



Rule of a change of the entity authorised to audit financial statements

With reference to the rule I.Z.1.11. of Best Practice for GPW Listed Companies 2016 Dekpol S.A. („Company”, „Issuer”) informs, that in accordance with §21 Section 2 point 11 of Articles of Association of Dekpol S.A. appointment of the statutory auditor to audit the Company’s financial statements (both separate and consolidated), as well as approving terms and conditions of the agreement with the statutory auditor and approving termination of such agreement by the Company remains in competence of Issuer’s Supervisory Board.

Satisfying obligation imposed on the Issuer pursuant to Art. 130 Section 1 of the Act of 11 May 2017 on Statutory Auditors (...), the Company's Audit Committee:

- developed and defined the policy and procedure for appointing audit firm to conduct the audit,
- developed the policy for the provision of permitted non-audit services by audit company conducting the audit, by entities associated with this audit firm as well as by a member of the audit firm’s network.

Issuer's Supervisory Board appoints an audit firm based on recommendation presented to it by Company's Audit Committee. Appointment is made as a result of procedure performed in accordance with the above-mentioned policies. As specified in their content, Company's bodies participating in appointment as well as the Audit Committee shall guide by the need of ensuring impartiality and high-quality of audit, including shall take especially into account:

- a) knowledge, professional competences and reputation of the audit firm and statutory auditor;
- b) experience of the audit firm and the statutory auditor, including in particular in auditing of public interest entities;
- c) knowledge by the audit firm and the statutory auditor of the industry in which the Company operates.

The developed policy, following provisions of the Act of 29 September 1994 on Accounting, assumes that *"in case of statutory audit within the meaning of Art. 2 point 1 of the Act of 11 May 2017 on Statutory Auditors (...), the first agreement for audit of financial statements is concluded with an audit firm for a period of not less than two years, with the possibility of extension for further periods of at least two years. "*

In addition, the Company follows provisions of Art. 134 of the Act of 11 May 2017 on Statutory Auditors (...) and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, according to which:

- 1. Maximal duration of continuous engagement on statutory audits referred to in Art. 17 section 1, second paragraph of Regulation No 537/2014, may not exceed 10 years.*
- 2. A key statutory auditor may not conduct a statutory audit in the same public interest entity for a period longer than 5 years.*
- 3. The key statutory auditor may re-conduct the statutory audit in the entity referred to in paragraph 2, after at least 3 years from the end of the last statutory audit.*