

Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna

## 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 2 detailed principles: 2.1., 2.2.

### 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.*  
**Comments of the Company:** *The Company maintains communications with capital market participants in the broad sense by publishing on its website key information concerning the Company, including all information recommended in the Guidelines of the Corporate Governance Committee. Communications with capital market participants and with the media also include press releases, video commentaries of Members of the Management Board and managers of the Company, and other forms of communication made available on the GPW's corporate website and in its social media channels in Polish and in English. GPW is the organiser and co-organiser of many conferences, webinars and workshops where it communicates its initiatives and the status of its projects. The Company makes sure that its communication solutions and tools are best aligned with the relevant topics and recipients.*
- 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.*  
**Comments of the Company:** *In December 2021, GPW adopted and published the ESG strategy, which is being implemented. ESG strategy is available at: [https://www.gpw.pl/pub/GPW/ESG/GPW\\_ESG\\_Strategy\\_2025.pdf](https://www.gpw.pl/pub/GPW/ESG/GPW_ESG_Strategy_2025.pdf)*
  - 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.*  
**Comments of the Company:** *GPW has in place dedicated internal policies on measures to ensure gender equality, sound working conditions, respect for employees' rights, dialogue with specific stakeholder groups, customer relations. In addition, in 2021, the Company published its ESG strategy with social issues as one of the pillars. Information on activities in this area is available on the Company's website under the ESG tab <https://www.gpw.pl/esg-gpw> and is also published in the GPW Management Board's Annual Report and the Company's Integrated Report.*
- 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 applied.*  
**Comments of the Company:** *The Company has published the GPW#2022 Strategy adopted in 2018 on its website under the tab <https://www.gpw.pl/pl-spolka-strategia-i-misja>; each year, the Company describes the implementation of the Strategy in the Management Board's Report and in the Integrated Report. In addition, the Company communicates the implementation of the Strategy at meetings dedicated to the Company's interim results. Furthermore, in 2021, the Company published its ESG strategy, which is currently under implementation. Information on activities in this area is available on the Company's website under the ESG tab <https://www.gpw.pl/esg-gpw> and is also published in the GPW Management Board's Annual Report and the Company's*

- 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.*

**Comments of the Company:** In December 2021, GPW published its ESG Strategy, which includes measurable environmental objectives that take into account climate change impact. The Strategy sets out the ambitions and objectives of the GPW Group, the framework and structure of the GPW Group's ESG governance, and how the status of the Strategy is reported. Information on activities in this area is available on the Company's website under the ESG tab <https://www.gpw.pl/esg-gpw> and is also published in the GPW Management Board's Annual Report and the Company's Integrated Report.

- 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.*

**Comments of the Company:** GPW's Remuneration Rules define job positions which are measured and allocated to pay grades, where IT is defined as a separate area. The equal pay index is higher for women in certain pay grades and higher for men in others. The deviation of pay derives from annual employee appraisal which impacts basic salary in the next period. A review of job positions suggests that persons with the same competences receive comparable pay while any actual differences are unrelated to employees' gender.

- 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.*

**Comments of the Company:** The Company holds quarterly meetings for investors to which it invites shareholders, analysts, industry experts and the media. At such meetings, the Company's Management Board presents and comments on the strategy and its implementation, financial results, and key events impacting the Company's business, results and outlook. At such meetings, the Company's Management Board publicly provides answers and explanations to questions raised. All meetings are available online and their recordings are published on the Company's website at <https://www.gpw.pl/ri-presentations-and-webcasts>. The Company holds online chats dedicated to individual investors and publishes their recordings on the Company's website at <https://www.gpw.pl/ri-presentations-and-webcasts> and <https://www.gpw.pl/en-ri-faq>.

- 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.*

**Comments of the Company:** Email and phone contact details of the Investor Relations Section and the details of Investor Relations Officers are available under the Investor Relations tab on the GPW website at <https://www.gpw.pl/ri-contact>. According to the Investor Relations Policy, questions asked by email or by phone are addressed immediately, no later than within 24 hours (subject to bank holidays). In special cases, GPW reserves the right to extend the deadline and notifies the interested person thereof.

