| **PIE S.A. Audit Committee Work Plan** **for the 01.01.20XX – 31.12.20XX financial year** | **1st****meeting**  | **2nd****meeting1** | **3rd  meeting2** | **4th** **meeting** | **5th meeting3** | **6th meeting4** |
| --- | --- | --- | --- | --- | --- | --- |
| **I. General/Procedural** |  |  |  |  |  |  |
| 1 | Approval of the minutes of the previous AC meeting | **+** | **+** | **+** | **+** | **+** | **+** |
| 2 | Review of the list of actions / recommendations from previous AC meetings | **+** | **+** | **+** | **+** | **+** | **+** |
| 3 | Adoption of the AC Work Plan for the following year (update at later meetings as needed)  |  |  |  |  |  | **+** |
| **II. Monitoring of the financial reporting process** |  |  |  |  |  |  |
| 1 | Review of the accounting policies, their compliance with the regulations, and the consolidation criteria; discussion of the list of “critical accounting policies”, significant for the financial statements |  |  |  |  |  | **+** |
| 2 | Discussion of the scope of changes in financial reporting and their significance, including the impact of new standards, amendments to existing standards and new interpretations relating to the company, as well as a respective implementation readiness assessment |  |  |  |  |  | **+** |
| 3 | Review of IT systems used for accounting and reporting  |  |  | **+** |  |  |  |
| 4 | Information on the financial and liquidity situation: review of quarterly, semi-annual and annual data, with particular consideration of the areas of risk arising during the reporting period, including the adequacy of allowances and provisions and other estimates and judgements made by management, as well as measurement of financial instruments, and all other key areas in the financial statements; scenario analysis of liquidity (including different levels of any possible dividend payout) |  | **+** | **+** |  | **+** | **+** |
| 5 | Information on the progress of quarterly/annual/semi-annual financial reporting, performance against deadlines, and effectiveness of application of control procedures in the area of reporting |  | **+** | **+** |  | **+** | **+** |
| 6 | Discussion of methods for recognition of any significant, unusual transactions (if any) | **+** | **+** | **+** | **+** | **+** | **+** |
| 7 | Review of the update on human resources in the financial and accounting units, in particular with regard to key employees responsible for financial reporting, including information about changes in key positions in the financial and accounting units and the reasons therefor |  |  |  |  |  | **+** |
| 8 | Review of the management accounting system |  |  |  | **+** |  |  |
| 9 | Conducting an evaluation of the company’s process for publishing periodic reports and preliminary results announcements, examination of the draft periodic reports prior to their publication in order to make enquiries, obtain explanations, and communicate any comments and remarks |  | **+** | **+** |  | **+** | **+** |
| 10 | Review of investor communication practices |  |  |  | **+** |  |  |

1) Assuming the 2nd meeting takes place before publication of the annual report for the previous financial year.

2) Assuming the 3rd meeting takes place before publication of the Q1 report.

3) Assuming the 5th meeting takes place before publication of the semi-annual report.

4) Assuming the 6th meeting takes place before publication of the Q3 report.

