

Comarch S.A. Supervisory Board Report 2015

In 2015, there were the following members of the Supervisory Board:

- Elżbieta Filipiak – Chairman,
- Maciej Brzeziński – Vice-Chairman,
- Danuta Drobniak – Member,
- Wojciech Kucharzyk - Member,
- Anna Ławrynowicz - Member,
- Anna Pruska – Member,
- Robert Bednarski - Member.

The Supervisory Board sat 5 times in 2015 (16th of February, 16th of March, 18th of May, 14th of September, 21st of December) and on 26th of June, 2015 passed a resolution in the mode of voting in writing. Additionally, the Audit Committee sat on 18th of May, 2015 and 21th of October, 2015.

The major subjects addressed by the Supervisory Board at the sittings were:

- a) monitoring and analysis of the financial condition and organisation at the company and Capital Group,
- b) assessment of the Management Board's progress in implementing the company's strategy,
- c) assessment of the Management Board's progress in implementing their goals,
- d) acquaintance with activities of the selected business sectors at the company and Group,
- e) risk analysis and assessment for the company's operations,
- f) establishing ways of remunerating of the members of Management Board,
- g) formal-legal issues,
- h) election the entity authorized to audit financial statements,
- i) issues related to the execution of the managerial option programme for members of the company's Management Board
- j) making decision on the purchase of real estate by the Company.

The Supervisory Board's detailed scope of activities and the resolution considered in 2015 are set out in detail in the records from its sittings, which are to be found at the company's headquarters in Krakow.

In connection with principle no. 3, point 1 of the Best Practice for Supervisory Board Members arising from the third part of the 'Code of Best Practice for WSE Listed Companies', with the resolution 10/5/2015 of the 18th of May, 2015 the Supervisory Board of Comarch S.A. recorded a positive verdict with respect to the draft resolutions of the Annual General Shareholders' Meeting which took place on the 24th of June, 2015.

In line with point no. 1, 6) of the 'Best Practice for Management Boards of Listed Companies' arising from the second part of the 'Code of Best Practice for WSE Listed Companies', Comarch S.A.'s 'Supervisory Board Report regarding 2014' was published at www.comarch.pl (English version at www.comarch.com). It included information on

the work of its committees and an assessment of the company's situation with regard to an appraisal of the internal controlling and risk management systems vital to the company. At least two members of the Supervisory Board meets the independence criteria set out in the detailed principle number II.Z.4 of the "Best Practice for GPW Listed Companies 2016".

With reference to the scope of the report, the Supervisory Board monitored the current performance of the company and, within the terms of its responsibilities, gave its expert opinion concerning Comarch S.A.'s planned operations and those already in progress. In particular, the Supervisory Board reviewed the quarterly, six-monthly and annual (consolidated) financial statements of Comarch S.A. and the Comarch Group. With the publication of each of the financial reports there followed a sitting of the Supervisory Board. At these meetings the Board analysed the scope, rectitude, correctness and transparency of the data (including the financial data) presented by the company. The Supervisory Board learned in detail of financial situation of the particular company's business sectors, especially of the Medicine Sector and Technology Sector. In this respect, the company's Management Board and authorised employees provided the Supervisory Board with access to documents and other information sources, prepared the necessary presentations for the Supervisory Board and were forthcoming with essential explanations and clarifications regarding the company's financial situation, activities undertaken by the company and details of cooperation with partners. The Supervisory Board had a meeting with representatives of the entity entitled to audit and review (consolidated) the financial statements of Comarch S.A. and the Comarch Capital Group. The Supervisory Board learned of the company's organisational structure and made a recommendation in relation to its improvement. The Supervisory Board learned also of the investment realised by the company and made a recommendation in relation to them, additionally give its opinion on the purchase of real estate by the Company.

It is the opinion of the Supervisory Board that the accounting methods adopted by the company and the Capital Group have been applied in accordance with the provisions of the law. It is the opinion of the Supervisory Board that cooperation with the Management Board of Comarch S.A. has been entirely successful and the Management Board has presented the necessary information correctly, clearly and with rectitude.

