



Policy and procedures of selection an audit firm to carry out a statutory audit of COMARCH S.A. financial statement and consolidated financial statement of COMARCH Capital Group and the policy for the provision of additional services by the audit firm, an entity affiliated to the audit firm or a member of its network, adopted by resolution of the COMARCH S.A. Audit Committee

Version  
2.0

Compliance and  
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Department

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**COMARCH**

## **Policy and procedures of selection an audit firm to carry out a statutory audit of COMARCH S.A. financial statement and consolidated financial statement of COMARCH Capital Group and the policy for the provision of additional services by the audit firm, an entity affiliated to the audit firm or a member of its network, adopted by resolution of the COMARCH S.A. Audit Committee**

Audit Committee of COMARCH S.A. ("Company") acting on the basis of the provisions of the Act of 11<sup>th</sup> of May 2017 on Statutory Auditors, Audit Firms and Public Oversight ("Act on Chartered Auditors") establishes policy and procedures for selecting an auditing company to audit the statutory financial statements of COMARCH S.A. and the COMARCH S.A. Capital Group and policy for the provision of additional services by an audit firm, an entity affiliated to an audit firm or a member of its network.

COMARCH S.A. is a public interest entity and a parent company of COMARCH S.A. Capital Group.

The financial statement of COMARCH S.A. and the consolidated financial statement of the Capital Group for each year and for each first half of year should be audited and reviewed by an audit firm in accordance with the requirements of the International Standards on Auditing and the International Financial Reporting Standards.

### **The policy of COMARCH S.A. regarding choosing an audit firm for statutory audit of financial statements.**

In accordance with the regulations in force at the Company, the audit firm is selected by the Supervisory Board in the form of a resolution, acting on the recommendation of the Audit Committee.

It is forbidden to introduce any contractual clauses that would require the Supervisory Board to choose an audit firm from among a specific category or list of entities authorized to audit. Such clauses shall be automatically void.

The Supervisory Board, when making a selection, and the Audit Committee during the preparation of recommendations, are guided by the following guidelines regarding the audit firm:

- Confirmation of impartiality, independence and the highest quality of auditing work
- Knowledge of the IT industry in which the companies of the Comarch Capital Group operate,
- Confirmation of operating within international network in most of the countries in which the companies of the Comarch Capital Group operate,
- Confirmation of having experience in examining the reports of public interest entities,
- The ability to provide the required range of services within timeframes specified by the Company,
- Professional qualifications and experience of persons directly involved in the audit,
- The price proposed by the entity authorized to audit.

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The contract with the audit firm for the audit of financial statements shall be concluded in time for the audit firm to take part in inventory-taking of important assets.

In the case of the statutory audit as defined by Article 2 item 1 of the Act on Statutory Auditors, the first contract for the audit of financial statements shall be concluded with the audit firm for a period not shorter than two years with the possibility of extending it to subsequent biennial periods. The costs of conducting the audit of the financial statement shall be borne by the audited entity.

A maximum uninterrupted duration of orders for the statutory audits, conducted by the same audit firm, an affiliated audit firm or any member of the network operating in the European Union countries to which these audit firms belong, must not exceed the period resulting from separately applicable provisions of law (in at the time of adopting the Policy, this period is 10 years). The key statutory auditor must not conduct the statutory audit at COMARCH S.A. for a period longer than resulting from separately applicable provisions of law (at the time of adopting the Policy, this period is 5 years). The key statutory auditor may re-conduct the statutory audit of the Company after the expiry of the period resulting from separately applicable provisions of law (at the time of adopting the Policy, this period is 3 years).

**The procedure for selecting an audit firm to audit the statutory financial statements.**

**The auditing company for the audit of statutory financial statements is selected according to the following procedures.**

The Chief Financial Officer of COMARCH S.A. prepares a request for selection of an auditing company to carry out a statutory audit of COMARCH S.A.'s financial statement and consolidated financial statement of COMARCH S.A. Capital Group by the end of March of the year, which should be audited. The request should be published on the website [www.comarch.pl](http://www.comarch.pl) and sent to the selected auditing service providers. Companies of the COMARCH S.A. Capital Group operating outside Poland should be audited, mostly, by subsidiaries of the selected auditing company operating in the international network.