| **PIE S.A. Audit Committee Work Plan** **for the 01.01.20XX – 31.12.20XX financial year** | **1st****meeting**  | **2nd****meeting** | **3rd meeting** | **4th****meeting** | **5th meeting** | **6th meeting** |
| --- | --- | --- | --- | --- | --- | --- |
| **III. Monitoring of the performance of financial audit activities** |  |  |  |  |  |  |
| 1 | Assessment of the independence of the statutory auditor and the audit firm; discussing the plan and timetable of the audit or review of the financial statements with the auditors | **+** |  |  | **+**  |  |  |
| 2 | Update by the AC of information relating to the audit firm, including obtaining information from the audit firm on the conclusions and findings from the inspections conducted by PANA (Polish Agency for Audit Oversight); obtaining and analysis of information, including from mass media and directly from the audit firm, with respect to the risk of loss of the right to perform audits; analysis by the AC of the findings and/or conclusions included in PANA’s annual report; analysis of the annual transparency report published by the audit firm | **+** |  |  | **+**  |  |  |
| 3 | Information from the auditor and discussion with management on the results of the annual audit / semi-annual review |  | **+** |  |  | **+** |  |
| 4 | Examination of the auditor’s additional report for the Audit Committee |  | **+** |  |  |  |  |
| 5 | Discussion with the auditor of their assessment of the working relationship during the audit / review (without the company’s management) |  | **+** |  |  | **+** |  |
| 6 | Analysis of the auditor’s reservations, comments and recommendations; Management’s response to the auditor’s letter with recommendations after the annual audit |  |  | **+** |  |  |  |
| 7 | Selection of the audit firm (*if needed*)1. initiation of the procedure
2. recommendation to the Supervisory Board
 |  |  | **+**  |  |  |  |
|  |  |  | **+** |  |  |
| 8 | Approval for the auditor to perform assurance services related to the assessment of the remuneration report (and – if needed – a different permitted non-audit service) |  |  |  |  | **+** |  |
| **IV. Internal control, risk management and compliance systems, and the internal audit function** |  |  |  |  |  |  |
| 1 | Review of the system of internal control, its adequacy and effectiveness, and the results of its operation in the company and the entire capital group |  |  |  |  |  | **+** |
| 2 | Approval of the internal control and internal audit plans for the following financial year |  |  |  |  |  | **+** |
| 3 | Discussion of the results of the internal control and internal audits; results of *ad hoc* and special inspections and any divergence from the control and audit plans, including a review of issued recommendations (reported as needed, at least four times a year); discussion of the reasons for the delay or departure from the implementation of previously issued recommendations (if needed – with participation of the managers responsible for their implementation) | **+** |  | **+** | **+** |  | **+** |
| 4 | Receipt and approval of the information on the budget, resources and remuneration in the internal audit unit | **+** |  |  |  |  |  |
| 5 | Meeting with the head of internal audit, without the presence of other individuals from the organisation (at least once a year) | **+** |  |  |  |  |  |
| 6 | Receipt from the person responsible for internal audit (and in case such a separate function has not been established – from the company’s management) of the assessment of the functioning of the systems of internal control, risk management and compliance, as well as the internal audit function, along with a respective report | **+** |  |  |  |  |  |
| 7 | Assessment of the internal audit function, its independence and reports, by the AC (*moreover, at least once per five years in case of companies included in the WIG20, mWIG40 or sWIG80 indices, a review of the internal audit function is performed by an independent auditor appointed with the involvement of the AC*) | **+** |  |  |  |  |  |
| 8 | Evaluation of the effectiveness of the internal control, risk management and compliance systems | **+** |  |  |  |  |  |
| 9 | Periodic assessment of: the control procedures in the financial reporting process, the division of responsibilities, the systems supporting the financial and accounting processes |  | **+** |  |  |  |  |
| 10 | Review of the risk management system and the list of key risk factors and mitigation measures | **+** |  |  |  |  |  |
| 11 | Review of the compliance system and significant risk factors in this area, including a review of the most important legal disputes and claims |  |  |  | **+** |  |  |
| 12 | Review of the compliance system in the areas of anti-corruption and whistleblower protection, and report monitoring |  |  |  | **+** |  |  |
| 13 | Review of correspondence with regulatory bodies, review of any proceedings against the company, risk of financial penalties or other sanctions | **+** |  |  |  |  |  |
| 14 | Review of cases of violation of internal regulations or laws by employees or the company’s units, consequences for employees and correction of internal procedures | **+** |  |  |  |  |  |
| **V. Recommendations to the Supervisory Board** |  |  |  |  |  |  |
| 1 | AC’s recommendation to the Supervisory Board relating to the opinion on the annual financial statements (the Supervisory Board’s opinion is presented to the AGM) |  | **+** |  |  |  |  |
| 2 | Review and evaluation of the AC’s regulations, and submitting them to the Supervisory Board for approval |  |  |  |  |  | **+** |
| 3 | Review and recommendation on the approval of changes (if any) to: (i) The policy for selecting the audit firm, (ii) The procedure for selecting the auditor, and (iii) The policy for the provision of non-audit services by the auditor |  |  |  | **+** |  |  |
| 4 | Information on the monitoring and effectiveness of internal control, risk management, compliance and internal audit systems |  | **+** |  |  |  |  |
| 5 | Adoption of the annual report on the AC’s activities along with the independence assessment of AC members, and the AC’s self-assessment, the results of which are presented to the Supervisory Board |  | **+** |  |  |  |  |
| **VI. Miscellaneous (*sample topics, depending on the specifics of the company*)** |  |  |  |  |  |  |
| 1 | Review of the tax function and tax risk management, review of tax strategy and information on the implemented tax strategy prior to its publication |  |  |  |  |  | **+** |
| 2 | Review of the risk management system in the area of IT systems security |  |  |  | **+** |  |  |
| 3 | Review of ESG reporting | **+** |  |  |  |  |  |
| 4 | Review of significant processes subject to outsourcing and management of the outsourcing risk |  |  |  | **+** |  |  |
| 5 | Review of the business continuity plan |  |  |  | **+** |  |  |
| 6 | Review of significant client claims or disputes, the company’s response, potential financial losses. Trends in the number of claims/disputes |  |  |  | **+** |  |  |
| 7 | Review of the results of external audits and inspections in the organisation (if any) | **+** | **+** | **+** | **+** | **+** | **+** |
| 8 | Review of the procedures relating to conflicts of interest and ethical principles, as well as the detection and prevention of fraud and abuse |  |  |  | **+** |  |  |
| 9 | Review of the procedures relating to anti-money laundering and countering the financing of terrorism |  |  |  | **+** |  |  |
| 10 | Review of the processes relating to the verification of trading partners |  |  |  | **+** |  |  |
| 11 | [Other, recognised as important during the course of the year] |  |  |  |  |  |  |