

Astarta Holding PLC

A statement on the company's compliance with the corporate governance principles contained in Best Practice for GPW Listed Companies 2021

According to the current status of compliance with the Best Practice, the Company does not apply 20 detailed principles: 1.4., 2.1., 2.2., 2.6., 2.7., 2.9., 2.10., 3.10., 4.3., 4.4., 4.5., 4.7., 4.9.1., 4.9.2., 5.5., 5.6., 5.7., 6.2., 6.3., 6.4.

1. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

In the interest of all market participants and their own interest, listed companies ensure quality investor communications and pursue a transparent and fair disclosure policy.

- 1.1. Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.
The principle is applied.
- 1.2. Companies make available their financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for substantial reasons, companies publish at least preliminary financial estimates as soon as possible.
The principle is applied.
- 1.3. Companies integrate ESG factors in their business strategy, including in particular:
 - 1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;
The principle is applied.
 - 1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.
The principle is applied.
- 1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:
The principle is not applied.
Comments of the Company: *Although the Company doesn't have a formally approved separate document with a strategy, the Company approved and published a general strategy in its Annual Report 2022, which is available on the Company's corporate website. The Strategy includes areas of the Company's strategic focus and corresponding long- and short-term actions, though it doesn't include measurable goals. The Company has also publicly disclosed information on development projects following approved strategic activities. The Company also discloses information about the Company's governance around climate-related issues on an annual basis. The Company also disclosed information on climate-related risks and opportunities, including the analysis of financial and non-financial impact on the Company. The Company also discloses information on other ESG topics which are material for the Company. The Company plans to integrate sustainability and climate-related KPIs into performance measurement.*
 - 1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;
The principle is applied.
 - 1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.
The principle is applied.

- 1.5. Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.
The principle is applied.
- 1.6. Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.
The principle is applied.
- 1.7. If an investor requests any information about a company, the company replies immediately and in any case no later than within 14 days.
The principle is applied.

2. MANAGEMENT BOARD, SUPERVISORY BOARD

To ensure top standards of the responsibilities and effective performance of the management board and the supervisory board of a company, only persons with the adequate competences, skills and experience are appointed to the management board and the supervisory board.

Management Board members act in the interest of the company and are responsible for its activity. The management board is responsible among others for the company's leadership, engagement in setting and implementing its strategic objectives, and ensuring the company's efficiency and safety.

Supervisory board members acting in their function and to the extent of their responsibilities on the supervisory board follow their independent opinion and judgement, including in decision making, and act in the interest of the company.

The supervisory board functions in the spirit of debate and analyses the position of the company in the context of the sector and the market on the basis of information provided by the management board of the company and via the company's internal systems and functions and obtained from external sources, using the output of its committees. The supervisory board in particular issues opinions on the company's strategy, verifies the work of the management board in pursuit of defined strategic objectives, and monitors the company's performance.

- 2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The principle is not applied.

Comments of the Company: *Astarta values the diversity of its employees, is committed to providing equal opportunities, and does not accept any form of discrimination or harassment. The Company does the utmost to ensure that its workplaces are free from discrimination or harassment on the grounds of race, gender, skin colour, national, ethnic or social origin, religion, age, special needs, sexual orientation, political views, or any other status protected by law and internal policies. The Company does not have a Diversity policy as a separate document. However, since 2007 year, the Company has adopted Rules of the Board of Directors, which include a Profile of the Board of Directors, Resignation schedule for members of the Board of Directors, and other documents regulating the Board of Directors composition, decision-making process, working method, allocation of powers and general functioning. Corporate documents of the Company don't contain information with respect to gender or age requirements to members of the Board of Directors as the main principles in the engagement of Directors are their qualifications, experience, and compliance with the independence criteria and principles of their past and current activity in other companies. The Company has consistently applied a policy whereby governing and managerial positions are filled by competent individuals possessing the necessary experience and education.*

- 2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The principle is not applied.

