board members, for assistance. Experts shall submit to the Committee Chairperson a statement containing commitment to observe the secrecy of information received in connection with or while performing their function.
8. Experts referred to in section 7 may receive remuneration. The Chairperson of the Supervisory Board is authorised to determine their remuneration. Provisions of §34 of the Supervisory Board Bylaw shall apply respectively.

### §3

1. The basic purpose of the Audit Committee shall be to support the Supervisory Board as a statutory authority of the Bank in their auditory and supervisory activities, including especially:
  - 1) monitoring the financial reporting process,
  - 2) monitoring the effectiveness of internal control, internal audit, risk management systems, ,
  - 3) monitoring execution of financial review activities,
  - 4) monitoring the independence of the statutory auditor and entity authorised to examine financial statements, inclusive of providing services other than the performed financial review activities.
2. The Audit Committee tasks also encompass:
  - 1) supervision over Bank relations with related entities, by monitoring the agreements concluded by the Bank with the said entities,
  - 2) performance of other supervisory activities within the areas defined separately by the Supervisory Board or activities under internal regulations approved thereby,
  - 3) assessment and presentation of recommendations on the dividend policy,
  - 4) development and presentation of recommendations to the Supervisory Board concerning the implementation of the procedure for the selection of an entity that is authorised to examine financial statements and that performs activities relating to financial review.

### §4

1. As part of monitoring the financial reporting process, the Audit Committee shall:

- 1) analyse information provided by the Management Board on material changes to the accounting or financial reporting as well as approximate data or assessments that may be of significance for the Bank's financial reporting,
  - 2) analyse the applied accounting methods adopted by the Bank and its Capital Group,
  - 3) review the management accounting system,
  - 4) analyse, on a cyclical basis, together with the Management Board and the statutory auditor, the financial statements and the results of their examination,
  - 5) present to the Supervisory Board recommendations for approving the financial statements examined by the statutory auditor.
2. As part of monitoring the effectiveness of the internal control and internal audit systems, the Audit Committee shall:
- 1) recommend the Supervisory Board to approve the Internal Audit Plan for the subsequent year, and analyse the potential exceptions to the determined Internal Audit Plan,
  - 2) verify the adequacy of the internal control systems to ensure compliance with law and internal regulations and to mitigate the threats to the Bank operations,
  - 3) monitor the effectiveness of internal audit, as well as availability of relevant sources of information and expertise, to ensure the proper response to guidelines and recommendations of the statutory auditor,
  - 4) review the results of the functioning of internal control and internal audit systems,
  - 5) present the Supervisory Board with recommendations regarding reports compiled by the Internal Audit Department,
  - 6) monitor the independence of the Internal Audit Department employees in line with mechanisms specified in the *Detailed Rules of Remuneration Level Control and Protection against Unjustified Employment Relationship Termination as regards Internal Audit Employees*.
  - 7) present the Supervisory Board with recommendations as to the change to the position of the Internal Audit Department Director as well as the amount of his/her remuneration should such a person be appointed to the said position.
3. As part of monitoring the effectiveness of risk management the Audit Committee shall:
- 1) assess the effectiveness of the measures applied in order to mitigate the risk,
  - 2) assess and present recommendations as to the quality of compliance risk management,
  - 3) present the Supervisory Board with recommendations as to the change to the position of the Compliance Department Director.
4. As part of monitoring the independence of the statutory auditor as well as entity authorised to examine financial statements and perform financial review activities, the Audit Committee shall:

- 1) make recommendations on selection of the entity authorised to examine the financial statements, perform financial review activities, and also recommendations on change of the statutory auditor, appraisal of the statutory auditor's performance, especially in view of the statutory auditor independence, with proper consideration of the principles deriving from the ING Group Policy pertaining to the Statutory Auditor Independence as well as Corporate Governance Rules adopted by the Bank in this regard. The recommendations should include at least two possible choices for the audit engagement and a duly justified preference for one of them.
- 2) present recommendations as to motions on the statutory auditor's involvement in performance of other permitted services other than the examination of the Bank's financial statements,
- 3) present recommendations as to annual remuneration limit due to the statutory auditor for the examination of the Bank's financial statements, and also for other permitted services rendered by the statutory auditor for the Bank,
- 4) monitor the independence of the statutory auditor, his/her impartiality and proper quality in regard to audits performed,
- 5) review the effectiveness of the external audit process and the Management Board response to recommendations made by the external auditor in the Management Letter,
- 6) analyse written information, provided by the external auditor, on material issues concerning financial review activities, in particular on the substantial irregularities in the unit's internal control system with reference to the financial reporting process.

