

Regulations of the Audit Committee of the Supervisory Board of BIOTON S.A.

I. GENERAL PROVISIONS

§1

These Regulations define the composition, method of appointment, tasks, scope of activities and the mode of functioning of the Audit Committee of the Supervisory Board („**Committee**”) of BIOTON S.A. („**Company**”).

§2

1. The Committee is established on the basis of Article 86 of the Act on Auditors and their Self-government, on Entities Authorized to Audit Financial Statements and on Public Supervision dated 7th of May 2009 and §22 of the Articles of Association of the Company as well as §4.1 of the Regulations of the Supervisory Board of the Company.
2. The Committee is an advisory and consultative body towards the Supervisory Board and is established in order to enhance the effectiveness of the Supervisory Board's activities in the scope of assessment of the validity of the Company's financial reporting, the Company's financial results, the effectiveness of internal control procedures, therein internal audit and risk management.

II. COMPOSITION AND APPOINTMENT OF THE COMMITTEE

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1. The Committee consists of 3 members, including the Chairman and Vice-Chairman of the Committee. The number of members of the Committee is determined by the Supervisory Board.
2. The Members of the Committee, including the Chairman and Vice-Chairman, shall be appointed by the Supervisory Board from among its Members. The Supervisory Board nominates the Chairman and Vice-Chairman of the Committee from among the Members of the Committee.
3. At least one of the Members of the Audit Committee must satisfy the requirements described in Article 86.4 of the Act on Auditors and their Self-government, on Entities Authorized to Audit Financial Statements and on Public Supervision dated 7th of May 2009 [Dz. U. nr 77 poz. 649].

III. TASKS AND SCOPE OF ACTIVITY OF THE COMMITTEE

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1. The Committee shall act on the principle of collegiality.
2. The scope of activity of the Committee includes advisory and consultative actions in the frame of the Supervisory Board's competences with respect to the hereafter stated fields of activity of the Company, and – with due observance of the law in force – of companies in the Company's capital group:
 - a. Financial reporting;
 - b. Annual and quarterly financial planning;
 - c. Realization of financial plans submitted to the Supervisory Board;
 - d. Audit of financial statements by a statutory auditor;
 - e. Internal and external control systems, therein internal audit;
 - f. Risk management system.

3. The scope of activity of the Committee may include other issues indicated by the Supervisory Board.
4. In order to fulfill its duties the Audit Committee exercises any powers of the Supervisory Board foreseen in Article 382 §4 of the Polish Commercial Companies Code and §22 of the Articles of Association of Bioton S.A., in particular the Committee may audit all documents, demand reports and explanations from the Management Board and employees, reevaluate the Company's assets and control current and planned spending of the Company.

§5

1. The Committee's tasks within the scope of advisory and consultative activities with reference to financial reporting include in particular:
 - a. Preliminary assessment of the report of the Management Board on the activity of the Company and the annual financial statement of the Company;
 - b. Preliminary assessment of annual consolidated reports of the capital group of Bioton S.A. and the report of the Management Board on the activity of the capital group;
 - c. Preliminary assessment of all financial documents submitted to the Supervisory Board, in particular the annual financial plan prepared by the Management Board as well as the report on its execution;
 - d. Evaluation of the fundamental principles governing the existing financial reporting system and presentation of conclusions and recommendations to the Supervisory Board concerning the validity of its modification, and moreover informing the Supervisory Board of any significant irregularities in the system that the Committee is aware of, or risks related to its organization and operation.
2. The Committee's tasks within the scope of advisory and consultative activities with reference to audit of financial reports by a statutory auditor include in particular:
 - a. Recommendation to the Supervisory Board of the statutory auditors to be chosen by the Board to audit or review the Company's financial statements and consolidated financial statements of the capital group, as well as the statutory auditors, who are entrusted with reviews or audits of other financial reports of the Company, and evaluation of proposed conditions in the auditor's contracts, including his or her remuneration;
 - b. Evaluation of the type and scope of work assigned to the statutory auditor, that is unrelated to audit or review of financial statements, in respect of the risk that conflict of interest may arise, as well as costs incurred in favor of the statutory auditor;
 - c. In the case when a statutory auditor resigns from auditing the Company's financial statements, in particular if he or she should terminate the contracts concluded with the Company or any company of the capital group, the evaluation of reasons behind such a resignation and presentation of conclusions to the Supervisory Board;
 - d. Presentation to the Supervisory Board of conclusions and recommendations following from the report and opinion of the statutory auditor on the financial statements of the Company and consolidated financial statements of the capital group, in particular if the statutory auditor refuses to express an opinion, if the opinion is negative or reservations have been voiced regarding the financial statements;
 - e. Expressing opinions on activities undertaken by the Management Board with regard to reservations to financial statements made by the statutory auditor or comments made in any other form with respect to the validity of the financial statements or accounting principles applied by the Company or capital group.

3. The Committee's tasks within the scope of advisory and consultative activities with reference to internal and external control, therein internal audit and risk management, include in particular:
 - a. Evaluation of the effectiveness of internal control and risk management systems that function within the Company and presentation of conclusions and recommendations to the Supervisory Board concerning their evaluation, therein the validity of modification, and moreover informing the Supervisory Board of any detected irregularities in the systems, or risks related to their organization and operation;
 - b. Preliminary evaluation of documents concerning internal control and risk management systems in the Company submitted to the Supervisory Board, in particular of the annual plan of control actions within the Company approved by the Management Board as well as of the report of its execution;
 - c. Evaluation of the results of internal controls, therein internal audits, and schedules of elimination of detected errors in selected areas;
 - d. Examination of reports and recommendations of external regulation or monitoring bodies, regarding the conformity of the Company's activity with the law, and schedules of elimination of detected errors