In 2015, Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. was the entity authorised to audit and review the financial statements of the company. The resolution of the Supervisory Board regarding selection of an auditor to provide auditing services for Comarch's financial statements for 2015 and 2016 was concluded on the 26th of June, 2015. It is the opinion of the Supervisory Board that the entity authorised to audit and review the financial statements of Comarch S.A. and the Comarch Capital Group was selected within the terms of the prevailing law, and that the statutory auditors conducting them met the conditions required for expressing an unbiased and independent opinion in compliance with Polish law.

According to the Supervisory Board, the composition and diversity of the competence of the members of the Supervisory Board allow to effective and proper supervision of all areas of the company's operations. The members of Supervisory Board are diverse both in terms of gender, age and education. They all have the knowledge and skills backed by years of professional experience. At least two members of the Supervisory Board meets

the independence criteria set out in the detailed principle number II.Z.4 of the “Best Practice for GPW Listed Companies 2016”.

The Supervisory Board of Comarch S.A. assesses its work in 2015 as effective. Members of the Board fulfilled their duties with commitment, participating in most cases, at full strength in its meetings. In urgent cases, the Supervisory Board passed the resolutions in the mode of voting in writing.

In 2015, the Audit Committee (the equivalent of the Audit Committee within the meaning of Annex I to the Commission Recommendation of 15 February 2005 related to the no-executive directors (...)), consisted of: Elżbieta Filipiak - Chairman of the Audit Committee, Danuta Drobniak - Member the Audit Committee and Anna Pruska - Member of the Audit Committee. According to the information possessed by the Company one member of the Audit Committee fulfilled independency conditions and one of them had qualifications in accountancy and financial audit.

On 15th of April, 2016 Supervisory Board appointed a new Audit Committee, which consists of: Danuta Drobniak as Chairman of the Audit Committee, Elżbieta Filipiak as a member of the Audit Committee and Robert Bednarski as a member of the Audit Committee. According to information possessed by the Company, two members of the Audit Committee fulfil independency conditions, including the Chairman and at least one of them has qualifications in accountancy or financial audit.

Tasks of the Audit Committee were, in particular:

- 1) Monitoring the process of financial reporting;
- 2) Monitoring the effectiveness of internal control systems, internal audits and risk management;
- 3) Monitoring financial reviews;
- 4) Monitoring the independency of the export auditor and the entity entitled to audit financial statements;
- 5) The Audit Committee made recommendations to the Supervisory Board or to an alternate supervisory organisation in relation to the entity entitled to audit financial statements.

With regard to the powers of the Committee, the Committee requested or demanded the participation of additional people in its sittings, such as members of the Management Board or auditors.

The assessment of the company’s compliance with the disclosure obligations concerning compliance with the corporate governance principles

In the opinion of the Supervisory Board, the Company in 2015 correctly fulfilled the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities. In 2015, Comarch S.A., the same as in previous years, applied all the principles contained in the Best Practice, except Recommendations: I.5, I.9 and I.12. The company announced details in the annual financial statements for 2015, in the report regarding corporate governance.

Since January 2016, the Company has been following the rules of corporate governance which were adopted on 13th of October 2015 by the Council of the Warsaw Stock Exchange

in its resolution No. 26/1413/2015 on the adoption of a new code of corporate governance principles entitled „Dobre Praktyki Spółek Notowanych na GPW 2016” (Best Practice for GPW Listed Companies 2016). Comarch S.A. has published a report on its implementation of the principles and recommendations resulting from the new code of corporate governance principles and has posted the relevant information on the Company's website. According to the published report, the Company does not apply the Recommendation number IV.R.2 and detailed principle number VI.Z.4.

The assessment of the rationality of the Company's policy referred to sponsorship and charity

Comarch S.A. for years takes a number of pro-social activities, among others, by active supporting the sport, taking patronage of cultural events, supporting the education and development of science and engaging in helping the most needy.

