

DOM DEVELOPMENT S.A.

**REPORT  
OF THE AUDIT COMMITTEE  
OF DOM DEVELOPMENT S.A.  
ON THE ACTIVITIES CONDUCTED  
FROM 1 JANUARY 2021  
TO 30 JUNE 2021**



## I. Personal composition and organisation of the Audit Committee.

Pursuant to the provisions of the Company's Statute and Audit Committee Bylaws dated 5 September 2006, amended on 29 December 2006, 29 June 2007, 3 April 2008 and 5 October 2010, the Audit Committee is a permanent committee of the Supervisory Board.

The Audit Committee is composed of three members appointed by the Supervisory Board from among its members. The majority of the Audit Committee, including its chairwoman, are independent members as stipulated in Art. 129 section 3 of the Act of 11 May 2017 on auditors, audit companies and public supervision, condensed text Journal of Laws 2020, item 1415, and point 7.7 of the Company Statute). All Audit Committee Members have knowledge of and skills in accounting or auditing, and one Member of the Audit Committee has knowledge of and skills in the industry in which the Company operates.

During the period 1 January 2021 - 30 June 2021 the Audit Committee acted under the following composition:

- (i) Dorota Podedworna-Tarnowska – Chairwoman of the Audit Committee (independent member),
- (ii) Mark Spiteri – Member of the Audit Committee,
- (iii) Marek Moczulski – Member of the Audit Committee (independent member).

The aforementioned persons were appointed as members of the Audit Committee under Resolutions of the Supervisory Board on 30 May 2019 (no. 11/05/19, no. 12/05/19 and no. 13/05/19).

The rules of organisation and the methods of operation of the Audit Committee are specified by the provisions of the Company's Statute and the Audit Committee Bylaws dated 5 September 2006, and amended on 29 December 2006, 29 June 2007, 3 April 2008 and 5 October 2010

## II. Activity of the Audit Committee.

The Audit Committee supervises the Company Management Board with respect to:

- (i) compliance with the applicable provisions of law and other regulations, and in particular the Accountancy Law dated 29 September 1994;
- (ii) preparation of financial information by the Company, particularly with regards to the selection of accounting rules, the application and evaluation of the consequences of new regulations, information on the method of treatment of estimated items, forecasts, etc. in the annual reports;
- (iii) compliance with the recommendations and findings of auditors appointed by the Supervisory Board.

Moreover, the Audit Committee gives its recommendations to the Company Supervisory Board concerning the appointment and dismissal of auditors, oversees auditor independence and objectivity, in particular with respect to replacing auditors, calculating remuneration and evaluating auditor competency levels.

During the period under review, the Audit Committee conducted its activity by way of sessions convened by the Chairman of the Supervisory Board according to pre-determined audit and internal audit cycles. During all sessions, minutes were taken and the decisions made by the Audit Committee took the form of resolutions.

During the period covered by this report, 3 sessions of the Audit Committee of Dom Development S.A. took place, on the following dates:

- (i) 8 March 2021,
- (ii) 19 April 2021,
- (iii) 25 May 2021.

All sessions of the Audit Committee were convened correctly. All members of the Audit Committee were present at all of the session. At some sessions of the Audit Committee certain members of the Management Board and other management also attended: Vice President of the Management Board and CFO, Mr. Janusz Zalewski, Vice President of the Management Board and CFO, Mr. Leszek Stankiewicz and Financial Controller and CFO Deputy, Mr. Dariusz Gołębiowski, who both provided, amongst other matters, information about issues concerning auditor remuneration, the Company's financial statements and other information that was requested by the Audit Committee to be provided by the Management Board.

The first Audit Committee meeting, held on 8 March 2021 by videoconference, was attended by representatives of the Company's auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k. with its registered seat in Warsaw, who gave explanations of and information about the Company's audit procedures and conclusions. The Audit Committee received a written auditor statement, made in accordance with the requirements of the Act of 11 May 2017 on auditors, audit companies and public supervision, confirming compliance with the objectivity and independence requirements defined in the above-mentioned Act. Moreover, the Audit Committee agreed that the auditor perform additional services, and accepted the Report of the Audit Committee on the activities conducted from 1 July 2020 to 31 December 2020.

At a meeting on 19 April 2021 the Audit Committee made its recommendations to the Supervisory Board with regards to the choice of auditor i.e. PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., to audit Dom Development S.A.'s financial statements as of 2021 and Dom Development S.A. Capital Group's consolidated financial statements as of 2021, and to review Dom Development S.A.'s condensed financial statements drawn up for the 6-month period to 30 June 2021, and Dom Development S.A. Capital Group's condensed consolidated financial statements drawn up for the 6-month period to 30 June 2021.

Another Audit Committee meeting was held on 25 May 2021 and was attended by representatives of the Company auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., who discussed the 2021 financial statement audit plan, and presented an advisory session for the members of the Audit Committee on changes to the law including tax law and regulations related to accountancy. During this videoconference, the Audit Committee members also discussed Best Practice for GPW Listed Companies 2021 and its rules regarding internal audit.

During the period from 1 January 2021 to 30 June 2021, the main tasks of the Audit Committee were to supervise the Management Board of the Company with respect to compliance with any applicable provisions of law and other regulations and in particular with respect to the Accountancy Law dated 29 September 1994, to supervise financial reports and information prepared by the Company, and to ensure compliance by the Management Board with the recommendations and findings of the auditors appointed by the Supervisory Board.

Additionally, the Audit Committee evaluated the auditor's works and its independence and objectiveness.

Using its authority, the Audit Committee requested from the Company specific information concerning accounting, financial, internal and external audit issues, and in particular, the members of the Audit Committee were also authorised to review all books, records, the Company's annual and semi-annual financial statements, to request schedules of the work of internal controllers and auditors, to request explanations from Management Board members, managers and employees of the Company as required and to give recommendations and assessments to the Supervisory Board, all of which are within the scope of the Audit Committee tasks.