IV. MODE OF EXECUTING ACTIONS BY THE COMMITTEE

§6

1. Sessions of the Committee shall be held as required, however not less frequently than once per quarter, at dates specified by the Chairman of the Committee.
2. The dates of sessions of the Committee should be specified in a manner that allows the Committee to fulfill its due diligence duties, in particular with respect to the preliminary assessment of documents regarding the end of the fiscal year and the recommendation of the statutory auditor.
3. Sessions of the Committee shall be held at the place indicated by the person convening the session with due observance of §8.1.
4. With due observance of peremptory law and within the scope of activities as specified by the herein Regulations, the Committee or its Members delegated by the Committee's resolution are authorized to demand information and explanations from Company employees.
5. The Committee may petition the Supervisory Board to conduct certain control actions within the Company. These controls may be performed by Members of the Committee appointed by the Supervisory Board, an internal unit of the Company or an external entity.

§7

1. Sessions of the Board are convened by the Chairman, and should he be absent by the Vice-Chairman or other Member of the Committee designated by the Chairman.
2. A petition to convene a session of the Committee, containing a proposed agenda, may be submitted by a Member of the Committee or the Chairman of the Supervisory Board on his or her own initiative or on the petition of the Chairman of the Management Board or the statutory auditor of the Company. The session shall be convened within 14 days of filing the petition.
3. The agenda of the session of the Committee is determined by the person convening the session with due consideration of the contents of petitions to convene the session.

4. The sessions of the Committee are convened through an invitation delivered by mail, fax or e-mail. The notification of convening a session of the Committee containing the session's proposed agenda as well as materials concerning the session should be delivered to all Members of the Committee and the Chairman of the Supervisory Board at least 7 days before the planned date of the session. Under justified circumstances this period can be shortened by the person convening the session.
5. The Chairman of the Supervisory Board must be notified about the convention of a session of the Committee as well as the proposed agenda within the timeframe specified in item 4.
6. The Committee may convene its sessions without formal notification if all Members of the Committee accept that such session should be held and approve the proposed agenda of the session.

§8

1. Sessions of the Committee shall be opened and conducted by the Chairman of the Committee, and should he be absent by the Vice-Chairman of the Committee or other Member of the Committee designated by the Chairman.
2. Decisions of the Committee are made by way of resolutions, adopted through votes of the Members of the Committee. Resolutions of the Committee are adopted by an absolute majority of votes. In case of an equal number of votes the Chairman shall have the decisive vote, and should he be absent - the Vice-Chairman.
3. In order to adopt valid resolutions all Members of the Committee must have been correctly notified of the meeting and at least half of the Members must be present, including the Chairman or Vice-Chairman of the Committee.
4. The agenda specified in the notification on the convention of a session cannot be modified or complemented during the session which it concerns, with the reservation that all Members of the Committee are present at the session and all of them accept the modification or the complementation of the agenda.

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Resolutions of the Committee may be adopted by means of distance communication. Resolutions adopted by such means are valid if all Members of the Committee were informed of the contents of the draft of the resolution.

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The voting of resolutions is open.

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The person convening a session of the Committee may decide to invite persons from outside the Committee to attend the meeting, in particular Members of the Supervisory Board, Members of the Management Board or the statutory auditor, as well as employees and co-workers of the Company or external experts.

§12

1. Minutes from the sessions of the Committee shall be taken by the Secretary of the Supervisory Board.

2. The minutes should include the subsequent number of the minutes, date and place of the meeting, names and surnames of persons present, agenda of the session, motions filed by the Members of the Committee, contents of resolutions and results of voting as well as contrary opinions and reservations.
3. Copies of the minutes are delivered to Members of the Committee present at the session not later than with the notification convening the next session of the Committee.
4. The minutes are accepted during the next session of the Committee. The agreed upon version of the minutes shall be signed by all Members present at the session which the minutes concern and each page shall be signed by the Secretary of the Supervisory Board. Under justified conditions the minutes can be prepared and accepted on the day of the session which the minutes concern.
5. Minutes of the Committee's sessions are archived at the Company headquarters.
6. All Members of the Supervisory Board are entitled to view the minutes of sessions of the Committee as well as any other documents containing the results of the Committee's work.

V. FINAL PROVISIONS

§13

1. Members of the Committee are obliged to maintain confidential any information obtained during the course of participation in the Committee's activities.
2. The obligation to maintain confidentiality concerns in particular information that constitutes the company's business secret (which also comprises information concerning the Company's capital group).
3. The obligation to maintain confidentiality specified in items 1 and 2 does not concern information publicly available, as well as disclosure of information concerning the fulfillment of duties of a Member of the Committee resulting from provisions of the law, a decision of the court or other body.

§14

1. The Committee submits annual written reports to the Supervisory Board concerning the Committee's activity. The report covering a given year should be submitted by the end of the first quarter of the following calendar year. The report should include an assessment of the Committee's activity with regard to its competences to execute assigned tasks and the effectiveness of their execution.
2. During every meeting of the Supervisory Board the Chairman of the Committee, and should he be absent – the Vice-Chairman or other Member of the Committee designated by the Chairman, presents information to the Supervisory Board concerning the activity of the Committee during the period since the previous meeting of the Supervisory Board, in particular the resolutions adopted by the Committee (provided that these are not submitted to the Supervisory Board on the basis of a separate point of the meeting's agenda).

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1. The Management Board or persons designated by the Management Board ensure that the Committee has access to documents and technical means necessary to fulfill its functions.
2. The Company provides the administrative and technical support to the Committee.

§16

1. The Regulations of the Audit Committee are open and shall be available to the public.
2. The Regulations shall take effect on the day of their passing by the Supervisory Board.
3. Any amendments hereof shall require a resolution of the Supervisory Board.