



ten square games

with its registered office in  
Wrocław

## **Audit Committee Rules**

### **1. Defined terms and definitions**

- 1.1. The terms used in the Rules shall have the following meaning:
  - 1.1.1. Audit Committee, Committee – the Audit Committee in Ten Square Games S.A. with its registered office in Wrocław;
  - 1.1.2. Supervisory Board, Board – the Supervisory Board of Ten Square Games S.A. with its registered office in Wrocław;
  - 1.1.3. Rules – these Audit Committee Rules;
  - 1.1.4. The Company – Ten Square Games S.A. with its registered office in Wrocław;
  - 1.1.5. Act on Statutory Auditors – The Act on Statutory Auditors, Audit Firms and Public Supervision of May 11 2017
- 1.2. Terms which are not indicated in 1.1 shall have the meaning adopted in generally applicable laws, including the Act on Statutory Auditors.

### **2. Basis of operation of the Audit Committee**

- 2.1. The Audit Committee advises the Supervisory Board and the Company and provides them with consultation.
- 2.2. The Committee performs the activities provided for in the Rules, resolutions of the Supervisory Board, in the Act on Statutory Auditors, in Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16<sup>th</sup> April 2014 on detailed requirements regarding statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC and in other regulations on the functioning of public companies.

### **3. Composition of the Audit Committee**

- 3.1. The Audit Committee shall consist of at least three members. The majority of the members of the Committee, including the Chair, shall fulfil the criteria for independence, as laid down in generally applicable law.
- 3.2. Unless the provisions of generally applicable laws provide otherwise, at least one member of the Committee must be knowledgeable and skilled in accounting or auditing of financial statements and at least one member of the Committee must be knowledgeable and skilled in the industry in which the Company operates or individual members of the Committee must be knowledgeable and skilled in the above areas.
- 3.3. The Supervisory Board shall determine the number of members of a given term of office of the Committee, appoint and dismiss its members from among the members of the Board, and elect the Chair of the Committee from among the members of the Committee.
- 3.4. The term of office and mandate of a member of the Committee expires with the expiry of the term of office and mandate of this member in the Supervisory Board.
- 3.5. If a Committee member's mandate expires before the end of the term of office of the entire Supervisory Board, a new Committee member should be appointed in their place at the next Supervisory Board meeting. Alternatively, if permitted by generally applicable laws, the number of members of the Committee may be reduced by amending the Supervisory Board's resolution specifying the number of members of the Committee for a given term.
- 3.6. If the composition of the Supervisory Board does not allow the Audit Committee to be constituted in accordance with the applicable law, the Supervisory Board shall request the Management Board to convene a General Meeting or shall convene the General Meeting on its own, proposing an agenda including a resolution on the appointment of new members of the Supervisory Board.

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- 3.7. The members of the Audit Committee shall make a written declaration of compliance with the independence criteria referred to in 3.1 and to be knowledgeable and skilled in the field indicated in 3.2 and agree to be appointed to the Committee, and furthermore, the Committee Chair shall agree to serve as the Chair, before their appointment or within 15 days from the date of their election to the Audit Committee.

#### **4. Responsibilities of the Audit Committee**

- 4.1. The Committee performs consultative and advisory functions, primarily supervising the process of selecting entities to audit the Company's separate financial statements and the consolidated financial statements of the Company's capital group and their independence, as well as mediating between such entities and the Company.
- 4.2. The Committee may express a non-binding opinion on all matters concerning the Company and may submit motions and initiatives to the Supervisory Board and the Management Board.
- 4.3. In particular, the responsibilities of the Audit Committee shall include
  - 4.3.1. monitoring the process of financial reporting;
  - 4.3.2. monitoring the effectiveness of internal control, risk management and internal audit systems, including financial reporting; the Committee shall examine in particular:
    - 4.3.2.1. the adequacy of the systems for identification, monitoring and mitigation of threats to the Company's business conducted by the Management Board,
    - 4.3.2.2. internal auditing systems ensuring compliance with rules and internal regulations and procedures to ensure their effective operation,
    - 4.3.2.3. the effectiveness of internal audit and the availability of appropriate sources of information and expertise to ensure an adequate response to the guidance and recommendations of the internal auditors,
    - 4.3.2.4. maintaining discipline and ensuring proper functioning of systems reducing the possibility of occurrence of improper events in the Company's functioning;
  - 4.3.3. monitoring the performance of auditing activities;
  - 4.3.4. controlling and monitoring the independence of the entity auditing the Company's separate or consolidated financial statements of the Company's capital group;
  - 4.3.5. informing the Supervisory Board of the results of the audit and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as the role of the Audit Committee in the process of audit;
  - 4.3.6. assessing the independence of the entity auditing the financial statements and allowing for the provision of authorised services which do not constitute audit;
  - 4.3.7. developing a policy for the selection of the auditing entity;
  - 4.3.8. developing a policy for the provision by the auditing entity, its affiliates and a member of the audit firm's network of authorised non-audit services;
  - 4.3.9. determining the procedure for selecting an entity to audit financial statements by the Company;
  - 4.3.10. advising the Supervisory Board on the appointment of an entity to audit financial statements, in accordance with the policies and procedure referred to in 4.3.7. – 4.3.9.;
  - 4.3.11. submitting recommendations aimed at ensuring the reliability of the financial reporting process in the Company.
  - 4.3.12. ensuring proper communication between the entity auditing the financial statements and the Supervisory Board;

