

The policy of selecting an audit firm to audit the separate financial statements and the consolidated statements the Capital Group CCC S.A.

This policy of selecting an audit firm to audit the separate financial statements of CCC S.A. and the consolidated statements of the CCC Capital Group was prepared on the basis of: the Regulation No. 537/2014 of the European Parliament and of the EU Council as of 16 April 2014 on specific requirements for statutory audits of financial statements of public interest entities repealing the decision of the Commission 2005/909/EC (hereinafter referred to as the Regulation) and the act as of 11 May 2017 on statutory auditors, audit firms and public supervision (hereinafter referred to as statutory auditors act), (Journal of Laws No. 1089).

Definitions

§ 1

1. Whenever this policy refers to:

- 1) CCC S.A. - (hereinafter also: the Company) - this is to be understood as a unit of public interest within the meaning of art. 2 point 9 of the Statutory Auditors Act and the parent company the CCC Capital Group (CG CCC);
 - 2) an audit - this is to be understood as the audit of the annual consolidated financial statements of the CG CCC or the audit of the annual financial statements of the CCC S.A. the obligation of its execution is based on generally applicable laws, conducted in accordance with the national audit standards;
 - 3) an audit firm - this is to be understood as an audit firm conducting the audit;
2. Notions not mentioned above bear the meaning accepted in common applicable laws, including the statutory auditors act and in the regulation.

An audit obligation

§ 2

1. Separate Financial Statements of CCC S.A. and the consolidated financial statements of the CCC Capital Group are subject to the audit obligation under the art. 64 of the Accounting Act (i.e. Journal of Laws as of 2016, item 1047).

The body authorized to select an audit firm

§ 3

1. The selection of an audit firm for the audit of financial statements is made by the Supervisory Board of CCC S.A.
2. The Supervisory Board is a sovereign body of the Company, while taking the above decisions its members are guided by their own convictions, taking into account the interest of the Company and its shareholders and the applicable laws.

3. Consultative and advisory functions concerning the selection of an audit firm to conduct the audit of the financial statements are performed by the Audit Committee, including: presenting to the Supervisory Board recommendations concerning the selection of the auditor of the Company as well as changing it and its remuneration.
4. The rules concerning the selection of an audit firm by the Supervisory Board and specific selection criteria were set out in a separate regulation, i.e. the procedure for the selection of the auditor to audit the separate financial statements of CCC S.A. and the consolidated report of Capital Group CCC S.A.

Effective criteria for selection of an audit firm

§ 4

1. An entity that is to serve as an auditor in the Company should be selected in such a way that independence is ensured in the performance of the tasks entrusted.
2. The audit firm and members of the audit team that may affect the audit result must be independent of CCC S.A. and cannot participate in the decision-making process by CCC S.A. at least in the period covered by the audited financial statements and the period of conducting the audit.
3. The independence requirements of the audit firm and the key auditors are set out in art. 69-73 of the Act on Statutory Auditors.
4. Audit Committee of the Supervisory Board of CCC S.A. makes the assessment of the independence of the statutory auditor.
5. The Audit Committee is required to monitor and oversee the independence of the statutory auditor.
6. The Company and the Audit Committee shall take into account any findings or conclusions contained in the annual report referred to in art. 90 sec. 5 of the statutory auditors act, which may affect the selection of an audit firm.
7. The Company invites any audit firms to submit a tender for the provision of a statutory audit service (unless the appointment of an audit firm involves an extension of the contract of audit of financial statements) provided that:
 - this does not violate the provisions of art. 17 sec. 3 of the Regulation,
 - the organization of the tendering procedure does not exclude from participation in the selection procedure companies which have received less than 15% of their total remuneration for auditing from public interest entities in the Member State of the European Union in the previous calendar year included in the list of auditing firms referred to in art. 91 of the Act on Statutory Auditors,
 - this does not violate the rotation rules of the audit firm and the key statutory auditor.
8. Any contract clauses restricting the choice of statutory auditor or audit firm to specific categories or lists of statutory auditors or audit firms as regards the appointment of a specific auditor or of a specific audit firm for the purposes of statutory audit shall be null and void.

Periods of selection of the auditing firm conducting the audit and the non-call period

§ 5

1. The maximum period of uninterrupted statutory audit work carried out by the same audit firm or the audit firm associated with that audit firm or any member of the network member operating in the European Union Member State to which the audit firms belong may not exceed 5 years.
2. A statutory auditor may not carry out a statutory audit for more than 5 years.
3. A key statutory auditor may revisit statutory audits in the entity referred to in paragraph 2, at least 3 years after the end of the last statutory audit.
4. In addition, as regards the rotation rule of the audit firm, other generally applicable laws, including the provisions of the Regulation, shall apply.

Audit contract

§ 6

The Management Board of CCC S.A. concludes an audit contract for auditing financial statements with an audit firm in a timely manner enabling the audit firm to participate in the inventory of significant assets. In the case of a statutory audit within the meaning of art. 2 pt. 1 of the Act on Statutory Auditors, the first contract for the audit of financial statements is concluded with an audit firm for a period of not shorter than two years with the possibility of extension for at least another two-year periods.

Final provisions

§ 7

1. Amendment to this policy, including the adoption of its consolidated text, shall take place in the manner in which it is adopted.
2. In matters not regulated by the law, the act on statutory auditors, regulations and internal regulations of the Company shall apply in particular.