

**ComArch S.A. Supervisory Board Report 2007**

Until 28 June 2007, the date of ComArch S.A.'s Annual General Shareholders' Meeting, the following were members of the Supervisory Board:

Elżbieta Filipiak – Chairman  
Krzysztof Zieliński – Vice-Chairman  
Maciej Brzeziński – Member  
Wojciech Kucharzyk – Member  
Anna Ławrynowicz – Member

From 28 June, however, the Supervisory Board operated with the following members:

Elżbieta Filipiak – Chairman  
Maciej Brzeziński – Vice-Chairman  
Wojciech Kucharzyk – Member  
Anna Ławrynowicz – Member  
Tadeusz Syryjczyk – Member

In accordance with the written declarations submitted by the members of the Supervisory Board of ComArch S.A. to the Management Board of ComArch S.A. three of the five members of the Supervisory Board fulfill the criteria for independence from the Company and from entities closely linked to the Company.

The Supervisory Board sat four times in 2007: 12 February, 15 June, 28 September and 10 December. In addition, the Supervisory Board passed resolutions in correspondence (written) mode on the following days: 14 March, 16 March and 20 June.

The average attendance at sittings of the Supervisory Board was 4.5 people in a five-member board.

The major subjects addressed by the Supervisory Board at the sittings were:

- a) monitoring and analysis of the financial situation at the ComArch Company and Capital Group
- b) assessments of the Management Board's success and progress in implementing the Company's strategy
- c) risk analysis and assessment for the Company's operations
- d) formal-legal issues
- e) management share options for 2006 – the issue of series 12 shares
- f) drawing up a list of key employees and the coefficients of the individual options within the scope of the management stock option program for key employees 2008.

The Supervisory Board's scope of activities and the resolutions it considered in 2007 are set out in detail in the minutes from its sittings, which are to be found at the Company's headquarters at Al. Jana Pawła II 39A.

In connection with principle no. 2 of 'Corporate Governance Principles 2005', resolution 9/6/2007 of 15 June 2007 and resolution 10/6/2007 of 20 June 2007 the Supervisory Board of

ComArch S.A. recorded a positive verdict with respect to the draft resolution of the Annual General Shareholders' Meeting which took place on 28 June 2007. On 20 June 2007 in line with principle no. 18 of corporate governance arising from, 'Corporate Governance Principles 2005' ComArch S.A.'s 'Management Board Operations and Performance Report (including an assessment of the Company's situation in 2006)' was published.

With reference to the scope of the report, the Supervisory Board monitored the current performance of the Company and, within the terms of its responsibilities, gave its expert opinion concerning ComArch S.A.'s planned operations and those already in progress. In particular, the Supervisory Board reviewed the quarterly, six-monthly and annual (consolidated) financial statements of the ComArch Group. With the publication of each of the financial reports there followed a sitting of the Supervisory Board. At these meetings the Board analyzed the scope, rectitude, correctness and transparency of the data (including the financial data) presented by the Company. In this respect, the Company's Management Board and authorized employees provided the Supervisory Board with access to documents and other information sources, prepared the necessary presentations for the Supervisory Board and were forthcoming with essential explanations and clarifications regarding the Company's financial situation, activities undertaken by the Company and details of cooperation with partners.

It is the opinion of the Supervisory Board that the accounting methods adopted by the Company and Capital Group have been applied in accordance with the provisions of the law. It is the opinion of the Supervisory Board that cooperation with the Management Board of ComArch S.A. has been entirely successful and the Management Board has presented the necessary information correctly, clearly and with rectitude.

It is the opinion of the Supervisory Board that the entities authorized to audit the financial statements of ComArch S.A. and the ComArch Capital Group were selected within the terms of the prevailing law, and that the statutory auditors conducting them met the conditions required for expressing an unbiased and independent opinion in compliance with Polish law. In 2007 Deloitte Audyt Sp. z o.o. was the entity authorized to investigate and review the financial statements of the Company. The agreement with Deloitte Audyt Sp. z o.o. to provide auditing services for ComArch's financial statements was concluded in 2006 for a period of two years.

By resolution no. 1/03/2008 of 3 March 2008 the Supervisory Board decided that the responsibilities of the Auditing Committee of ComArch S.A. shall be assumed by the Supervisory Board. With regard to the powers of the Committee, the Supervisory Board may request or demand the participation of additional people in its sittings, such as experts or members of the Management Board.

**Annex no. 2 to Resolution no. 2/6/2008  
ComArch S.A Supervisory Board**

**Assessment of the Company's Situation  
with Regard to an Appraisal of the Internal Controlling and Risk Management Systems  
Vital to the Company.**

The Supervisory Board delivered a positive opinion concerning the growth strategy based on expansion abroad and development of proprietary products adopted and executed by the Company in 2007. After several years of expansion abroad the ComArch brand is well-recognized both in Poland and around the world and is linked with technologically advanced IT systems, high quality services and a professional approach to customers.

It is the opinion of the Supervisory Board that the most important contracts won in 2007 were the following: a contract with the MSWiA (Interior and Administration Ministry) to build the first stage of ePUAP (an electronic public administration platform), a contract to supply the Comarch BSS billing platform to TeleYemen operating in the Middle East and a contract with PZU S.A. to implement a comprehensive IT solution for financial insurance services.

It is the opinion of the Supervisory Board that the sale by ComArch S.A. of its tranche of shares in INTERIA.PL S.A. was a notable event in 2007. The cash resources this released in 2008 are now directed at financing innovative investment projects. These include a telemedicine project and the purchase of real estate for the development of the ComArch Data Center. Both of these will see the Company broadening its range to enter new markets and areas of activity.

The Supervisory Board considers it of great benefit to secure the Company against fluctuations across specific sectors of the economy and regions of the world by maintaining sectoral and geographical revenue diversification. It is vital to the long-term growth of ComArch S.A. to maintain investment in the most advanced technology, in innovative products and in human capital. This is being achieved by investment in R&D alongside the steady development of production resources in Kraków, the Polish regional centers and at the competence centers abroad. Against a background of sustained high growth ComArch continued in 2007 to develop its production resources. At the beginning of the year a third production and office building was opened in the Kraków Special Economic Zone. Meanwhile, work continues on a fourth building, which is due to be completed this year.

In 2007 the Supervisory Board also conducted continuous analyses of risk areas connected with the Company's operations as well as assessing the way these risks were being managed by the Management Board.

As in previous periods the most significant operational risks were identified as follows:

- a) risk associated with R&D (creating and developing new proprietary software products)
- b) risk associated with failing to fulfill the terms of contracts and the resulting necessity to pay contractual penalties, and of the use by customers of the guarantees of satisfactory contract performance given them
- c) risk involved in correctly assessing how much time is required for long-term contracts
- d) risk presented by the political and legal environment connected with export contracts
- e) risk encountered when assessing the financial standing of foreign customers (limits to

- monitoring and checking)
- f) the tax risk of operating in a Special Economic Zone and that generated by the unstable tax and legal environment in Poland
  - g) the risk that internal control and management procedures will not function well when employment at the Company and the scale of its operations are expanding rapidly.
  - h) the risk that competition between IT companies will reduce margins
  - i) pressure to increase salaries and remuneration in the IT sector.

With regard to financial risk the Supervisory Board detects the following threats:

- a) credit risk
- b) interest rate fluctuations
- c) exchange rate fluctuations
- d) financial liquidity risk.

The Supervisory Board considers the Management Board competent to correctly identify the Company's operational risks and manage them effectively. The financial statement presents a true and accurate account of the Company's situation.

Signatures:

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