Sport

The Company most actively supports the sport. It promotes both the development of sport and active lifestyle among its employees. Comarch S.A. is the main, titular sponsor of the oldest sports club in Poland - MKS Cracovia SSA and Swiss football club Zug 98.

Education and science

The Company is committed to the popularization of knowledge on the latest IT technologies by sponsoring conferences and sector meetings. For years, the Company actively cooperates with schools, universities and other educational institutions. Employees support various projects, competitions, workshops and scientific conferences by sharing their knowledge.

Cultural patronage

Comarch S.A. sponsors the Last Night of the Proms in Krakow, inspired by the most important musical event in the UK. In 2015, it is 14th concert sponsored by the Company. The Company also supports new events that newly appear on the cultural map of Krakow.

Charitable activities

The Company annually supports the initiatives of the employees of Comarch the purpose of which is helping the sick and the poor, among others by organizing collections of property.

Comarch S.A. systematically makes donations of cash and in the form of computer equipment to selected charities organizations, organizations promoting physical culture and health, educational institutions and religious purposes.

The Supervisory Board assesses positively conducted by Comarch S.A. policy on sponsorship and charitable activities. In the opinion of the Supervisory Board the active operations taken by the Company in this respect are reasonable, benefit to society, and have a positive impact on the image of the Company.

**Annex no. 2 to Resolution no. 07/05/2016
of Comarch S.A. Supervisory Board**

**Assessment of the Company's Situation
with Regard to an Appraisal of the Internal Controlling and Risk Management
Systems Vital to the Company**

The Supervisory Board delivered a positive opinion concerning the financial results of Comarch S.A. in 2015 and the current financial standing of the company. In the previous year, revenue from sales increased by 3,4% and amounted to PLN 749.6 million. Profitability of a business has been also improved: the operating profit of the company in 2015 amounted to PLN 83.4 million (compare to PLN 72.5 million in previous year), while the net profit reached PLN 57.7 million (in 2014: PLN 41 million). The EBIT margin was +11.1% and net margin amounted to +7,7%.

The Supervisory Board delivered a positive opinion concerning the growth strategy based on expansion abroad and development of proprietary products executed by the company. In 2015, export sales increased significantly (an increase of 24.4%) and they are one of the main reasons for Comarch S.A.'s growth. The Comarch brand is renowned both domestically and internationally due to technologically advanced IT systems and high quality services.

Due to the dynamic development of the subsidiaries of Comarch S.A., the Supervisory Board confirms the rightness of the founding in the last year by Comarch S.A. new subsidiaries and making the investment in new associated company, Thanks Again, LLC (USA). The Supervisory Board delivered a positive opinion concerning the growth of sales in the TMT sector, trade and services sector, public sector and small and medium enterprises in Poland sector.

The Supervisory Board considers it of great benefit to secure the company against fluctuations across specific sectors of the economy and regions of the world by maintaining sectoral and geographical revenue diversification. It is the opinion of the Supervisory Board that continuous investment in the infrastructure and the intensification of marketing operations are significant for strengthening the company's market position as a global provider of IT products and services facing changes in models of sales of IT solutions (dynamic development of cloud computing). The Supervisory Board would like to point out that it is vital to the long-term competitive advantage of Comarch S.A. to maintain investment in human capital, in the most advanced technology, in innovative products and the steady development of production resources. The Supervisory Board of Comarch S.A. emphasizes, that in 2015, expenditure on research and development exceeded 13% of the company's sales revenue, including in such innovative areas as solutions in the design and manufacture their own hardware and based on the service (*Internet of Things*), IT solutions for medicine (Teleradiology), as well as tools for precision marketing (*Smart City*).

