

**REGULATIONS OF THE AUDIT COMMITTEE OF
BANK HANDLOWY W WARSZAWIE S.A.**

§ 1

The Audit Committee (herein referred to as “the Committee”) is a permanent committee of the Supervisory Board of Bank Handlowy w Warszawie S.A. (herein referred to as “the Bank”). These Regulations set out the scope of activities, duties and operating procedures of the Committee.

§ 2

1. The Committee’s members perform their functions under these Regulations based on Article 390 of the Commercial Companies Code.
2. The Committee shall submit to the Supervisory Board an annual report on its activities. The report for each calendar year shall be submitted by the end of the first quarter of the following year. The annual reports are made available to shareholders by placing them on the Bank’s websites.
3. The Committee shall report to the Supervisory Board at the Board's next meeting the proceedings of each meeting of the Committee and all recommendations made by the Committee at such meetings.
4. These Regulations of the Audit Committee are available on the Bank’s internet sites and at its registered office.

§ 3

1. Within the scope of its duties and responsibilities the Committee shall oversee Financial Reporting, Internal Control and Risk Management, Internal Audit and External Audit.
2. The Committee’s duties in respect of Financial Reporting shall consist of:
 - 1) reviewing with management and the Bank’s auditor:
 - a) appropriateness of the Bank's accounting and financial reporting;
 - b) any changes to the Bank's accounting and financial reporting as recommended by management or the Bank’s auditor;
 - c) the accounting treatment of significant risks and uncertainties;
 - d) key estimates and judgments of management that may be material to the Bank's financial reporting.
 - 2) reviewing the following and recommend appropriate action to the Supervisory Board:
 - a) the audited annual financial statements together with the report of the Bank’s auditor thereon, obtain an explanation from management of all significant variances between comparative reporting periods and, if appropriate,

- recommend to the Board that it approves the audited annual financial statements;
- b) interim unaudited financial statements and, if appropriate, recommend to the Board that it approves the interim unaudited statements for release to the public;
 - c) material financial public disclosure documents and regulatory returns;
 - d) annual financial statements and regulatory returns of the Bank's subsidiaries as may be determined.
3. The Committee's duties in respect of Internal Control and Risk Management shall consist of:
- 1) reviewing the integrity of the financial reporting and control processes in consultation with the auditors, both internal and external, and the Compliance Department;
 - 2) consulting with the auditors about internal control and completeness and accuracy of the Bank's financial statements and its ability to generate accurate and reliable financial information.
 - 3) receiving regular reports from management and consider the impact on the Bank's internal control systems and its financial reporting on:
 - a) the Bank's principal financial risks;
 - b) the systems implemented to monitor those risks;
 - c) the strategies in place to manage those risks;
4. The Committee's duties in respect of Internal Audit shall consist of:
- 1) reviewing and approving the Audit Department's annual audit plan;
 - 2) reviewing periodical reports delivered to the Bank's Management Board by the Audit Department and the responses of the Bank's Management Board to issues addressed in those reports.
5. The Committee's duties in respect of External Audit shall consist of:
- 1) recommending to the Supervisory Board the selection of the Bank's auditor;
 - 2) reviewing the terms of the Bank's auditor's engagements;
 - 3) reviewing the independence and effectiveness of the Bank's auditor's performance;
 - 4) approving the remuneration of the Bank's auditors;
 - 5) reviewing the performance of the auditors and approving any proposed discharge of the Bank's Auditor due to exceptional circumstances;
 - 6) discussing annually with Bank's auditors all significant relationships with the Bank to assess their independence.

§ 4

1. The Committee shall be composed of at least three members of the Supervisory Board, including at least two independent members and one of them shall be the Committee's Chairman.

2. The Committee's members, including the Chairman and the Vice Chairman, shall be elected by the Supervisory Board.
3. All of the members of the Committee shall be financially literate.
4. The presence of at least 3 (three) members of the Committee members shall be required at a meeting for the validity of its resolutions.