Comments of the Company: *Corporate documents of the Company don't contain information with respect to gender or age requirements to members of the Board of Directors as the main principles in engagement of Directors are their qualifications, experience, and compliance with the independence criteria and principles of their past and current activity in other companies. The Company has consistently applied a policy whereby governing and managerial positions are filled by competent individuals*

possessing the necessary experience and education.

- 2.3. At least two members of the supervisory board meet the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.

The principle is applied.

Comments of the Company: *The Company has a one-tier board structure; managerial and supervisory duties are joined by the Board of Directors consisting of Executive and Non-Executive Directors. Non-Executive Directors perform supervising duties. Subject to the Rules of the Board of Directors, at least fifty percent (50%) of the total number of Non-Executive Directors shall be independent in the meaning provided in the Articles of Association of the Company. Currently, there are two independent Non-Executive Directors in the Board of Directors.*

- 2.4. The supervisory board and the management board vote in an open ballot unless otherwise required by law.

The principle is applied.

- 2.5. Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.

The principle is applied.

- 2.6. Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.

The principle is not applied.

Comments of the Company: *The Company's non-executive directors may be engaged in additional professional activities other than performing functions in the Board of Directors of the Company and can apply their extensive expertise for the benefit of the Company*

- 2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.

The principle is not applied.

Comments of the Company: *Since the Company has a one-tier board structure, the provision regarding approval of the supervisory board is not applicable. In addition, members of the Board of Directors are not required to obtain prior approval for the occupation of any managerial positions in corporate bodies of other companies (apart from the Company's group).*

- 2.8. Supervisory board members should be able to devote the time necessary to perform their duties.

The principle is applied.

Comments of the Company: *Non-Executive Directors perform supervising duties. The Non-Executive Directors supervise the policy, strategy, and fulfillment of duties of the Executive Directors and the Company's general affairs.*

- 2.9. The chair of the supervisory board should not combine this function with that of chair of the audit committee of the supervisory board.

The principle is not applied.

Comments of the Company: *The Company has a one-tier board structure; managerial and supervisory duties are joined by the Board of Directors consisting of Executive and Non-Executive Directors. Non-Executive Directors perform supervising duties. Subject to the Rules of the Board of Directors, at least fifty percent (50%) of the total number of Non-Executive Directors shall be independent in the meaning provided in the Articles of Association of the Company. In addition, please be informed that the Chairman of the Board of Directors does not combine this function with that of the Chairman of the Audit Committee.*

- 2.10. Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.

The principle is not applied.

Comments of the Company: *Please be informed that the Company does not have a supervisory board. However, it allocates administrative and financial resources necessary to ensure the efficient functioning of the Board of Directors.*

- 2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

- 2.11.1. information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

The principle is applied.

Comments of the Company: *This principle is applied, since supervising duties are performed by non-executive directors who are independent.*

- 2.11.2. summary of the activity of the supervisory board and its committees;

The principle is applied.

Comments of the Company: *There is no separate summary of the activity of the supervisory board and its committees since supervising duties are performed by the members of the Board of Directors (non-executive directors, who are independent). However, there is a separate paragraph in the annual report about the activity of the Board of Directors and its committees.*

- 2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;

The principle is applied.

Comments of the Company: *This principle is applied, though the Company does not have a supervisory board. The information on internal control, risk management is disclosed in the Company's reports on an annual basis*

- 2.11.4.** assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;
The principle is applied.
Comments of the Company: *This principle is applied, though the Company does not have a supervisory board. The information on the company's compliance with the corporate governance principles is disclosed in Company's reports on an annual basis.*
- 2.11.5.** assessment of the rationality of expenses referred to in principle 1.5;
The principle is applied.
Comments of the Company: *Financial statements and, consequently, all expenses, including those referred to in principle 1.5 are subject to approval by the Audit Committee and the Board of Directors*
- 2.11.6.** information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.
The principle is applied.
Comments of the Company: *The Company does not have a Diversity policy as a separate document. However, since the 2007 year, the Company has adopted Rules of the Board of Directors, which include a Profile of the Board of Directors, Resignation schedule for members of the Board of Directors, and other documents regulating the Board of Directors' composition, decision-making process, working method, allocation of powers and general functioning. Information on the composition of the Board of Directors, including their gender, age, expertise, etc., is disclosed in the Company's reports on an annual basis.*

3. INTERNAL SYSTEMS AND FUNCTIONS

Efficient internal systems and functions are an indispensable tool of exercising supervision over a company.