In cases other than the extension of the audit contract with the existing auditing company, the Company conducts the tender procedure in accordance with the following procedures

Tender documentation, prepared by COMARCH S.A., for the invited audit firms:

- enables these companies to learn about the operations of the Company and the COMARCH S.A. Capital Group,
- contains an indication of financial statements subject to examination,
- contains transparent and non-discriminatory selection criteria that are used to assess the offers made by audit firms.

The selection procedure of the audit firm does not exclude from the participation companies that obtained less than 15% of their total remuneration for research from public interest entities in a given European Union country in the previous calendar year, which are listed in the list of audit firms referred to in art. 91 of the Act on Chartered

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Auditors.

Auditing companies operating in the international network, which audit public interest entities, submit their offers for statutory audits of COMARCH S.A.'s financial statement and consolidated financial statement of COMARCH Capital Group to the Chief Financial Officer of COMARCH S.A. with the timeframes laid down in the request published on the Company's website.

All offers received from the auditing companies operating in the international network are submitted to the Members of the COMARCH S.A.'s Audit Committee.

Members of the COMARCH S.A.'s Audit Committee analyze the received offers, determine the date of a meetings with representatives of auditing companies and, on the basis of these actions, recommend the choice of an auditor to the Supervisory Board of COMARCH S.A. The Audit Committee presents the Supervisory Board with a recommendation regarding the selection of an audit firm. In its recommendation, members of the Audit Committee:

- Indicate the auditing company they propose to entrust with the statutory audit,
- Declare that the recommendation is free from the influence of third parties,
- State that the Company did not conclude agreements containing contractual clauses that would require the Supervisory Board to choose an audit firm from among a specific category or list of entities authorized to audit.

The recommendation contains at least two options for the selection of the audit firm along with justification and indication of the justified preference of the Audit Committee with respect to one of them.

COMARCH S.A. evaluates the offers submitted by the audit firms in accordance with the selection criteria set out in the tender documentation and prepares a report containing the conclusions of the selection procedure approved by the Audit Committee.

During the procedure of the selection of an audit firm, COMARCH S.A. and the Audit Committee take into consideration any findings or conclusions contained in the annual report referred to in art. 90 sec. 5 of the Act on Chartered Auditors, which may affect the selection of an audit firm.

If the decision of the Supervisory Board regarding the selection of an audit firm deviates from the recommendation of the Audit Committee, the Supervisory Board justifies the reasons for non-compliance with the recommendation of the Audit Committee and forwards such justification to the body approving the financial statements.

The decision of the Supervisory Board shall be announced publicly by the Management Board in the form of a current report on the selection of the audit firm.

The Supervisory Board, based on the recommendation of the Audit Committee, may extend the contract with

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the current auditing company to audit financial statements for subsequent at least two-year periods without the need to conduct a tender procedure after taking into account the rules of rotation of the audit firm and the key certified auditor resulting from the law.

**Policy in the scope of providing additional services by an audit firm, an entity affiliated to an auditing company or a member of its network.**

A statutory auditor or an audit firm that performs statutory audits of the Company or an entity affiliated to the auditing firm or any member of the network to which the statutory auditor or audit firm belongs does not directly or indirectly provide to the Company or its controlled entities any prohibited services that are not audit services.

Prohibited services shall not include services indicated in Art. 136 sec. 2 of the Act on Chartered Auditors. Services that are not prohibited, are possible to the extent not related to the Company's tax policy, after approval by the Audit Committee preceded by the Audit Committee's assessment of threats and safeguards of the independence of the audit firm.

Where applicable, the Audit Committee issues guidelines on services that are not prohibited.