

# **REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE**

## **FEERUM S.A.**

### **IN THE FINANCIAL YEAR 2018**

The Audit Committee presents a report on its activities in the financial year 2018.

#### **1. Composition of the Audit Committee**

The Audit Committee of the Supervisory Board of Feerum S.A. was appointed by the resolution no. 2/14/II/17 dated 23 October 2017 in the following composition:

1. Jakub Marcinowski – the Chairman of the Audit Committee
2. Maciej Kowalski – the Deputy Chairman of the Audit Committee
3. Jerzy Suchnicki – the Secretary of the Audit Committee

On 6 November 2017 the Supervisory Board of Feerum S.A. pursuant to article 128 sec. 1 act dated 11 May 2017 on statutory auditors, audit firms and public supervision (Journal of law from 2017 r. item 1089), adopted resolution nr 2/15/II/17 based on which the composition of the Audit Committee was changed. As a result of the adoption of this resolution, the composition of the Audit Committee is as now follows:

1. Henryk Chojnacki – the Chairman of the Audit Committee
2. Maciej Kowalski – the Deputy Chairman of the Audit Committee
3. Jakub Marcinowski – the Secretary of the Audit Committee

#### **2. Information on the meeting of the independence criteria by the Committee's members**

The Audit Committee in the abovementioned composition meets the independence criteria and other requirements specified in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision.

#### **3. Information of the Audit Committee's activities.**

In the period from 1 January 2018 to 31 December 2018 the Audit Committee supervised the Company's activities in all areas.

The Audit Committee recommended the Supervisory Board selection of the audit firm: ECDDP Audyt Sp. z o.o., 8 Zielony Most St. 31-351 Cracow, to audit the financial statement, half-year financial statement of the Company and consolidated financial statement of the Company's capital group for the financial year 2018 and the financial year 2019.

The representative of the Audit Committee participated in the audit of the financial statements of Feerum S.A. for the financial year 2018 and the consolidated financial statement of the Capital Group for the financial year 2018 conducted by the Auditor ECDDP Audyt Sp. z o.o. with its registered seat in Cracow. This participation consisted in the exchange of observations and comments regarding financial statements and business activities of Feerum S.A. and the Capital Group.

The Auditor's representative presented the Chairman of the Audit Committee report on the audit of the financial statements for the year 2018 of Feerum S.A. and the Capital Group. In addition, he also presented an additional report on the audit of financial statements of Feerum and the Capital Group.

The presented reports on the audit of financial statements for 2018 inform that the financial statement of Feerum S.A. as well as the Capital Group's financial statement have been properly prepared on the basis of correctly kept accounting books, they consistent with the form and content with the applicable law and present all information reliably for the assessment of effectiveness of assets, profitability and financial result.

The auditor also states that the activity report contains all the necessary information, and the numerical information is consistent with the financial statements.

The auditor does not have any objections as to the continuation of business activity and sees no major threats in this regard.

Taking above into consideration, the Audit Committee requests positive opinion from the Supervisory Board on the financial statements for 2018 of Feerum S.A. and consolidated financial statement of the Capital Group and recommending their approval by the Ordinary General Meeting.

The Audit Committee positively evaluates the work of the Auditor ECDDP Audyt Sp. z o.o. with its registered seat in Cracow on examining financial statements for financial year 2018.