



AUDIT COMMITTEE BYLAWS

SUPERVISORY BOARD OF ENERGOMONTAŻ-POŁUDNIE S.A.

Katowice, September 2010

**AUDIT COMMITTEE BYLAWS
SUPERVISORY BOARD OF
ENERGOMONTAŻ-PÓŁUDNIE S.A.**

General Provisions

§1

The Audit Committee of the Supervisory Board of Energomontaż-Południe S.A. (hereinafter the Committee) is an ancillary body acting within the Supervisory Board which delegates its members to the mutual (joint) carrying out of certain defined supervisory activities under the Committee.

The Committee acts in accordance with the Supervisory Board Bylaws, the Company's Statute, the Commercial Companies Code, generally applicable legal provisions as well as principles defined in the document "Code of Best Practices for WSE Listed Companies" (Attachment to Resolution No. 17/1249/2010 of the Warsaw Stock Exchange Supervisory Board dated 19th May 2010).

Composition of Committee

§2

1. The Committee consists of at least three members appointed by the Supervisory Board from among the members of the Supervisory Board for its term of office.
2. The Committee, from among its members, elects a Chairman who directs the work of the Committee. The mandate of a Committee member expires on the expiration date of such person's mandate on the Company's Supervisory Board.
3. The Committee shall include at least one member of the Supervisory Board who meets the conditions of being independent and, at the same time, holds qualifications in the field of accounting or financial control.

§3

1. The Committee Chairman to date, in case of a change in Chairman, shall present complete documentation relating to matters being handled by the Committee to the new Chairman and, if such is not possible, to the Chairman of the Supervisory Board. The Audit Committee Chairman to date, in case operations of the Audit Committee are ceased, shall present all documentation to the Chairman of the Supervisory Board.

Detailed principles and methods of Committee actions

§4

1. Committee meetings take place at times determined by the Committee Chairman.
2. Committee meetings shall take place no less than on a quarterly basis prior to the publication of the Company's financial statements. Additional meetings of the Committee may be called by the Chairman at his/her initiative or at the initiative of another Committee member or Supervisory Board member as well as at the request of the Management Board, the Company's independent auditor or its internal auditor. A meeting

of the Audit Committee in certain cases may be called by the Chairman or the Deputy Chairman of the Supervisory Board.

3. Meetings of the Committee are called in a manner and pursuant to deadlines applicable for the calling of Supervisory Board meetings but with the provision that notifications regarding the calling of a Committee meeting may also be sent by electronic mail and, in urgent matters, may be called no later than one (1) day prior to the meeting date. The person calling a meeting shall also inform the remaining members of the Supervisory Board of the time, place and planned agenda of the Committee meeting.
4. The agenda for the Committee meeting is determined by the person calling the meeting. Such a person may request that the Company's Management Board prepare appropriate materials for the meeting. Materials should be presented to Committee members at least seven (7) days in advance.

§5

1. The Committee Chairman may invite members of the Supervisory or Management Board to participate in a Committee meeting as well as Company employees, independent auditors, internal auditors and other persons, in particular persons possessing the necessary experience to examine issues being the subject of Committee work.
2. The Audit Committee, in the carrying out of its assignments, has the right to, at its own discretion, meet with Company employees without the presence of the Management Board. The Audit Committee, at least once a year during a meeting of the Audit Committee, shall hold a meeting exclusively with representatives of the Company's independent auditor or its internal auditor.
3. The competencies of the Committee Chairman, if such is absent or cannot fulfil his/her function, are carried out temporarily by another Committee member elected from among those present.
4. The Company secures the organisational-technical needs of the Committee.