The systems cover the company and all areas of activity of its group which have a significant impact on the position of the company.

- 3.1.** Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.
The principle is applied.
- 3.2.** Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.
The principle is applied.
- 3.3.** Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.
The principle is applied.
- 3.4.** The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.
The principle is applied.
- 3.5.** Persons responsible for risk and compliance management report directly to the president or other member of the management board.
The principle is applied.
- 3.6.** The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.
The principle is applied.
- 3.7.** Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.
The principle is applied.
- 3.8.** The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.
The principle is applied.

Comments of the Company: *The Company has a one-tier board structure; managerial and supervisory duties are joined by the Board of Directors consisting of Executive and Non-Executive Directors. Non-Executive Directors perform supervising duties. The Company has an in-house Internal audit function whose primary purpose is to provide independent assurance to the Audit Committee and Board of Directors, respectively, on the Company's management and control system. The Head of the Internal Audit Department reports directly to the Audit Committee annually.*

- 3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The principle is applied.

Comments of the Company: *The Company has a one-tier board structure; managerial and supervisory duties are joined by the Board of Directors consisting of Executive and Non-Executive Directors. Non-Executive Directors perform supervising duties. The Audit Committee monitors the effectiveness of the undertaking's internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the Company, monitors the statutory audit of the annual and consolidated financial statements, is responsible for the operation of the internal risk management and control systems, etc.*

- 3.10. Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

The principle is not applied.

Comments of the Company: *The internal audit function is not reviewed by the independent auditor*

4. GENERAL MEETING, SHAREHOLDER RELATIONS

The management board and the supervisory board of listed companies should encourage the engagement of shareholders in matters of the company, in particular through active participation in the general meeting, either in person or through a proxy.

The general meeting should proceed by respecting the rights of all shareholders and ensuring that passed resolutions do not infringe on legitimate interests of different groups of shareholders.

Shareholders who participate in a general meeting exercise their rights in accordance with the rules of good conduct. Participants of a general meeting should come prepared to the general meeting.

- 4.1. Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

The principle is applied.

Comments of the Company: *The corporate documents of the Company provide that all the meetings take place at the registered address of the Company at 1, Lampousas Street, 1095 Nicosia, Cyprus or through electronic means of communication. The Company however supports its shareholders to exercise their voting rights by authorizing the company's proxies who are bound by instruction or a third party. All information related to the general meeting of shareholders is publicly available on the Company's website*

- 4.2. Companies set the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, companies strive to ensure that the cancellation of a general meeting, change of its date or break in its proceedings take place only if justified and do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.

The principle is applied.

- 4.3. Companies provide a public real-life broadcast of the general meeting.

The principle is not applied.

Comments of the Company: *Currently, the Company does not perform audio or video recordings or broadcasts of the general meeting. The shareholders can participate personally at the registered office or through electronic communication. All information related to the general meeting of shareholders is publicly available on the Company's website.*

- 4.4. Presence of representatives of the media is allowed at general meetings.

The principle is not applied.

Comments of the Company: *Not applicable, since such procedure is not prescribed by the effective Articles of Association of the Company. The following persons may apply for admission to, and attend, the Meeting: a. the Directors; b. the Company's external auditors; c. the Company's advisers and experts if invited by the Board of Directors; and d. the Company's employees if invited by the Board of Directors or if their presence results from the applicable provisions of laws*

- 4.5. If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2 - 4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under

authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code.

The principle is not applied.

