



## **Auditor's reasonable assurance engagement report**

### **For the General Meeting and Supervisory Board of KRUK S.A.**

#### **Scope of the assurance engagement**

At the request of KRUK S.A. (the "Entity"), we have performed an independent reasonable assurance engagement to assess whether the report on remuneration of members of the Management and Supervisory Boards of KRUK S.A. of Wrocław for 2019 and 2020 (the "Remuneration Report") contains the information required under Art. 90g.1–5 and Art. 90g.8 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005 (the "Act").

#### **Responsibility of members of the Entity's Supervisory Board**

The Entity's Supervisory Board members are responsible for preparing the Remuneration Report in accordance with Art. 90g of the Act. The Supervisory Board members are also responsible for designing, implementing and maintaining a system of internal controls ensuring that the Remuneration Report is free from any material misstatement due to fraud or error.

#### **Auditor's responsibility**

Our responsibility was to assess the completeness of information contained in the Remuneration Report based on the criteria set out in the 'Applicable criteria' section and to issue, on the basis of the evidence obtained, an independent conclusion from our reasonable assurance engagement.

We conducted our engagement in accordance with National Standard on Assurance Engagements 3000 (Z), compliant with International Standard on Assurance Engagements 3000 (Revised) – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", adopted by the National Council of Statutory Auditors (the "NCSA"). The Standard requires us to plan and perform the procedures so as to obtain reasonable assurance that the Remuneration Report is complete and the information presented therein is disclosed with such level of detail as required by Art. 90g.1–5 and Art. 90g.8 of the Act.

As a firm, we apply International Standard on Quality Control 1 – "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements", adopted by the NCSA as the national standard on quality control, which requires us to implement and maintain a comprehensive quality control system with documented policies and procedures for compliance with ethical requirements, professional standards as well as applicable laws and regulations.

We comply with the independence and ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), adopted by resolution of the National Council of Statutory Auditors, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, as well as other independence and ethical requirements applicable to this assurance engagement in Poland.

The choice of procedures depends on our judgement, including our assessment of risks of material misstatement in the Remuneration Report, whether due to fraud or error. When assessing this risk, we take into consideration the internal controls relevant to the preparation of the Remuneration

Report in accordance with Art. 90g.1–5 and Art. 90g.8 in order to design procedures that provide us with reasonable assurance and are appropriate in the circumstances, but not to express a conclusion on the effectiveness of those internal controls.

Our procedures included in particular:

- reading the Remuneration Report and verifying whether it contains quantitative and qualitative (descriptive) disclosures to the extent required by the Act;
- establishing, based on a comparison against corporate documents, the list of persons with respect to whom information is required to be included in the Remuneration Report, and determining, by making enquiries of the persons responsible for preparing the Remuneration Report as to whether all information required by the criteria for preparing the Remuneration Report has been disclosed;
- reading the resolutions of the Entity's General Meeting concerning the remuneration policy for members of the Management and Supervisory Boards, and the specific resolutions of the Supervisory Board, and assessing whether the information presented in the Remuneration Report is consistent with the remuneration policy adopted and applicable during the period covered by the Remuneration Report;
- verifying whether the presented remuneration amounts are consistent with the information contained in the Entity's accounting books, and with regard to remuneration from member entities of the Group – with the information obtained by the Entity, with respect to the individual members of the Management and Supervisory Boards;
- verifying whether the remuneration of members of the Management and Supervisory Boards includes monetary or non-monetary benefits granted to close persons of such members in accordance with the Act;
- verifying – with regard to the information on financial instruments granted or offered, including the main terms and conditions – whether the information provided is consistent with the adopted and approved variable remuneration scheme in place at the Entity.

The Remuneration Report has not been audited within the meaning of the National Standards on Auditing. The procedures we have performed were not intended to be an audit or review of that financial information, therefore we do not accept any responsibility for issuing or updating any reports or opinions on the Entity's historical financial information.

Our procedures were designed solely to obtain evidence that the information provided by the Supervisory Board in the Remuneration Report is complete in light of the applicable requirements. The purpose of our work was not to assess whether information contained in the Remuneration Report was sufficient in view of the purpose of its preparation, nor to assess the correctness and reliability of information contained therein, particularly the amounts disclosed therein, including historical estimates, figures, dates, breakdowns, allocation methods or compliance with the adopted remuneration policy.

The procedures we performed also included an assessment of whether the subject matter of the assurance engagement was appropriate and whether the criteria adopted to prepare the Remuneration Report were suitable in the circumstances.

#### **Identification of the criteria**

The assessment criteria for the Remuneration Report are set forth in Art. 90g.1–5 and Art. 90g.8 of the Act.

## **Conclusion**

Our conclusion has been formed on the basis of the matters described above and should therefore be read taking those matters into account.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the accompanying Remuneration Report contains, in all material respects, all the elements listed in Art. 90g.1–5 and Art. 90g.8 of the Act.

## **Restrictions of use**

Our report has been prepared for the General Meeting and the Supervisory Board in order to fulfil the requirements set out in Art. 90g.10 of the Act and should not be used for any other purpose. Accordingly, KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. disclaims any liability, whether contractual or non-contractual (including for negligence), in connection with the report with respect to any third parties. This does not release us from liability in situations where such release is excluded by law.

On behalf of the audit firm

### **KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.**

entered in the list of audit firms under no. 3546

*Signed with qualified electronic signature*

Justyna Zań

Lead Auditor

Reg. No. 12750

*Limited partner, Attorney-in-fact*

*Signed with qualified electronic signature*

Tadeusz Ville

*Limited partner, Attorney-in-fact*

Warsaw, May 12th 2021