

**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, and also delivers on other tasks under the law, instructions and recommendations of the regulator.
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, the requirements under the law, including but not limited to the Act on Statutory Auditors, Auditing Firms and Public Oversight 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 knowledge of and skills in accounting or financial statements auditing. The majority of the Audit Committee Members should be Independent Members; the Committee Chairman should be an Independent Member of the Supervisory Board.
3. Members of the Audit Committee have banking sector knowledge and skills. This condition is deemed met if at least one member of the Audit Committee has knowledge of and skills in that sector or individual members in specific scopes have knowledge of and skills in that sector.
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 §39 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, including financial reporting,
  - 3) monitoring execution of financial review activities, including but not limited to an audit by the auditing firm taking account of all conclusions and findings of the Audit Oversight Commission following the inspection in the auditing firm,
  - 4) controlling and monitoring the independence of the statutory auditor and auditing firm, inclusive of providing by the auditing firm services other than the audit.
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 policy on selection of the auditing firm to audit the financial statements and the policy concerning provision of permitted services other than audit by entities related with that auditing firm and by the member of the auditing firm network,
  - 5) definition and adoption of the procedure for the selection of an auditing firm.

### §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) inform the Supervisory Board about the audit results and explain how that audit contributes to the reliability of financial reporting at the Bank and the role of the Audit Committee in the audit process,
  - 6) present to the Supervisory Board recommendations for approving the financial statements examined by the statutory auditor,
  - 7) provide recommendations to ensure reliability of the financial reporting process.
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 and of the Compliance 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- and Compliance 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,
  - 8) assess and present recommendations as to the quality of compliance risk management,
  - 9) present the Supervisory Board with recommendations as to the change to the position of the Compliance Department Director.
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.
4. As part of controlling and monitoring the independence of the statutory auditor and the auditing firm and performing financial review activities, the Audit Committee shall:
- 1) make to the Supervisory Board recommendations on selection of the auditing firm to perform the audit, 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,

- 2) take decisions as to the approval of performance by the statutory auditor of non-audit permitted services,
- 3) monitor the independence of the statutory auditor and assess his/her independence, objectivity and proper quality in regard to audits performed,
- 4) review the effectiveness of the external audit process and the Management Board response to recommendations made by the statutory auditor in the Management Letter,
- 5) analyse information on key issues identified in the audit and presented by the statutory auditor in a written additional report, in particular on the substantial irregularities in the unit's internal control system with reference to the financial reporting process. The Committee may request a discussion on these issues with a statutory auditor and the Management Board at the Committee meeting.

#### **§5**

The Audit Committee may obligate the management to give information and explanations as well as provide documents needed to deliver on the tasks of the Committee set out herein.

#### **§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: a representative of the Risk Committee, a representative of the Remuneration and Nomination Committee, President of the Management Board; Vice-Presidents in charge of the Finance Division and of the Risk Division; Accounting Department Director – Chief Accountant, Bank Executive Director for Finance, Bank Executive Director - Policy, Modelling and Credit Risk Systems; Market Risk Management Department Director; Operational Risk Management Department Director, a representative of the auditing firm and other invited guests. Whenever needed, 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 auditing firm and internal auditor only will take place.
7. Irrespective of the right, as referred to in section 6, the Internal Audit Department Director and Compliance Department Director or their deputies participate, without a voting right, in the Audit Committee meetings.
8. 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, decisions 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, decisions 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 arise, the Chairperson of the Committee submits a relevant motion within the said scope to the Supervisory Board.