Tasks and duties of the Committee before the Supervisory Board

§6

1. The task of the Committee is to support the Supervisory Board in the performance of its statutory supervision and control duties relating to the appropriate implementation of financial reporting principles, internal control and audit as well as the management of Energomontaż-Południe S.A. risk and cooperation with the Company's independent auditors.
2. The tasks of the Audit Committee include the scope laid out in the document entitled "Code of Best Practices for WSE Listed Companies". In particular, the tasks of the Audit Committee include:

[Reporting]

- a) monitoring of the financial reporting process,
 - i. analysis of information presented by the Management Board relating to material changes in accounting and financial reporting as well as estimates or appraisals that may be of material importance to the Company's financial reporting,
 - ii. analysis of the Company's periodical financial statements (unit and consolidated) together with the Management Board and external auditors,

- iii. presenting recommendations to the Supervisory Board regarding approval of the audited annual financial statement.

[Risk and internal control]

- a) a review, at least once a year, of internal control systems (Company and Capital Group) and risk management in respect to ensuring that main risks (including those associated with compliance with binding legal regulations and laws) are properly identified, managed and disclosed,
- b) ensuring the efficient operations of the internal audit function, in particular by way of issuing recommendations relating to the selection, appointment, reappointment and dismissal of the head of the internal audit department and relating to the budget of this department as well as monitoring the reaction of management to findings and recommendations. If an internal audit is not functioning in the company, then the need to introduce such should be the subject of a review carried out at least once a year.
- c) examining the efficiency of internal audit, analysis of internal audit reports as well as Management Board responses to comments, examining the level of independence of internal auditors,
- d) appraisal of appropriate Company units carrying out their duties relating to informing about irregularities in the Company.

[External audit]

- a) recommending an entity authorised to audit financial statements to the Supervisory Board,
- b) monitoring the independence of the independent auditor and his objectiveness in respect to the examination being carried out by him, including obtaining from the independent auditor and the Management Board information regarding other services being provided by the independent auditor to the Company and not related to financial audits,
- c) discussing with the Company's independent auditor prior to the commencement of each annual financial statement audit and prior to starting the review of the semi-annual financial statement, the nature and scope of the examination or review as well as monitoring the coordination of work tasks,
- d) discussing with the independent auditor (with or without the participation of the Company's Management Board) all problems or issues that may arise from the examination or review of financial statements,
- e) analysis of letters sent to the Management Board by independent auditors as well as Management Board responses to recommendations of the external auditor,
- f) carrying out a review of the efficiency of internal audit procedures as well as presenting its opinion regarding the work of the independent auditor to the Supervisory Board.

[Other]

- a) evaluating the adaptation of the Company to comments, positions and decisions to the Company from the Polish Financial Supervision Authority (KNF) or other entities responsible for the supervisions of activities being conducted by the Company,

- b) presenting opinions on drafts of material regulations and changes in the Company's regulations.

§7

1. The Committee presents adopted findings, positions and recommendations worked out in conjunction with its activities to the Supervisory Board within a time frame allowing the Supervisory Board to immediately undertake appropriate actions.
2. The Committee presents a written report signed by all of the members of the Committee, subject to par. 3, regarding the Committee's activities in the given financial year within a time frame that will allow the Supervisory Board to take into account the text of such report in the preparation of its report regarding the activities of the Supervisory Board as well as the annual appraisal of the Company's condition.
3. Each member of the Committee may submit a separate report regarding actions undertaken mutually.

Committee rights

§8

1. The Committee is authorised to:
 - a) examine all Company activities that are of material importance to the Committee's tasks,
 - b) request that the Company's Management Board and employees present all information, reports and explanations necessary for the carrying out of the Committee's actions, review ledgers and documents as well as examine the status of the Company's assets.
2. If necessary, the Committee may submit a request to the Supervisory Board to request that the Management Board contract experts to prepare reports or opinions for the Committee in order to allow the Committee to carry out its assignments properly. The Committee in such a request can only propose experts that are not members of the Committee.

Final provisions

§ 9

The appropriate provisions of the Energomontaż-Południe S.A. Statute and Supervisory Board Bylaws shall apply to all issues not regulated by these Bylaws.