

Much more than audit

Audit of the report on
remuneration of the
Management Board and the
Supervisory Board

Offer for **Arctic Paper S.A.**





Elżbieta Grześkowiak

Partner

Audit Department

Dear Reader,

The mission of Grant Thornton – both worldwide and in Poland – is to support bold, dynamically growing businesses and unlock their natural potential for growth. For that reason we are delighted to present an offer we have prepared especially for you for **audit of the report on remuneration of the Management Board and the Supervisory Board**. We believe that with our experience, expertise and exceptional client approach we will be able to support you in pursuing your strategy and achieving your goals.

In this offer, we are presenting the scope of works which – in our opinion – is needed to meet your needs, and we also show you our methodology. We hope our offer will gain your acceptance and lead to successful cooperation.

Should you have any questions or doubts, we are at your disposal

Grant Thornton in Poland



1000
experts



7
offices across
Poland



2400
clients served
annually

9,39/10

satisfaction index
of Grant Thornton clients in Poland



Dedicated team



Elżbieta Grześkowiak
Partner
Audit Department
E elzbieta.grzeskowiak@pl.gt.com
M +48 607 665 735



Magdalena Chrostek
Junior Manager
Audit Department
E magdalena.chrostek@pl.gt.com
M +48 693 332 628



154%
revenue growth at
Grant Thornton Poland
in 2018-2023



**The fastest-
growing**
professional
services firm in
Poland*

*according to the data of Rzeczpospolita daily

How we perform audit

Planning



We obtain an understanding of your Company's operations, control environment, accounting and financial reporting systems

Assessing risk



We use our understanding of your Company to identify areas of biggest financial statement risks..

Testing internal controls



We evaluate whether your significant accounting applications and financial reporting systems are well-controlled and whether such controls are effective. Based on the result of this evaluation, we design appropriate audit tests..

Testing accounts and transactions



We verify whether data presented in financial statements are true and fair - based on selected transaction test.

Concluding and reporting



In the concluding phase of the audit, we bring together all the work performed by the audit team. The most experienced team members confirm that the financial statements make sense, based on their understanding of your business. They also ensure the delivery of a high-quality audit.

Our offer

Our objective is to build a good relationship which benefits both parties. The proposed price – in our opinion – is fair taking into account the scope of tasks and hours we believe will be required to successfully deliver on our commitments. At your request, we will present a detailed breakdown of hours required for the engagement. We will be happy to discuss it with you to seek opportunities for optimising the costs of our service.

| Scope of service | Reporting standards | Net fee (in PLN) for 2023 | Implementation date |
|---|----------------------------|--------------------------------------|--------------------------------|
| Audit of the report on remuneration of the Management Board and the Supervisory Board | PAS* | 9 500 | April |

* Polish Accounting Standards PAS

The price was calculated assuming timely preparation for the audit and execution of the service in accordance with the schedule.

We will discuss the detailed project schedule with you after this proposal is accepted.

The price does not include the payment for supervision. The price will be increased by % specified in the Minister of Finance's announcement. As at the day of submitting the offer, the fee is 2,29%.

The net fee for providing the service will be increased to include VAT as per current rates. Moreover, we shall be reimbursed for the necessary direct expenses related to performing the service, such as the costs of travel, accommodation, etc., which shall be invoiced as additional costs after the service is completed. At your request, we can agree the permissible limit on travel and accommodation expenses related to project execution.

Remuneration will be subject to increase in connection with inflation in any case where, during the term of the contract, the y/y inflation rate exceeds 5% counting from the month in which the contract was concluded or from the month of the last revaluation of the remuneration in connection with inflation, as well as in the event of a significant change in economic relations or in the event of a significant change in the activities, assets, processes or internal organisation of the Ordering Party or its capital group, in particular in connection with the acquisition of control over another entity or its enterprise or organised part thereof, merger, transformation, demerger of the Ordering Party or entities forming part of its capital group, significant change in the distribution chain or significant increase in the scope of the Ordering Party's activities compared to the status as at the date of conclusion of the Contract.

Our fee proposal for audit of the financial statements:

- 25% within 14 days of the day the audit planning was completed,,
- 30% within 14 days of the end of the preliminary audit,
- 40% within 14 days of the end of the final audit,
- 5% after within 14 days of the issue of review report

Closing remarks

Tenderer's Authorization

Grant Thornton Polska Prosta spółka akcyjna certifies that it is an audit firm as per Article 46 of the Act on statutory auditors, audit firms and public oversight of May 11, 2017 (uniform text: Journal of Laws of 2020, item 1415) and it is registered under number 4055 on the list of audit firms maintained by Polish Agency of Audit Supervision.

Independence confirmation

Should you accept our offer, we will be ready to sign an appropriate agreement upon prior execution of client acceptance procedures, including confirmation of the independence of Grant Thornton and a receipt of information from the previous auditor stating whether there are any reasons for which we should not undertake the audit of your company. This procedure, introduced by the provisions of the Act on Statutory Auditors, standards on quality and professional standards, is obligatory.