§ 5

1. The Chairman shall convene a meeting of the Committee on his own initiative or at the request of a member of the Committee. If the Chairman of the Committee cannot, for any reason, call the meeting, the Vice Chairman shall do so. A meeting of the Committee may also be convened at the request of the Chairman of the Bank's Supervisory Board.
2. The Secretary of the Committee, who is also the Secretary of the Supervisory Board, shall distribute to the members of the Committee a notice to convene a meeting. The notice will include the agenda as well as materials, which will represent the subject matter of the meeting.
3. The Committee shall meet at least four times annually, on dates specified by the Chairman of the Committee in cooperation with the Vice Chairman of the Committee.
4. At least annually the Committee shall meet:
 - 1) with the Bank's Head of the Audit Department, without any member of management present;
 - 2) with the Bank's auditor, without any member of the Bank's management present;
 - 3) separately, without any person who is not a member of the Committee present.
 - 4) the Committee may also meet with individual members of the Bank's management as the Committee considers appropriate.

§ 6

1. The agenda of the meeting of the Committee shall consist of fixed items and matters examined on the motion.
2. A list of fixed items reviewed at the meeting of the Committee shall be determined by way of a resolution of the Committee.
3. Matters for the meeting of the Committee may be brought up by the Committee and by the remaining members of the Supervisory Board.

§ 7

1. On the basis of materials received, the Secretary shall prepare a draft agenda of a meeting with a list of invited persons and submit it to the Chairman and the Vice Chairman for approval.

2. If approved by the Chairman and Vice Chairman, the agenda of a meeting shall be delivered with necessary materials to the members of the Committee.
3. Members of the Committee should receive motions (and annexes if possible) not later than 7 (seven) days prior to the meeting.

§ 8

1. All members of the Committee are required to attend its meetings.
2. A member of the Committee member who is not able to attend the meeting shall notify the Secretary of the Committee within 7 (seven) days prior to the meeting.
3. The Committee may retain such consultants or advisors as it may require to assist it and may invite officers and employees of the Bank or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.
4. Persons invited by the Chairman and Vice Chairman, in order to report on particular matters, shall attend the Committee's meeting or a part thereof.

§ 9

1. The Chairman of the Committee shall chair meetings of the Committee. In case of the absence of the Chairman, the Vice Chairman shall chair the meeting of the Committee.
2. The Chairman of the Committee in cooperation with the Vice Chairman of the Committee may decide to remove a matter from the agenda, particularly in order to have a motion supplemented or an opinion given.

§ 10

The Committee shall adopt its resolutions by absolute majority of votes of members of the Committee present at the meeting.

§ 11

1. The Chairman in agreement with the Vice Chairman may adopt a decision to review an issue under circulation procedure. A decision made under circulation procedure is valid when all members of the Committee have been notified of the content of a draft decision and the decision has been adopted by the absolute majority of the Committee members.
2. Resolutions adopted under circulation procedure are recorded in the minutes of the nearest meeting of the Committee.
3. A matter shall not be reviewed under circulation procedure if at least one member of the Committee does not agree to such procedure.

4. In the situation referred to in Section 1, members of the Committee shall express their position on the presented draft of a resolution after they have reviewed the materials made available to them by the Secretary of the Committee.

§ 12

The Committee's member who votes against may demand their contrary opinion to be recorded in the minutes.

§ 13

1. Minutes of the Committee's meetings shall be maintained and shall contain:
 - 1) ordering number;
 - 2) date of meeting;
 - 3) agenda of the meeting;
 - 4) list of attendance;
 - 5) content of adopted resolutions;
 - 6) results of voting, separate opinions,
 - 7) other decisions of the Committee.
2. The minutes shall be signed by the Chairman, the Vice-Chairman and the Secretary.
3. The minutes of the Committee's meeting shall be approved by the Committee's members at the next meeting of the Committee.
4. The signed list of the meeting's attendance shall be attached to the minutes.
5. The Secretary of the Supervisory Board shall keep, on the Committee's behalf, the minutes of the Committee's meetings and any other materials of the Committee.

This resolution enters into force on the day it is adopted.