

## STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE STANDARDS

The corporate governance code applicable to the Company is contained in the document entitled 'Best Practice for WSE Listed Companies 2016' (the "Code"), Which is available on the WSE website at <https://www.gpw.pl/dobre-praktyki>.

In 2019, the Company was in compliance with all corporate governance principles stipulated in the Code, with the exception of the following principles, which were not complied with or were complied with to a limited extent:

### Principles not applied in the Company

**I.Z.1.16.** Obligation to make available on the Company's corporate website "information about the planned transmission of a general meeting, not later than 7 days before the date of the general meeting" and the related principle: IV.Z.2.

**Explanation:** Currently, the Company's Articles of Association do not contain provisions enabling the Company shareholders to participate in a General Meeting using electronic means of communication. Considering the provisions of Art. 406 of the Polish Commercial Companies Code, stating that companies may use electronic means of communication during a General Meeting only if their Articles of Association provide for such an option, the Company does not enable its shareholders to participate in a General Meeting using real-time electronic means of communication. Moreover, given the Company's shareholding structure, the high cost of procurement of the appropriate equipment and technical capabilities that would allow the Company to fulfil the tasks imposed by that principle is incommensurate with the potential benefits to shareholders. On the other hand, the Company fulfils the obligation to make available audio or video recordings of its General Meetings on its corporate website, and complies with the other principles concerning the organisation and procedure of the General Meeting. The Company complies with the applicable legal regulations and makes an effort to follow an appropriate disclosure policy.

**II.Z.2.** A company's management board members may sit on the management board or supervisory board of companies other than members of its group subject to the approval of the supervisory board.

**Explanation:** Its internal regulations and agreements with Management Board members do not provide for the restrictions stipulated by the principle. In this respect, the Company complies with applicable laws, i.e. Art. 380 of the Commercial Companies Code applying to positions held in competitor companies.

**IV.Z.2.** In conjunction with recommendation IV.R.2 . If justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.

**Explanation:** The reasons for the Company's non-compliance with the principle are given in the explanation of non-compliance with principle I.Z.1.16. The Company's Articles of Association do not contain provisions enabling the Company shareholders to participate in a General Meeting using electronic means of communication. Considering the provisions of Art. 406 of the Polish Commercial Companies Code, stating that companies may use electronic means of communication during a General Meeting only if their Articles of Association provide for such an option, the Company does not enable its shareholders to participate in a General Meeting using real-time electronic means of communication. On the other hand, the Company fulfils the obligation to make available audio or video recordings of its General Meetings on its corporate website, and complies with the other principles concerning the

organisation and procedure of the General Meeting. The Company complies with the applicable legal regulations and makes an effort to follow an appropriate disclosure policy.

**IV.Z.9.** Companies should strive to ensure that draft resolutions of the general meeting contain a justification, if it helps shareholders to pass a resolution with adequate understanding. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board or the chair of the general meeting should request presentation of the justification of the proposed resolution. In important matters and matters which may give rise to any doubt of shareholders, the company should provide a justification, unless it otherwise provides the shareholders with information necessary to pass a resolution with adequate understanding.

**Explanation:** The Company will comply with this principle to a limited extent, i.e. it will make an effort to provide the shareholders with justifications of draft resolutions concerning important matters and matters which may give rise to a doubt. It is the Company's belief that providing a justification to each draft resolution of the General Meeting, including resolutions adopted routinely under the Polish Commercial Companies Code, is not necessary for the General Meeting's decision making process.

Where the implementation of a corporate governance principle requires amendments to the Company's corporate documents (Articles of Association, Rules of Procedure for the Management Board, Rules of Procedure for the Supervisory Board, Rules of Procedure for the General Meeting), the Management Board will take steps necessary to ensure that such amendments are made. The Company's Management Board also intends to recommend to the Supervisory Board and to the General Meeting compliance with all principles of the Code of Best Practice for WSE Listed Companies, except as specified above. Importantly, the decision whether or not to comply with certain principles stipulated in the Code of Best Practice for WSE Listed Companies will be made by the Company's shareholders and Supervisory Board.