

DOM DEVELOPMENT S.A.

**REPORT
OF THE AUDIT COMMITTEE
OF DOM DEVELOPMENT S.A.
ON THE ACTIVITIES CONDUCTED
FROM 1 JANUARY 2024
TO 30 JUNE 2024**



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, 5 October 2010 and 31 August 2023, 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 2024 - 30 June 2024 the Audit Committee acted under the following composition:

- (i) Dorota Podedworna-Tarnowska – Chairperson of the Audit Committee (independent member),
- (ii) Edyta Wojtkiewicz – Member of the Audit Committee (independent member)
- (iii) Mark Spiteri – Member of the Audit Committee.

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, 5 October 2010 and 31 August 2023.

II. Activity of the Audit Committee.

The duties of the Audit Committee include, in particular (i) supervision of the Company's Management Board as regards the Management Board's compliance with relevant laws and other regulations, in particular the Accounting Act dated 29 September 1994 and the Statutory Auditors, Audit Firms and Public Supervision Act dated 11 May 2017, supervision of the preparation of financial information by the Company, in particular in respect of the choice of the accounting policy adopted by the Company, supervision of the application and assessment of the consequences of new legal regulations, supervision of the manner in which estimated items, forecasts etc. are presented in annual reports and supervision of compliance with the recommendations and findings of a statutory auditor appointed by the Supervisory Board, (ii) issuing recommendations to the Company's Supervisory Board concerning the appointment and dismissal of the statutory auditor, (iii) control of the independence and objectivity of the statutory auditor, in particular in respect of a possible replacement of the statutory auditor, and of their remuneration, (iv) verification of the statutory auditor's work, (v) ensuring the effectiveness of the risk management system, (vi) monitoring performance of the compliance system, (vii) overseeing the effectiveness of the internal control system and internal audit function, including in the area of financial reporting, (viii) monitoring the effectiveness and adequacy of the whistleblower system or other system of reporting irregularities.

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, 2 sessions of the Audit Committee of Dom Development S.A. took place, on the following dates:

- (i) 18 March 2024,
- (i) 15 May 2024.

All sessions of the Audit Committee were convened correctly. All members of the Audit Committee were present at all of the sessions. At some sessions of the Audit Committee member of the Management Board and other management also attended: Vice President of the Management Board and CFO, Mr. Leszek Stankiewicz and Financial Controller and CFO Deputy, Mr. Dariusz Gołębiewski, 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 18 March 2024 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 presented explanations of, and information and formed conclusions about, the Company's audit procedures. 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 accepted the Audit Committee Report on the activities conducted from 1 July 2023 to 31 December 2023 as well as the Internal Audit Plan for 2024 and agreed that the auditor perform additional services. In addition, members of the Audit Committee were presented with a presentation on non-financial reporting in Dom Development S.A. Capital Group.

Another Audit Committee meeting was held on 15 May 2024 and was attended by representatives of the Company auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., who discussed the 2024 financial statement audit plan, and presented an advisory session for members of the Audit Committee on changes in the law, including tax law and regulations related to accountancy. During this videoconference, members of the Audit Committee were also updated on the activities of the ongoing risk management, compliance & assurance team.

Additionally, the Audit Committee adopted by correspondence the resolutions on the acceptance of the Audit Charter, and the Internal Audit Strategy, and agreed that the auditor perform additional services.

During the period from 1 January 2024 to 30 June 2024, 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.