Comments of the Company: *The principle is not applied since the Company is registered in the Republic of Cyprus, and the effective Cypriot legislation is applied with respect to the convocation of the general meeting of shareholders.*

- 4.6. To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to the general meeting. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.
The principle is applied.
- 4.7. The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.
The principle is not applied.
Comments of the Company: *Non-Executive Directors perform supervising duties, however, they do not issue opinions on draft resolutions*
- 4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.
The principle is applied.
Comments of the Company: *The request to add an item on the agenda or table a proposed resolution must be received by the Company at least 42 days before the Meeting*
- 4.9. If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:
- 4.9.1. candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;
The principle is not applied.
Comments of the Company: *The principle is not applied due to the absence of the supervisory board. Supervising duties are performed by the members of the Board of Directors (non-executive directors who are independent).*
- 4.9.2. candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company.
The principle is not applied.
Comments of the Company: *The principle is not applied due to the absence of the supervisory board. Supervising duties are performed by the members of the Board of Directors (non-executive directors who are independent).*
- 4.10. Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.
The principle is applied.
- 4.11. Members of the management board and members of the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the last year.
The principle is applied.
- 4.12. Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent body to set the price prior to the subscription right record date within a timeframe necessary for investors to make decisions.
The principle is applied.
Comments of the Company: *However, since the Company's incorporation, it has not adopted any resolutions concerning a new issue of shares.*
- 4.13. Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue shares to selected shareholders or other entities may pass subject at least to the following three criteria:
- a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;
 - b) the persons granted the pre-emptive right are to be selected according to objective general criteria;
 - c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.
- The principle is applied.*
Comments of the Company: *The pre-emption right may not be restricted or excluded from the articles unless by way of a resolution of the general meeting. The directors shall have an obligation to present to the general meeting a written report which shall state the reasons for the restriction or exclusion of the right of pre-emption and shall justify the proposed issue price.*
- 4.14. Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings subject to any of the following criteria:

- a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;
- b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;
- c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;
- d) the company generates insufficient cash flows to pay out dividends;
- e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;
- f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The principle is applied.

Comments of the Company: *The Company's policy is to pay dividends at a level consistent with the Group's growth and development plans while maintaining a reasonable level of liquidity. The dividend policy will, however, be reviewed from time to time. Payment of any future dividends will be effectively at the discretion of the General Meeting of Shareholders by recommendation of the Board of Directors and after considering various factors, including business prospects, future earnings, cash requirements, financial position, expansion plans, and requirements of Cyprus law. In addition, payment of future dividends may only be made if shareholders' equity exceeds the sum of the paid-in share capital plus the reserves required to be maintained by law and the Articles of Association.*

5. CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS

For the purpose of this section, 'related party' is defined within the meaning of the International Accounting Standards approved in Regulation No (EU) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Companies and their groups should have in place transparent procedures for managing conflicts of interest and for related party transactions where a conflict of interest may occur. The procedures should provide for ways to identify and disclose such cases and the course of action in the event that they occur.

Members of the management board and members of the supervisory board should refrain from professional or other activities which might cause a conflict of interest or adversely affect their reputation as members of the corporate body, and where a conflict of interest arises, they should immediately disclose it.

- 5.1. Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and refrain from discussions on the issue which may give rise to such a conflict of interest in their case.

The principle is applied.

Comments of the Company: *The Company provides transparent procedures for managing conflicts of interest and related party transactions where a conflict of interest may occur. In the case of a conflict of interest between the Director and the Company, namely, if the Director is directly or indirectly interested in the discussed issue or proposed contract with the Company, he shall declare the nature of his interest at a meeting of the directors following section 191 of the Cyprus Companies Law. If in the opinion of the Board, the conflict of interest exists, the relevant Director does not participate in discussions and will abstain from a Board vote on the affected matter. No director may vote in respect of any contract or arrangement in which he is interested, and if he does so, his vote shall not be counted, and he shall not be counted in the quorum at the meeting, except for the cases provided for in the Memorandum and Articles of Association of the Company.*

- 5.2. Where a member of the management board or a member of the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that the minutes of the management board or supervisory board meeting show his or her dissenting opinion.

The principle is applied.