In the opinion of the Supervisory Board the investment in human capital is the key factor in the further development of the company. In the past year the Company created over 600 new workplace in Krakow and in other national branches. Particularly

positively the Supervisory Board assesses the effects of an annual program of student internships - thanks to that Comarch S.A. is one of the employers of first choice in the domestic labour market in the IT industry. It is the opinion of the Supervisory Board that the company has no problems hiring the appropriate number of qualified employees, however the more and more difficult situation on the labour market will have an influence on the company's situation in the following periods.

The Supervisory Board delivered a positive opinion concerning the completion of the Company's next phase of investment in the Krakow Special Economic Zone (SSE6). Thanks to that the object was given to use in 2015, it was created 350 comfortable workplaces, it was launched modern Data Center, lasts works on the creation of a research laboratory and production facilities dedicated to the business of the *Internet of Things*. In the opinion of the Supervisory Board the commencement in the first quarter of 2016 years an investment in another office building in Krakow (SSE7) is necessary to handle the further intensive development of the Company.

In 2015, the Supervisory Board also conducted continuous analyses of risk areas connected with the company's operations as well as assessing the way these risks were being managed by the Management Board.

The most significant operational risks in 2015 were identified as follows:

- a) Risk associated with R&D (creating new proprietary software products);
- b) Risk associated with failing to fulfil the terms of contracts and the resulting necessity to pay contractual penalties, and of the use by customers of the guarantees of satisfactory contract performance given them;
- c) Risk involved in correctly assessing how much time is required for long-term contracts;
- d) Risk presented by the political and legal environment connected with export contracts;
- e) Risk encountered when assessing the financial standing of foreign customers (limits to monitoring and checking);
- f) Risk of staff fluctuation, the risk of a lack of opportunities to employing the sufficient number of qualified employees, the risk of increased labour costs;
- g) Risk of fluctuations in exchange rates and interest rates;
- h) Risks related to international terrorism, hindering the delegating of workers in corporate travel in some parts of the world.

With regard to financial risk, the Supervisory Board detects the following threats:

- a) Credit risk of Comarch's contractors;
- b) Interest rate fluctuations which affect the price of costs of bank credits;
- c) Fluctuations in exchange rate levels, especially EUR/PLN, USD/PLN, GBP/PLN, EUR/USD and RUB/PLN which effect profitability of export sales;
- d) Financial liquidity risk and the increased expectations of customers within the scope of financing IT projects by IT providers, related to broadening the sales of products and cloud computing services.

The Supervisory Board considers the Management Board competent to correctly identify the company's operational risks and manage them effectively. The financial statements present a true and accurate account of the company's situation.

The Supervisory Board particularly appreciates the consistent implementation of the Company's strategy of economic patriotism and stresses that in 2015, Comarch S.A.'s was the winner of the Index of Polish Business Patriotism rank in the category of listed companies. The Supervisory Board also draws attention to the fact that beyond business activities, Comarch S.A. also conducts pro-social activities, supports non-governmental organizations and charities events, is a patron of culture, arts and sports.

**Annex no. 3 to Resolution no. 07/05/2016
of Comarch S.A. Supervisory Board**

**Assessment of the Comarch Group's Situation
with Regard to an Appraisal of the Internal Controlling and Risk Management
Systems Vital to the Comarch Group**

The Supervisory Board delivered a positive opinion concerning the financial results of the Comarch Group in 2015 and its current financial standing. In the previous year, revenue from sales of the Comarch Group increased by 9% and amounted to PLN 1,131.6 million. Profitability of a business has been also improved: the operating profit of the Group in 2015 amounted to PLN 113 million, while the net profit attributable the shareholders of the parent company reached PLN 79.7 million.