## **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:** GPW has established a Diversity Policy for members of the Management Board, approved by the Exchange Supervisory Board. The policy defines diversity criteria, including knowledge, skills, experience and gender. To achieve the target composition of the Management Board in accordance with the policy, the policy defines a selection system of Members of the Exchange Management Board; In addition, on June 23, 2022, General Meeting of the Warsaw Stock Exchange has approved a Diversity Policy for members of bodies appointed by the General Meeting of the Warsaw Stock Exchange. This policy shall apply to Members of the Exchange Supervisory Board and the President of the Exchange Management Board. The Exchange Management Board of the current term has four members. The participation of women on the Management Board is 50%. The Exchange Supervisory Board has seven members. The participation of women on the Supervisory Board is 14.3%.

- 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:** The Exchange Management Board of the current term has four members. The participation of women on the Management Board is 50%. The Exchange Supervisory Board has seven members. The participation of women on the Supervisory Board is 14.3%.

- 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.

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

The principle is applied.

**Comments of the Company:** Pursuant to § 15(1) of the Rules of the Exchange Supervisory Board and § 3(5) of the Rules of the Exchange Management Board, resolutions of the Exchange Supervisory Board and the Exchange Management Board, respectively, shall be passed in an open ballot.

- 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.

**Comments of the Company:** Pursuant to § 11(3) of the Rules of the Exchange Supervisory Board and § 3(6) of the Rules of the Exchange Management Board, members of the Exchange Supervisory Board and members of the Exchange Management Board, respectively, who vote against a resolution may have their dissenting vote recorded in the minutes.

- 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 applied.

**Comments of the Company:** According to presented declarations, functions on the management board are the main area of the professional activity of all members of the Exchange Management Board. The members of the Exchange Management Board are subject to limitations applicable to functions on bodies of other entities imposed under the Act of 29 July 2005 on Trading in Financial Instruments; the requirement of dedicating sufficient time to their functions and duties are set out in the Regulation of the Minister of Finance, Funds and Regional Policy of 24 November 2020 concerning requirements for members of the management board and the supervisory board of a company operating a regulated market and the terms and conditions for them to maintain and improve their knowledge and competences. Specific conditions regarding additional professional engagements of members of the Exchange Management Board are laid down in the Warsaw Stock Exchange Conflict of Interest Management Rules. In accordance with the Regulation, on the basis of declarations and documents submitted by the Management Board Members, the Exchange Supervisory Board reviews the compliance of all Management Board Members with the requirements.

- 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 applied.

**Comments of the Company:** Pursuant to § 22 of the GPW Articles of Association, members of the Exchange Management Board may sit on corporate bodies of other economic entities only with the approval of the Exchange Supervisory Board.

- 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:** In the case of the Company as an operator of a critical regulated market, principle 2.8 is correlated with the Act of 29 July 2005 on Trading in Financial Instruments and the Regulation of the Minister of Finance, Funds and Regional Policy of 24 November 2020 concerning requirements for members of the management board and the supervisory board of a company operating a regulated market and the terms and conditions for them to maintain and improve their knowledge and competences.

- 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 applied.

- 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 applied.

- 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:** Annual reports of the Exchange Supervisory Board tabled to the Annual General Meeting present the composition of the Supervisory Boards and its Committees including indication of those Exchange Supervisory Board members who fulfil the criteria of being independent referred to in the Articles of Association, i.e., laid down in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and in the corporate governance principles issued under the Exchange Rules (Best Practice for GPW Listed Companies 2021). The report of the Exchange Supervisory Board additionally indicates those Exchange 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 Exchange Supervisory Board in the context of diversity. In addition, on June 23, 2022, the General Meeting of the Company adopted a resolution on changes to the Articles of Association of the GPW. Pursuant to the changes, the competences of the Exchange Supervisory Board include submitting to the General Meeting for approval the annual report of the Exchange Supervisory Board in accordance with the Best Practices of GPW Listed Companies 2021.