Comments of the Company: *In the case of a conflict of interest between the Director and the Company, namely, if the Director is directly or indirectly interested in the discussed issue or proposed contract with the Company, he shall declare the nature of his interest at a meeting of the directors following section 191 of the Cyprus Companies Law. If in the opinion of the Board, the conflict of interest exists, the relevant Director does not participate in discussions and will abstain from a Board vote on the affected matter. No director may vote in respect of any contract or arrangement in which he is interested, and if he does so his vote shall not be counted, and he shall not be counted in the quorum at the meeting, except for the cases provided for in the Memorandum and Articles of Association of the Company.*

- 5.3. No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.

The principle is applied.

- 5.4. Companies may buy back their own shares only in a procedure which respects the rights of all shareholders.

The principle is applied.

- 5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide

valuation of the transaction and review its economic impact.

The principle is not applied.

Comments of the Company: *The principle is not applied due to the absence of the supervisory board. Supervising duties are performed by the members of the Board of Directors (non-executive directors, who are independent).*

- 5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred to in principle 5.5.

The principle is not applied.

Comments of the Company: *This principle is not applied. However, following articles of association and rules of the Board of Directors of the Company, the decisions regarding related party transactions require the consent of the Board of Directors, and a Director with a direct or indirect personal interest that conflicts with the Company's interest may not take part in the deliberations or decision-making. If no resolutions can be adopted by the Board of Directors as a result thereof, such resolutions must be adopted by the General Meeting or by a legal body as appointed by the General Meeting for that purpose, which corporate body may also be the Board of Directors.*

- 5.7. If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.

The principle is not applied.

Comments of the Company: *This principle is not applied. However, following articles of association and rules of the Board of Directors of the Company, the decisions regarding related party transactions require the consent of the Board of Directors, and a Director with a direct or indirect personal interest that conflicts with the Company's interest may not take part in the deliberations or decision-making. If no resolutions can be adopted by the Board of Directors as a result thereof, such resolutions must be adopted by the General Meeting or by a legal body as appointed by the General Meeting for that purpose, which corporate body may also be the Board of Directors.*

6. REMUNERATION

Companies and their groups protect the stability of their management teams, among others by transparent, fair, consistent and non-discriminatory terms of remuneration, including equal pay for women and men.

Companies' remuneration policy for members of corporate bodies and key managers should in particular determine the form, structure, and method of determining and payment of the remuneration.

- 6.1. The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.

The principle is applied.

Comments of the Company: *The Remuneration Policy indicates the principal objectives that the amount and structure of the remuneration of the members of the Board of Directors are such that (i) qualified managers can be retained and motivated; (ii) the smooth and effective management of the Company is exercised, and (iii) the remuneration package with shareholder's interests is aligned both for the short and long-term. Individual-specific responsibilities are taken into consideration with respect to the determination and differentiation of the remuneration of the members of the Board of Directors. The Company is committed to providing a total remuneration that is competitive, comparable to, and consistent with the practice in the agri-industry on a comparable market and is reasonable in relation to the Company's operating results and size. The Remuneration Policy for the Board of Directors is currently in the process of adaptation following the laws of Cyprus.*

- 6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.

The principle is not applied.

Comments of the Company: *The members of the Board of Directors who take part in the Company's day-to-day business activity may receive fixed and variable remuneration. The fixed remuneration serves as a motivation for Executive directors to achieve high results in the development of business that are in line with the long-term interests of the Company and its shareholders. The variable remuneration is represented by Short-term incentive (STI) and Long-term incentive (LTI). The STI is designed to focus on a range of strategically important annual objectives for a one-year performance period. The Company's LTI is designed to focus on the strategic priorities that will contribute to building sustainable long-term value creation. At the same time, the Company expects to Integrate sustainability and climate-related KPIs into performance measurement.*

- 6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The principle is not applied.

Comments of the Company: *Currently, there is no stock option programme for managers. However, treasury shares may be transferred to the Executive directors as part of the remuneration for achieving LTI goals.*

6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.
The principle is not applied.
Comments of the Company: *The Company does not provide additional remuneration for members of the Board for being a member of the audit committee or other committees functioning under the Board.*

6.5. The level of remuneration of supervisory board members should not depend on the company's short-term results.
The principle is applied.
Comments of the Company: *This principle is applied, though the Company does not have a supervisory board.*