AML Clause

The fact that the Ordering Party has accepted the offer does not mean that the Parties have concluded an agreement. Grant Thornton Polska Prosta spółka akcyjna reserves the right to refuse to conclude an agreement if it is impossible to apply the financial safeguards required by the Act of 1 March 2018 on the prevention of money laundering and financing terrorism and also in the case of any negative effect of the application of said financial safeguards.

Sanctions clause related to Russia's attack on Ukraine

If our offer is accepted, the contract will contain the following clause:

1. The Contracting Entity represents and warrants that:
 - a) neither the Contracting Entity nor any of the Contracting Entity's directors, officers, representatives is a person or an entity, or is subordinated to a person or entity, or is directly or indirectly controlled by a person or an entity listed on any list of persons subject to commercial, trade or financial sanctions, embargo, import and export controls, or list of terrorists, persons suspected of terrorism or members of terrorist organisations, imposed by the United Nations (UN) Security Council, the European Union (EU), the United States of America, the Republic of Poland or other countries, or arising from other provisions of local law applicable to the Contract (the "Sanctions");
 - b) neither the Contracting Entity nor any of the persons listed in section 1.1. will take actions which could lead to a breach of applicable Sanctions;
 - c) the Contracting Entity will not use (directly or indirectly) the services provided by Grant Thornton understood as all member companies of the Grant Thornton group in Poland for the benefit of any persons or entities covered by Sanctions;
 - d) in a situation where the Contracting Entity becomes aware of any event or issue which could lead to a breach of applicable Sanctions by the Contracting Entity or any of the persons listed in section 1.1., the Contracting Entity each time will immediately inform Grant Thornton about such a fact or event in writing.
2. The Contractor reserves the right to take any and all measures under applicable provisions of law and the Contract (including to withdraw from the Contract by a unilateral declaration) if during the term of the Contract Grant Thornton becomes aware or reasonably deems that:
 - a) the Contracting Entity or any of the persons listed in section 1.1. becomes subject to Sanctions;
 - b) all or some actions of the Contracting Entity or any of the persons listed in section 1.1. could lead to a breach of applicable Sanctions;
 - c) the Contracting Entity or any of the persons listed in section 1.1. used (directly or indirectly) the services provided by Grant Thornton for the benefit of any persons or entities subject to Sanctions.
3. The Contracting Entity undertakes to indemnify and hold harmless Grant Thornton, its affiliates and their directors, employees and representatives (the "Indemnified Persons") against claims, lawsuits, demands, judgements and any proceedings of any type whatsoever (hereinafter jointly referred to as the "Claims"), asserted or made against any of the Indemnified Persons by third parties, or by any international, governmental or trade organisation, arising from or in connection with a breach of the Contracting Entity's representations and warranties specified in section 1. above.
4. In the event that Claims are made against the Indemnified Persons, the Contracting Entity undertakes to bear in full any and all damage, losses, expenses and costs of any type whatsoever (including lawyer's fees and litigation costs) incurred by the Indemnified Persons in connection with such Claims, within 14 (fourteen) days from the date the demand for payment is served on the Contracting Entity.
5. The Contractor will provide the Contracting Entity with a written notification of such a Claim, and the Contracting Entity will provide the Contractor immediately with all necessary documents and information which may affect the outcome of the respective proceedings and will ensure assistance in the defence against such Claims. The Contractor will retain full control and independence in conducting such proceedings and defence against such Claims.
6. Notwithstanding other provisions of the Contract, in the event of the Contracting Entity's breach of the representations under section 1. above or in the events named in section 2. above, the Contractor will have the right to withdraw from the Contract with immediate effect or to terminate the Contract by a unilateral declaration, without bearing any liability towards the Contracting Entity.
7. In the event referred to in section 6. above, the Contractor retains the right to remuneration for the work performed up to the moment of withdrawal/terminating the Agreement, in proportion to the scope of the work performed and reimbursement of costs incurred up to that moment, if the reimbursement of costs is provided for in the Contract.
8. Simultaneously, the Contractor warrants the compliance with the conditions described in section 1. above by all member companies of the Grant Thornton group in Poland as well as by their representatives.

We invite you to contact us

Magdalena Chrostek

Junior Manager

Audit Department

E magdalena.chrostek@pl.gt.com

M +48 693 332 628

Offer expiry date:

This offer is valid until **February 29, 2024**

PLEASE NOTE: This material does not constitute an offer within the meaning of commercial law. For the commission to be fulfilled under specific terms, it is necessary to sign a relevant contract.



© 2023 Grant Thornton International Ltd. All rights reserved.

Grant Thornton Polska Prosta spółka akcyjna

61-131 Poznań, ul. abpa Antoniego Baraniaka 88 E

NIP 782 25 45 999, REGON 302021882

Sąd Rejonowy Poznań - Nowe Miasto i Wilda w Poznaniu

VIII Wydział Gospodarczy Krajowego Rejestru Sądowego, KRS 0001002477

Grant Thornton Polska jest firmą członkowską Grant Thornton International Ltd.