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

The principle is applied.

**Comments of the Company:** Annual reports of the Exchange Supervisory Board tabled to the Annual General Meeting cover the issues discussed by the Exchange Supervisory Board during the year. Annual reports of the Committees of the Exchange Supervisory Board are attached to such reports.

- 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:** In order to formalize a new approach to assessing the company's standing, resulting from this rule, on June 23, 2022 the General Meeting of the Company adopted a resolution to amend § 18 of the Articles of Association, introducing a requirement for the Exchange Supervisory Board to make a assessment of the company's situation on a consolidated 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.

- 2.11.5.** assessment of the rationality of expenses referred to in principle 1.5;

The principle is applied.

**Comments of the Company:** The report of the Exchange Supervisory Board includes an assessment of the rationality of expenses incurred by GPW and the GPW Group in support of culture, sports, charities, the media, social organisations, trade unions, etc., as well as a list of such expenses. Such assessment is being made as a part of the assessment of the Company's sponsoring, charity and other similar initiatives.

- 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 report of the Exchange Supervisory Board includes 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.

### **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.*  
**Comments of the Company:** *The Company's organisation includes dedicated units responsible for internal audit (Internal Audit Department), risk management and legal compliance (Compliance and Risk Department).*
- 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.*  
**Comments of the Company:** *GPW's organisation includes an Internal Audit Department. The Internal Audit Department is required to comply with the Core Principles of the Professional Practice of Internal Auditing, the Standards and the Definition of Internal Auditing.*
- 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.*  
**Comments of the Company:** *Remuneration is based on qualitative criteria, including performance of internal audit/control plans; the Company's annual results impact remuneration to a minor degree.*
- 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:** *According to the Internal Audit Rules, the person responsible for internal audit submits annual activity reports to GPW's corporate bodies, including the status of implementation of audit plans and self-assessment of compliance with the Standards and the Code of Ethics. Results of planned and ad-hoc internal audits are presented on an on-going basis to the Exchange Management Board and the Supervisory Board. In the event of identified significant non-compliances which generate or may generate the risk of legal sanctions or significant financial loss or significantly affect reputation and image, the Director of the Compliance and Risk Department immediately notifies the Management Board and subsequently the Exchange Supervisory Board thereof. The Director of the Compliance and Risk Department drafts an annual compliance and risk management report and presents it to the Management Board and the Exchange Supervisory Board through the Audit Committee.*
- 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:** *Pursuant to the Warsaw Stock Exchange Risk Management Strategy, the Exchange Supervisory Board monitors GPW's risk management system. The Exchange Supervisory Board approves GPW's risk management strategy defined by the Exchange Management Board. As a part of its monitoring of the risk management system, the Exchange Supervisory Board receives at least on an annual basis reports of the Exchange Management Board presenting the implementation status of the Strategy. The Exchange Supervisory Board receives annual activity reports of the Compliance and Risk Department and activity reports of the internal audit function. The Audit Committee monitors the effectiveness and adequacy of the risk management system and performs an assessment of annual activity reports of the internal audit function. The Exchange Supervisory Board performs an annual assessment of the Company, including the internal control system and the system for the management of risks significant to the Company. The Exchange Supervisory Board regularly reviews the internal audit, control and compliance framework and the implementation of audit recommendations. The Exchange Supervisory Board tables to the General Meeting an annual assessment of the situation of GPW in the year, including among others an assessment of the internal control and risk management system.*
- 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 applied.*

**Comments of the Company:** The Company is planning to hire a third party to review the internal audit function at least with the frequency defined in the principle, starting with the effective date of the Best Practice for GPW Listed Companies 2021.

