

Procedure of Selecting an Expert Auditor
Authorised to Examine the Financial Statements in ELEKTROTIM S.A. Approved With
a Resolution of the Supervisory Board No. 26/RN/2016 of 14.07.2016

I. The Supervisory Board of ELEKTROTIM S.A. in accordance with:

- 1) Article 89 of the Act of 7 May 2009 on Expert auditors and their Self-government, entities authorized to audit financial statements and public supervision (Dz.U. of 2015, item 1011, as amended),
 - 2) Detailed Rule No. I.Z.1.11. specified in "Best Practices of WSE Listed Companies 2016" regarding posting on the Company's website information on the content of the rule regarding the change of an entity entitled to examine the Financial Statements applicable in the Company,
 - 3) Recommendations of the Polish Financial Supervision Authority on the turnover of the expert auditors,
- establishes as binding** "The Procedure of Selecting an Entity Authorised to Examine the Financial Statements in ELEKTROTIM S.A."

II. The Procedure regarding selecting an entity authorised to examine the Financial Statements in ELEKTROTIM S.A.:

1. Pursuant to Article 22, section 2, subsection 8 of the Articles of Association of ELEKTROTIM S.A., applicable after the GMS of ELEKTROTIM S.A. of 07.06.2016, selection of the Expert Auditor carrying out the examination of the Company and the Group of Companies requires a resolution of the Supervisory Board of the Company.
2. ELEKTROTIM S.A. follows the rule saying that the entity authorised to examine the Financial Statements of ELEKTROTIM S.A. and the ELEKTROTIM Group of Companies shall be changed once in five years.
3. The Supervisory Board, as part of the procedure of selecting an Expert Auditor, shall pay attention to:
 - a. Keeping the rule of objectivity and independence of the Expert Auditor,
 - b. Analysis of works carried out by the Expert Auditor which exceed the scope of examining Financial Statements in order to avoid conflict of interest (remaining objective and independent),
 - c. Experience of the audit team in examining Financial Statements of companies listed on Giełda Papierów Wartościowych w Warszawie S.A. [*Warsaw Stock Exchange*].
4. Selecting an Expert Auditor:

STAGE I

The Supervisory Board:

- 1) specifies requirements towards the entities which may apply for the order on rendering auditing services in the Company,
- 2) determines the criteria it shall follow when selecting an entity authorised to examine Financial Statements of the Company,
- 3) authorises the Board of the Company to initiate the procedure of selecting an entity authorised to examine the Financial Statements.

STAGE II

The Board:

Pursuant to authorisation, sends enquires to entities specified in the authorisation or, when the entities are not specified, sends an enquiry to entities meeting the criteria set by the Supervisory Board.

STAGE III

The Board:

Pursuant to criteria set by the Supervisory Board, evaluates the submitted offers and presents its recommendation to the Supervisory Board.

STAGE IV

The Supervisory Board:

Upon analysing the offers submitted within the proceedings, as well as upon familiarising itself with the recommendation of the Board of the Company, acting in the best interest of the Company:

- 1) selects the entity authorised to examine the Financial Statements of ELEKTROTIM S.A. for the term of five years,
- 2) authorises the Board to conclude the substantial contract.

STAGE V

The Board communicates the information regarding selecting by the Supervisory Board an entity authorised to examine the Financial Statements.