## §5

The Audit Committee shall assess the areas and processes under its supervision on the basis of documents and information presented to the Committee in line with the provisions hereof, as well as verbal explanations of the management.

## §6

In order to complete on behalf of the Supervisory Board the activities referred to in §3, the Audit Committee Chairperson shall have the right to:

- 1) supervise, within the Committee's responsibilities, the Bank operations according to the stipulations of §6 section 3 of the Supervisory Board Bylaw,
- 2) invite to sessions the third parties who have adequate experience to examine certain matters.

**§7**

The execution of activities defined herein by the Audit Committee shall not replace statutory rights and duties of the Supervisory Board. It shall not release the members of the Supervisory Board from their responsibilities in relation to the Bank, either.

**§8**

1. The Audit Committee shall meet at least once per quarter on the basis of the work schedule of the Supervisory Board and its Committees, approved by the Supervisory Board for the given calendar year.
2. Additional Committee meetings may be summoned if necessary by their Chairperson at the initiative of a Committee member or another member of the Supervisory Board, as well as at the request of the Management Board or an internal auditor or the statutory auditor of the Bank.
3. The Committee Chairperson is responsible for preparing the agenda for each Committee meeting. The Chairperson may request a competent member of the Bank Management Board to prepare relevant materials.
4. The agenda for each meeting shall be provided to each Committee member, including necessary materials, at least 1 week before the date set for the Committee meeting.
5. The Committee may debate with at least half of its members attending the meeting (quorum).
6. The following individuals may participate in the Committee meeting, without the right of vote: President of the Management Board; Vice-Presidents in charge of the Finance Division and of the Risk Division; Director of the Internal Audit Department; Compliance Department Director; Controlling Department Director; Bank Executive Director for Credit Risk Policy, Modelling and Reporting; Market Risk Management Department Director; a representative of the entity authorised to examine the financial statements and other invited guests. The Committee Chairperson may summon the Committee meeting without the participation of all or some of the abovementioned individuals. However, at least once a year the Committee should hold a session during which a meeting of Committee members with the representatives of the entity authorised to examine the financial statements and internal auditor only will take place.
7. Furthermore, the mode of summoning and the course of Committee meetings shall be regulated by provisions of the Bylaw of the Supervisory Board concerning the Supervisory Board meetings.

**§9**

1. The minutes shall be drawn up at each meeting of the Audit Committee, to be signed by the Committee Chairperson.
2. The minutes of the Committee meetings, including the Committee's motions, instructions, letters of advice as well as recommendations, shall be submitted to the Supervisory Board and to the Management Board as well. The issues raised during the Audit Committee's meetings shall be discussed at the nearest meeting of the Supervisory Board.
3. Subject to section 4, the motions, instructions, letters of advice and recommendations shall be adopted during the meeting.
4. Where necessary, the documents referred to in section 3 may also be adopted in writing, without convening a meeting or using means of direct distance communication, including in particular the telephone, audio-visual and electronic means of communication.
5. The documents referred to in section 4 shall be adopted by the absolute majority of votes. The contents of the adopted documents together with the voting results shall be included in the minutes.
6. Relevant stipulations of the Supervisory Board Bylaw shall apply to the procedure for the submission of documents to the Committee members, the voting procedure and the minutes-taking.

**§10**

1. The Audit Committee shall submit to the Supervisory Board a report on their operations in a given financial year with the assessment of the processes' risk and areas under supervision of the Audit Committee, as well as taken actions and effects thereof in reasonable advance so that the Supervisory Board is able to take account of its content in its annual evaluation of the Bank's standing.
2. The Audit Committee report is rendered available to the statutory auditor of the Bank.

**§11**

1. This Bylaw shall be approved by the Supervisory Board.
2. This Bylaw shall be subject to review and assessment by the Audit Committee in terms of its adequacy at least once a year. Should the necessity to introduce amendments to the Bylaw



ING BANK ŚLĄSKI S.A.

arise, the Chairperson of the Committee submits a relevant motion within the said scope to the Supervisory Board.