#### 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:** Pursuant to § 12(3) of the Company's Articles of Association, the Exchange enables participation in the General Meeting using the means of electronic communication. Such participation includes without limitation: two-way communication in real time, allowing the shareholders to make statements in the course of the General Meeting whilst being in a different place than the venue of the meeting; as well as shareholders' exercise, personally or by proxy, of the voting rights in the course of the General Meeting. The Company provides transmission of the General Meeting in real time. The announcement of each General Meeting includes information concerning the option of participating in the General Meeting using the means of electronic communication. Specific terms and conditions of participation in the General Meeting of the Company using the means of electronic communication are laid down in the Rules of Participation in General Meetings of Warsaw Stock Exchange using the Means of Electronic Communication, available on the Company's website at <https://www.gpw.pl/regulations>.

**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.*

**Comments of the Company:** The Exchange sets the dates of General Meetings avoiding holiday periods. General Meetings are held in the head office of GPW, on the Trading Floor which can accommodate many shareholders. Pursuant to the Rules of the General Meeting, the General Meeting may decide to order a break in the General Meeting pursuant to Article 408(2) of the Commercial Companies Code only in special circumstances, described at each time in the justification of the resolution adjourning the General Meeting prepared on the basis of reasons identified by the shareholder who requests for the General Meeting to be adjourned. Such resolutions must define the date of resumption of the adjourned General Meeting and such date must not limit or prevent the participation in the resumed General Meeting by the majority of the shareholders, including minority shareholders.

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

*The principle is applied.*

**Comments of the Company:** Pursuant to § 12(3) of the GPW Articles of Association, the Company provides transmission of the General Meeting in real time. General Meetings are broadcast live online in the public network, recorded and published at <https://www.gpw.pl/general-meeting>. Such information is published at each time in the announcement of the General Meeting in the section About the Company/General Meeting at <https://www.gpw.pl/walne-zgromadzenie> and in a current report in the Investor Relations section at <https://www.gpw.pl/pl-ri-raporty>.

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

*The principle is applied.*

**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 applied.*

**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 applied.

- 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:** *In the Regulations of the General Meeting of the GPW the deadline for submitting draft resolutions by the shareholders of the company by the shareholders has not been specified. Relevant information regarding the submission of draft resolutions by shareholders at least 3 days before the general meeting - will be included each time in the announcement on convening the general meeting, so that shareholders will know when they should submit draft resolutions of the general meeting to enable the company to apply rule 4.8.*

- 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 applied.

**Comments of the Company:** *In the Regulations of the General Meeting of the GPW, the deadline for submitting candidates to the Supervisory Board has not been specified, except for applications of candidates appointed as members of the Exchange Supervisory Board by the General Meeting pursuant to § 13.3 and § 13.4 of the Warsaw Stock Exchange Articles of Association. Appropriate information on the requirement to propose candidates to the supervisory board in advance and not later than 3 days before the general meeting - will be each time included in the announcement on convening the general meeting.*

- 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 applied.

**Comments of the Company:** *If the General Meeting of the Exchange is to decide about changes to the composition of the Exchange Supervisory Board, the template declarations of candidates for members of the Exchange Supervisory Board is published at each time on the Company's website, including declarations concerning fulfilment of the independence criteria laid down in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and in the corporate governance principles issued under the Exchange Rules (Best Practice for GPW Listed Companies 2021).*

- 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.

**Comments of the Company:** *The Annual General Meeting of 21 June 2021 approved the Best Practice for GPW Listed Companies effective as of 1 July 2021.*

- 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.

**Comments of the Company:** *Pursuant to § 12(4) of the Exchange Articles of Association, members of the Exchange Supervisory Board and members of the Exchange Management Board should participate in the General Meeting in the composition allowing them to give detailed answers to the questions asked in the course of the General Meeting. Members of the Exchange Management Board and members of the Exchange Supervisory Board participate in General Meetings in the composition allowing them to give detailed answers to questions asked.*

- 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:** *The Annual General Meeting of 21 June 2021 approved the Best Practice for GPW Listed Companies effective as of 1 July 2021.*

- 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 Annual General Meeting of 21 June 2021 approved the Best Practice for GPW Listed Companies effective as of 1 July 2021.*

- 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:** GPW has established a dividend policy, available at <https://www.gpw.pl/ri-dividend>, and has paid regular dividend to its shareholders since it became a public company.