The Supervisory Board delivered a positive opinion concerning the Group's growth strategy based on expansion abroad and development of proprietary products executed by the company in 2015. In 2015, export sales grew by 20.1% and were the main reason for Comarch Group's growth. The Comarch brand is renowned both domestically and internationally due to technologically advanced IT systems portfolio, efficient implementation of IT systems all over the world and high quality services. Due to the dynamic development of the subsidiaries of Comarch S.A., the Supervisory Board confirms the rightness of the founding in the last year by Comarch Group new subsidiaries - Comarch SRL in Milan, Italy, Comarch Malaysia SDN. BHD. in Kuala Lumpur in Malaysia, the Comarch Espace Connecte Inc. in Montreal, Canada, Comarch AB in Stockholm, Sweden, Comarch Poinsthub, Inc. in Rosemont in the United States and Comarch Argentina SA in Buenos Aires, Argentina. The Supervisory Board delivered a positive opinion concerning the acquisition of the 42.5% share in associated company, Thanks Again, LLC (USA), as well as the merger of iMed24 S.A. and ESAPROJEKT sp. z o.o. to the new entity Comarch Healthcare S.A., which is quickly becoming one of the recognised company on the market in providing modern technologies for the medicine sector. The Supervisory Board delivered a positive opinion concerning the growth of sales in the TMT sector, trade and services sector, public sector and small and medium enterprises in Poland and in Germany sectors.

The Supervisory Board considers it of great benefit to secure the Group's against fluctuations across specific sectors of the economy and regions of the world by maintaining sectoral and geographical revenue diversification. It is the opinion of the Supervisory Board that continuous investment in the new products and improving existing IT products. The Supervisory Board emphasizes, that in 2015, expenditure on research and development exceeded 12% of the company's sales revenue, including in such innovative areas as solutions in the design and manufacture their own hardware and based on the service (*Internet of Things, Comarch beacon*), IT solutions for medicine (Telemedicine, Teleradiology), as well as tools for precision marketing (*Smart City*).

The Supervisory Board delivered a positive opinion concerning the completion of the Company's next phase of investment in the Krakow Special Economic Zone (SSE6). Thanks to that the object was given to use in 2015, it was created 350 comfortable workplaces, it was launched modern Data Center, lasts works on the creation of a

research laboratory and production facilities dedicated to the business of the *Internet of Things*. In the opinion of the Supervisory Board commenced in the first quarter of 2016 years investments: office building in Krakow (SSE7), office building in Lodz, Comarch Data Center w Lille in France are necessary to handle the further intensive development of the Group.

In 2015, the Supervisory Board also conducted continuous analyses of risk areas connected with the Group's operations as well as assessing the way these risks were being managed by the Management Board.

The most significant operational risks in 2015 were identified as follows:

- a) The risk associated with R&D (creating new proprietary software products);
- b) The risk associated with long-term contracts;
- c) The risk associated with failing to fulfil the terms of contracts and the resulting necessity to pay contractual penalties, and of the use by customers of the guarantees of satisfactory contract performance given them;
- d) The risk presented by the political and legal environment connected with export contracts;
- e) Risk of fluctuations in exchange rates and interest rates;
- f) Risks related to international terrorism, hindering the delegating of workers in corporate travel in some parts of the world.

With regard to financial risk, the Supervisory Board detects the following threats:

- a) Credit risk of Comarch's contractors;
- b) Interest rate fluctuations which affect the price of costs of bank credits;
- c) Fluctuations in exchange rate levels, especially EUR/PLN, USD/PLN, GBP/PLN, EUR/USD and RUB/PLN, which effect profitability of export sales;
- d) Financial liquidity risk and the increased expectations of customers within the scope of financing IT projects by IT providers, related to broadening the sales of products and cloud computing services.

The Supervisory Board considers the Management Board competent to correctly identify the Group's operational risks and manage them effectively. The financial statements present a true and accurate account of the Group's situation.

The Supervisory Board particularly appreciates the consistent implementation of the Group's strategy of economic patriotism and stresses that in 2015, Comarch S.A.'s was the winner of the Index of Polish Business Patriotism rank in the category of listed companies. The Supervisory Board also draws attention to the fact that beyond business activities, Comarch Group also conducts pro-social activities, supports non-governmental organizations and charities events, is a patron of culture, arts and sports.