#### **5. Means of performing duties**

- 5.1. In order to fulfil its tasks, the Committee may:
  - 5.1.1. demand, without the intermediation of the Supervisory Board, that information, explanations and documents necessary to perform the tasks of the Committee be provided;

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- 5.1.2. require the entity auditing the financial statements to discuss with the Committee, Supervisory Board or Management Board the key issues arising from the audit;
  - 5.1.3. invite third parties, in particular experts in specific fields, to meetings or sittings of the Committee, while keeping the information thus obtained confidential;
  - 5.1.4. request the Supervisory Board to commission external experts to draft expert opinions and opinions in the scope related to the work of the Audit Committee.
- 5.2. In the case of appointing external experts, the Company shall conclude an agreement with them and pay their remuneration.

## **6. Meetings of the Audit Committee**

- 6.1. The Committee acts and adopts resolutions collectively.
- 6.2. The Committee shall meet as necessary.
- 6.3. Meetings shall be convened by the Chairman of the Committee or a person authorised by them. In case of a justified need, the meeting may be called by the Chair of the Supervisory Board, Vice-Chair or a person authorized by the Chair of the Supervisory Board.
- 6.4. Meetings of the Committee may be convened by the persons listed in 6.3 above, on the initiative of a Committee member, other member of the Supervisory Board or the Management Board of the Company, together with an indication of the proposed agenda.
- 6.5. The other members of the Supervisory Board must also be informed about the date, place and agenda of the planned meeting.
- 6.6. Minutes of the Committee meetings are submitted to the Supervisory Board.
- 6.7. Other members of the Supervisory Board and, at the invitation of the person convening the Committee, members of the Management Board or other third parties may participate in the meetings of the Committee without the right to vote, in particular if the nature of the matters discussed requires their presence.
- 6.8. The Committee may adopt resolutions outside the meeting, in writing or by means of direct remote communication.
- 6.9. In the remaining scope, concerning the convening and course of the Committee sittings, adopting resolutions outside the meeting or with the use of means of direct remote communication, taking minutes and on other matters not regulated in the Regulations, the provisions of the Supervisory Board Regulations shall apply accordingly.

## **7. Confidentiality**

- 7.1. The members of the Audit Committee must keep secret the information obtained in connection with the performance of their functions in the Committee and not make it available to other persons, if it is not necessary for the proper performance of their functions.
- 7.2. If, during the performance of the activities of the Audit Committee, including at a meeting of the Committee, confidential information within the meaning of the regulations concerning disclosure obligations of public companies or other information to be published in the form of a stock exchange report, in accordance with generally applicable regulations, is created, the person holding such information or – in the case of information created during the meeting of the Committee – the Chair or a person authorized by them shall immediately forward it to the persons responsible for performing the Company's information duties.

## **8. Operating costs of the Audit Committee and administrative services**

- 8.1. The costs of the activities undertaken by the Audit Committee shall be covered by the Company.
- 8.2. The Committee shall use the premises, equipment and materials of the Company.
- 8.3. The Company shall provide organizational support for the Committee.

## **9. Remuneration of Audit Committee members**

- 9.1. The General Meeting may decide to award remuneration to the members of the Audit Committee, independent of the remuneration to which they are entitled for the performance of their duties on the Supervisory Board.

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## **10. Application of the Rules**

- 10.1. The Rules shall enter into force upon their adoption by the Supervisory Board.
- 10.2. In matters not regulated by the Rules, the provisions of the Company's Articles of Association and the Rules of the Supervisory Board as well as the provisions of generally applicable law, in particular the Commercial Companies Code, the Act on Statutory Auditors and regulations concerning public companies shall apply.