## 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 Rules of the Exchange Supervisory Board define the procedure of handling conflicts of interest between a member of the Exchange Supervisory Board and GPW. According to the Rules, a member of the Exchange Supervisory Board should notify the Exchange Supervisory Board and the Compliance and Risk Department of such conflict and refrain from participating in discussions and decision-making. As regards the Exchange Management Board, the matter is governed by the Rules of the Exchange Management Board. A member of the Management Board is required to immediately refrain from participating in decision-making where a conflict of interest may arise or has arisen. Members of the Exchange Management Board should notify the Compliance and Risk Department of any potential or actual conflict of interest which arises or may arise in connection with their functions.

- 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:** Pursuant to § 11(3) of the Rules of the Exchange Supervisory Board and § 3(6) of the Rules of the Exchange Management Board, members of the Exchange Supervisory Board and members of the Exchange Management Board, respectively, may have their dissenting vote recorded in the minutes.

- 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.*

**Comments of the Company:** No shareholder has preference in transactions concluded by the Company with its shareholders or their related parties. Pursuant to § 18(2)(23) of the Company's Articles of Association, the Exchange Supervisory Board must approve the Company's entering into a contract which has a material impact on the financial or legal position of the Company where the other party is a shareholder who holds at least 5% of the total vote in the Company or a related party.

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

*The principle is applied.*

**Comments of the Company:** The Exchange did not buy back its own shares to date. Should this occur in the future, own shares will be bought back in a procedure which respects the rights of all shareholders of GPW.

- 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 applied.*

**Comments of the Company:** The principle is covered by § 3(4) of the Rules of the Exchange Supervisory Board. The powers of the Exchange Supervisory Board include the assessment whether to ask for prior opinion of a third party which can provide



valuation of a transaction and review its economic impact where a transaction concluded by Exchange with a related party requires consent of the Exchange Supervisory Board or the General Meeting.

- 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 applied.*

**Comments of the Company:** *The principle is covered by § 3(5) of the Rules of the Exchange Supervisory Board. The powers of the Exchange Supervisory Board include issuing an opinion on the rationale of a transaction concluded by the Exchange with a related party if the transaction requires consent of the General Meeting. The assessment referred to in principle 5.5 is covered by § 3(4) of the Rules of the Exchange Supervisory Board.*

- 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 applied.*

**Comments of the Company:** *All draft resolutions of the Exchange's General Meeting and motions of the Exchange Management Board are presented together with the announcement of the General Meeting in a current report and published at the same time on the Company's website. The same principle will be followed if the General Meeting is to decide about the Company's significant transaction with a related party.*

## 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 rules applicable to members of the management board and the supervisory board of GPW are defined on the basis of resolutions of the General Meeting which take into account the provisions of the Act of 9 June 2016 on the terms of setting the remuneration of managers of certain companies.*

- 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 applied.*

**Comments of the Company:** *According to the established rules of setting the remuneration of Members of the Management Board, the variable part of the remuneration of Members of the Exchange Management Board depends on the performance of management objectives, including in particular growth of the Company's value, non-financial results, implementation of sustainable development initiatives, and improvement of economic and financial indicators. Variable remuneration in each financial year depends in part on the achievement of financial targets.*

- 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 applied.*

**Comments of the Company:** *GPW has no stock option programme for managers. If such programme is implemented in the future, it will be designed taking into account the principle.*

- 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 applied.*

**Comments of the Company:** *Remuneration of the Exchange Supervisory Board does not depend on the number of meetings held. The monthly remuneration of members of the Exchange Supervisory Board is set taking into account the provisions of the Act of 9 June 2016 on the terms of setting the remuneration of managers of certain companies. Remuneration of members of the Exchange Supervisory Board varies depending on functions held (e.g., chairing the Supervisory Board and its Committees).*

- 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:** *Members of the Exchange Supervisory Board receive fixed remuneration in an amount set by the*

*General Meeting. The remuneration of members of the Exchange Supervisory Board does not depend on the Company's short-term results.*